

1 NEW YORK STATE SENATE

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3
4 THE STENOGRAPHIC RECORD

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8
9 ALBANY, NEW YORK

10 March 30, 2011

11 10:19 a.m.

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13
14 REGULAR SESSION

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18 SENATOR JOSEPH A. GRIFFO, Acting President

19 FRANCIS W. PATIENCE, Secretary

1 P R O C E E D I N G S

2 ACTING PRESIDENT GRIFFO: The
3 Senate will come to order.

4 I ask all present to please rise
5 and join with me as we recite the Pledge of
6 Allegiance to our Flag.

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

9 ACTING PRESIDENT GRIFFO: In the
10 absence of clergy, I ask all present to please
11 bow their heads in a moment of silent
12 reflection.

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

15 ACTING PRESIDENT GRIFFO: The
16 reading of the Journal.

17 THE SECRETARY: In Senate,
18 Tuesday, March 29, the Senate met pursuant to
19 adjournment. The Journal of Monday, March 28,
20 was read and approved. On motion, Senate
21 adjourned.

22 ACTING PRESIDENT GRIFFO: Without
23 objection, the Journal stands approved as
24 read.

25 Presentation of petitions.

1 Messages from the Assembly.

2 The Secretary will read.

3 THE SECRETARY: On page 18,
4 Senator Saland moves to discharge, from the
5 Committee on Children and Families, Assembly
6 Bill Number 88 and substitute it for the
7 identical Senate Bill Number 1428, Third
8 Reading Calendar 217.

9 ACTING PRESIDENT GRIFFO: The
10 substitution is so ordered.

11 Messages from the Governor.

12 Reports of standing committees.

13 Reports of select committees.

14 Communications and reports from
15 state officers.

16 Motions and resolutions.

17 Senator Libous.

18 SENATOR LIBOUS: Mr. President,
19 I'm about to call a meeting of the Finance
20 Committee. But before I do that, I would like
21 to take a moment and talk about a
22 long-standing policy that we have had in this
23 chamber, at least for the 23 years that I have
24 been here, and I know longer than that for
25 some other members.

1 We do not allow anyone to take
2 pictures on the floor of the Senate. Members
3 are not allowed, staff members on either side
4 of the aisle are not allowed, and only the
5 official Senate photographers are those who
6 are authorized to take pictures of Senators on
7 the floor. And press, if they're allowed and
8 they have their credentials.

9 In consultation with Senator
10 Breslin, and I'll let him speak in a minute,
11 we would ask that that not happen and that if
12 it does happen, the Sergeant-at-Arms will be
13 asked to remove you from the chamber.

14 SENATOR BRESLIN: Mr. President.

15 ACTING PRESIDENT GRIFFO: Senator
16 Breslin.

17 SENATOR BRESLIN: I join with
18 Senator Libous in the admonition that any kind
19 of photography in this chamber without the
20 authorization of our Senate photographers is
21 prohibited, and we will do everything in our
22 power to make sure that's enforced on our side
23 as well.

24 Thank you, Mr. President.

25 ACTING PRESIDENT GRIFFO: Thank

1 you, Senator Breslin.

2 It is so noted and the
3 Sergeant-at-Arms is so instructed.

4 SENATOR LIBOUS: Thank you,
5 Mr. President. Thank you, Senator Breslin.

6 With that said, it's on to moving
7 forward with the state budget. There will be
8 an immediate meeting of the Finance Committee
9 in Room 332.

10 ACTING PRESIDENT GRIFFO: There's
11 an immediate meeting of the Finance Committee
12 in Room 332.

13 The Senate stands at ease.

14 (Whereupon, the Senate stood at
15 ease at 10:22 a.m.)

16 (Whereupon, the Senate reconvened
17 at 10:41 a.m.)

18 ACTING PRESIDENT GRIFFO: The
19 Senate will come to order.

20 Senator Maziarz.

21 SENATOR MAZIARZ: Thank you very
22 much, Mr. President.

23 At this time, Mr. President, could
24 we take up the noncontroversial reading of
25 today's calendar, please.

1 ACTING PRESIDENT GRIFFO: The
2 Secretary will read.

3 THE SECRETARY: Calendar Number
4 112, by Senator Skelos, Senate Print 1541, an
5 act to amend the Penal Law.

6 ACTING PRESIDENT GRIFFO: Read
7 the last section.

8 THE SECRETARY: Section 4. This
9 act shall take effect on the first of
10 November.

11 ACTING PRESIDENT GRIFFO: Call
12 the roll.

13 (The Secretary called the roll.)

14 THE SECRETARY: Ayes, 58.

15 ACTING PRESIDENT GRIFFO: The
16 bill is passed.

17 THE SECRETARY: Calendar Number
18 217, substituted earlier today by Member of
19 the Assembly Paulin, Assembly Print Number 88,
20 an act to amend the Criminal Procedure Law.

21 ACTING PRESIDENT GRIFFO: Read
22 the last section.

23 THE SECRETARY: Section 5. This
24 act shall take effect on the 30th day.

25 ACTING PRESIDENT GRIFFO: Call

1 the roll.

2 (The Secretary called the roll.)

3 THE SECRETARY: Ayes, 58.

4 ACTING PRESIDENT GRIFFO: The
5 bill is passed.

6 Senator Maziarz, that completes the
7 noncontroversial reading of the calendar.

8 SENATOR MAZIARZ: Thank you very
9 much, Mr. President.

10 May we please return to the order
11 of reports of standing committees. I believe
12 there's a report of the Finance Committee at
13 the desk. I ask that it be read at this time.

14 ACTING PRESIDENT GRIFFO: The
15 Secretary will read the report of the Finance
16 Committee.

17 THE SECRETARY: Senator
18 DeFrancisco, from the Committee on Finance,
19 reports direct to third reading:

20 Senate Print 2807C, Senate Budget
21 Bill, an act to amend Chapter 887 of the Laws
22 of 1983;

23 And Senate Print 2811C, Senate
24 Budget Bill, an act to amend the Abandoned
25 Property Law.

1 ACTING PRESIDENT GRIFFO: The
2 bills are reported to third reading.

3 Senator Maziarz.

4 SENATOR MAZIARZ: Thank you very
5 much, Mr. President.

6 At this time could we just stand at
7 ease for a couple of minutes. Thank you.

8 ACTING PRESIDENT GRIFFO: The
9 Senate will stand at ease.

10 (Whereupon, the Senate stood at
11 ease at 10:44 a.m.)

12 (Whereupon, the Senate reconvened
13 at 10:49 a.m.)

14 ACTING PRESIDENT GRIFFO: The
15 Senate will come to order.

16 Senator Maziarz.

17 SENATOR MAZIARZ: Thank you very
18 much, Mr. President.

19 Just one note of housekeeping.
20 There was an Agriculture Committee meeting
21 scheduled for 11:00 a.m. this morning. That
22 will be postponed, called later on off the
23 floor.

24 Mr. President, may we please take
25 up the noncontroversial reading of

1 Supplemental Calendar A at this time.

2 ACTING PRESIDENT GRIFFO: The
3 Secretary will read.

4 THE SECRETARY: Calendar Number
5 284, Senate Budget Bill, Senate Print 2807C,
6 an act to amend Chapter 887 of the Laws of
7 1983.

8 ACTING PRESIDENT GRIFFO: Senator
9 Maziarz.

10 SENATOR MAZIARZ: Mr. President,
11 is there a message of necessity at the desk?

12 ACTING PRESIDENT GRIFFO: There
13 is a message of necessity at the desk.

14 SENATOR MAZIARZ: I move to
15 accept the message of necessity at this time.

16 ACTING PRESIDENT GRIFFO: The
17 motion has been made to accept the message of
18 necessity. All in favor signify by saying
19 aye.

20 (Response of "Aye.")

21 ACTING PRESIDENT GRIFFO:
22 Opposed?

23 (No response.)

24 ACTING PRESIDENT GRIFFO: The
25 message is accepted.

1 SENATOR BRESLIN: Lay it aside.

2 ACTING PRESIDENT GRIFFO: Lay it
3 aside.

4 THE SECRETARY: Calendar Number
5 285, Senate Budget Bill, Senate Print 2811C,
6 an act to amend the Abandoned Property Law.

7 ACTING PRESIDENT GRIFFO: Senator
8 Maziarz.

9 SENATOR MAZIARZ: Yes,
10 Mr. President, is there a message of necessity
11 at the desk?

12 ACTING PRESIDENT GRIFFO: There
13 is a message at the desk.

14 SENATOR MAZIARZ: I move to
15 accept the message of necessity.

16 ACTING PRESIDENT GRIFFO: All in
17 favor of accepting the message signify by
18 saying aye.

19 (Response of "Aye.")

20 ACTING PRESIDENT GRIFFO:
21 Opposed?

22 (No response.)

23 ACTING PRESIDENT GRIFFO: The
24 message is accepted.

25 SENATOR BRESLIN: Lay it aside.

1 ACTING PRESIDENT GRIFFO: Lay it
2 aside.

3 That completes the noncontroversial
4 reading of the supplemental calendar.

5 SENATOR MAZIARZ: Thank you very
6 much, Mr. President.

7 At this time can we take up the
8 controversial reading of the calendar.

9 ACTING PRESIDENT GRIFFO: The
10 Secretary will ring the bell.

11 The Secretary will read.

12 THE SECRETARY: Calendar Number
13 284, Senate Budget Bill, Senate Print 2807C,
14 an act to amend Chapter 887 of the Laws of
15 1983.

16 SENATOR BRESLIN: Explanation.

17 ACTING PRESIDENT GRIFFO: Senator
18 DeFrancisco, an explanation has been requested
19 by Senator Breslin.

20 SENATOR DeFRANCISCO: Yes, 2807C
21 is the public protection budget bill. And
22 everyone should have their memos concerning
23 the content of this budget bill.

24 The first major -- Part A, the
25 first area, deals with the Governor wanted to

1 extend the operation of the Interstate Compact
2 for Adult Supervision, the ability of state
3 corrections facilities to house inmates, et
4 cetera, et cetera. It's in the memo for three
5 years. We rejected that and had the extension
6 for two years to provide some more legislative
7 oversight of the operations of these
8 organizations.

9 Part B deals with funds that are
10 recovered by district attorneys in New York
11 City. And approximately \$75 million of the
12 funds come to the State of New York, the rest
13 is split between New York City and the DAs for
14 monies recovered in various civil actions done
15 by the district attorney's office.

16 All this part of the bill does is
17 to amend when those funds are received by the
18 recipients. It used to be doled out annually.
19 Monies are needed during the course of the
20 year. Each of the stakeholders have agreed to
21 the new payment schedule, which is
22 advantageous to each of them.

23 Part C, this is that 60 days notice
24 for prison closures, and that's only for one
25 year. It will go back to the one year

1 notification. We debated that somewhat
2 yesterday.

3 Part D, we rejected the Governor's
4 request to or his proposal to transfer a
5 million and a half dollars from the Public
6 Safety Communications Account to the Emergency
7 Service Revolving Loan Fund, because that
8 fund, the second of the funds, has sufficient
9 dollars in it and there's no need for such a
10 transfer. We deny the transfers for a period
11 of two years since there are sufficient funds
12 in that account.

13 Part E, changing the composition of
14 commissioners of the State Liquor Authority.
15 It was felt by the Governor and the
16 Legislature, which concurred with the
17 Governor, that the chairman is the individual
18 who performs most of the responsibilities for
19 this particular board, and his salary would
20 remain the same. The other commissioners
21 would be relegated to a per-diem fee of \$260 a
22 day. That saves \$220,000 a year. Not a lot
23 of money, but every little bit counts in a
24 situation, budget problem that we've got right
25 now.

1 The Governor wanted to eliminate
2 the requirement that election results be
3 printed in newspapers. The Legislature
4 rejected that. That's Part F.

5 Part G, this has to do with
6 workers' compensation, the self-insured funds.
7 This has been an ongoing problem where some of
8 these funds went bankrupt. There's some
9 changes in the language. It relieves fully
10 and partially funded trusts from assessments
11 since they really had little to do with the
12 problem since their funds are fully or
13 partially funded. They're relieved from that
14 assessment until 2016. It lessens these exit
15 fees that were part of prior law. And
16 apparently, from what I understand, that all
17 the stakeholders that were involved in these
18 discussions were at least not dissatisfied
19 with this solution to remedy some of the
20 burden on these employers who created these
21 trusts.

22 Part H is similar to the proposal
23 concerning the ABC commissioners, in that the
24 commissioners of -- the State Civil Service
25 commissioner will go a per-diem compensation.

1 Part I, everyone has been aware
2 since the Governor's original proposal of the
3 reduction in AIM funding, Aid and Incentives
4 to Municipalities. The Legislature concurred
5 with those proposals.

6 The video lottery terminals -- and,
7 you know, let me just stop right there. I may
8 be going in too great of depth because
9 everyone's got this memo. And maybe I'll stop
10 at this point and ask if there's any questions
11 and that way we might be able to eliminate
12 some of the areas that people are not
13 interested in talking about.

14 ACTING PRESIDENT GRIFFO: Thank
15 you, Senator DeFrancisco.

16 Is there any Senator wishing to be
17 heard?

18 Senator Krueger.

19 SENATOR KRUEGER: Thank you very
20 much.

21 First off, thank you, Senator
22 DeFrancisco for the explanation. And yes, we
23 all appreciate that now we're getting memos to
24 look at before we're asked to vote on bills.
25 And it does certainly help us, given how short

1 the timeline is from bill printing to coming
2 to the floor.

3 Mr. President, through you, I do
4 have a few questions on this bill if the
5 sponsor will yield.

6 ACTING PRESIDENT GRIFFO: Senator
7 DeFrancisco, do you yield?

8 SENATOR DeFRANCISCO: Yes, I do.

9 ACTING PRESIDENT GRIFFO: Senator
10 Krueger.

11 SENATOR KRUEGER: Thank you.

12 Senator, in your presentation you
13 did go over Part F, elimination of election
14 law print and publication, which had been in
15 the Governor's original budget but was
16 ultimately rejected. Can you tell me what the
17 cost or the savings from that proposal would
18 have been both to the state and to the
19 localities?

20 SENATOR DeFRANCISCO:
21 Approximately \$75,000 would have been the
22 savings had we not eliminated the Governor's
23 proposal.

24 SENATOR KRUEGER: Mr. President,
25 if through you the sponsor would continue to

1 yield.

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

4 SENATOR KRUEGER: Thank you.

5 Would there have been a local
6 savings as well? Because my understanding was
7 this was printing by election districts in
8 their local papers of specific information.

9 SENATOR DeFRANCISCO: No, there
10 would not have been. This was strictly a
11 state expense.

12 SENATOR KRUEGER: Thank you.

13 Mr. President, if the sponsor would
14 continue to yield.

15 SENATOR DeFRANCISCO: Yes.

16 SENATOR KRUEGER: Thank you.

17 In Section I, AIM funding, reducing
18 Aid and Incentives to Municipalities, this
19 bill zeros out the \$302 million AIM funding
20 for one year to the City of New York. Is that
21 correct?

22 SENATOR DeFRANCISCO: That's
23 correct.

24 SENATOR KRUEGER: If, through
25 you, the sponsor would continue to yield.

1 ACTING PRESIDENT GRIFFO: The
2 sponsor yields.

3 SENATOR KRUEGER: Thank you.

4 And as I recall in last year's
5 budget, when we also zeroed out approximately
6 \$302 million in AIM funding to the City of
7 New York, we -- the State of New York
8 explicitly committed to putting AIM funding
9 back for the for the City of New York at the
10 same reduction share as other local
11 municipalities in this budget year. Is that
12 the sponsor's recollection as well?

13 SENATOR DeFRANCISCO: I don't
14 know who "we" is, but I didn't make any such
15 commitment. You never know from year to year
16 what the circumstances are going to be. You
17 can hope to do the best you can. But
18 obviously we've received about \$6 billion less
19 money from the federal government in education
20 alone, and sometimes those hopes are never
21 realized.

22 SENATOR KRUEGER: Mr. President,
23 through you, for the record, I do believe that
24 last year's budget language explicitly made a
25 commitment to restore AIM funding to the City

1 of New York. And of course my colleague is
2 right that you go year to year and you have
3 new realities to deal with. But we did make
4 that commitment, Senators on both sides of the
5 aisle. Certainly Senators from New York City,
6 Republicans and Democrats. So I'm disturbed
7 that we're not making good on that.

8 SENATOR DeFRANCISCO: Excuse me
9 one moment.

10 SENATOR KRUEGER: Yes.

11 SENATOR DeFRANCISCO: I believe
12 every Republican voted no on the budget, which
13 means they voted no on all provisions of it,
14 including the one to which you refer. So we
15 did not commit on this side of the aisle to
16 any such thing.

17 SENATOR KRUEGER: Thank you.

18 Mr. President, if the sponsor would
19 continue to yield.

20 SENATOR DeFRANCISCO: Yes.

21 ACTING PRESIDENT GRIFFO: The
22 sponsor yields.

23 SENATOR KRUEGER: Thank you.

24 Section L clarifies the state will
25 assume responsibility for payments in lieu of

1 taxes for certain lands I guess in or around
2 the City of Rochester. Can you tell me what
3 new expenses the state has committed to with
4 this section and for how long a period?

5 SENATOR DeFRANCISCO: I have
6 absolutely no clue, so let me check it out for
7 you.

8 SENATOR KRUEGER: Okay.

9 SENATOR DeFRANCISCO: Well, what
10 I have been informed that there was -- the
11 state entered into an agreement with these
12 localities to pay in lieu of taxes because
13 these are watershed areas. It was actually
14 purchased by the state, and when the state
15 purchased it there was agreement with the
16 localities to pay and, since there will be no
17 taxes, that the state is not taxable, to make
18 payments in lieu of taxes in return for the
19 ability of the state to purchase these
20 watershed lands.

21 That's the best I can do.

22 ACTING PRESIDENT GRIFFO: Senator
23 Krueger.

24 SENATOR KRUEGER: Thank you,
25 Mr. President. If through you the sponsor

1 will continue to yield.

2 SENATOR DeFRANCISCO: Yes.

3 ACTING PRESIDENT GRIFFO: The
4 sponsor continues to yield.

5 SENATOR KRUEGER: I appreciate
6 the sponsor's answer. I believe it is
7 correct. But the follow-up of my question was
8 and what will it cost the state this year and
9 in future years, for how long when we are
10 paying some amount of PILOTs in lieu of taxes
11 or taking on the commitment of responsibility
12 for PILOT payments.

13 SENATOR DeFRANCISCO: It's a
14 \$600,000 appropriation this year, and it's an
15 annual appropriation. So apparently it's
16 going to go for several years. I don't know
17 the exact number of years. But it has to have
18 an annual appropriation. And for this year
19 it's \$600,000.

20 SENATOR KRUEGER: Thank you.

21 Mr. President, quickly on the bill.

22 ACTING PRESIDENT GRIFFO: Senator
23 Krueger on the bill.

24 SENATOR KRUEGER: Thank you.

25 I appreciate very much the

1 sponsor's answers to my questions.

2 By and large, this document is
3 almost identical to the Executive's original
4 proposal to the Legislature, and so I don't
5 think there is areas for wide disagreement on
6 this piece of legislation. So I'm planning on
7 voting yes.

8 Thank you very much.

9 ACTING PRESIDENT GRIFFO: Thank
10 you, Senator Krueger.

11 Senator Farley.

12 SENATOR FARLEY: Thank you.

13 I just want to bring up the fact
14 that much of this particular bill was the
15 result of my conference committee that
16 addressed this, and we addressed several very
17 serious problems, one of which I want to bring
18 up, the VLTs.

19 Seventeen communities upstate are
20 now going to -- I know that's where you
21 stopped, Senator. And 17 communities are
22 going to get support, including Saratoga,
23 which was omitted. And for \$6 million it's
24 going to make a tremendous difference for 17
25 communities upstate.

1 And also in this Yonkers has been
2 fully funded for their schools. And, Senator,
3 the Yonkers School Districts are going to be
4 fully funded as a result of the VLTs. I did
5 want to mention this. There was a spirit of
6 cooperation. This just shows on this
7 particular budget bill that the conference
8 committees work.

9 ACTING PRESIDENT GRIFFO: Senator
10 DeFrancisco.

11 SENATOR DeFRANCISCO: Yes, I
12 forgot to mention one thing. During the
13 discussion of our one-house bill Senator
14 Stewart-Cousins was extremely upset with the
15 fact that Yonkers lost money from some VLT
16 revenues. And I told her at the time that our
17 conference would look into that, see what
18 could be done in order to correct that, and
19 that was corrected in this bill as well.

20 Thank you.

21 ACTING PRESIDENT GRIFFO: Is
22 there any other Senator wishing to be heard?

23 Seeing none, the debate is closed.

24 The Secretary will ring the bell.

25 Read the last section.

1 THE SECRETARY: Section 3. This
2 act shall take effect.

3 SENATOR LIBOUS: Mr. President.

4 ACTING PRESIDENT GRIFFO: Senator
5 Libous.

6 SENATOR LIBOUS: If we could just
7 pause for a couple more seconds.

8 (Pause.)

9 ACTING PRESIDENT GRIFFO: The
10 Secretary will read the last section.

11 THE SECRETARY: Section 3. This
12 act shall take effect immediately.

13 ACTING PRESIDENT GRIFFO: Call
14 the roll.

15 (The Secretary called the roll.)

16 ACTING PRESIDENT GRIFFO: Senator
17 Adams to explain his vote.

18 SENATOR ADAMS: Thank you,
19 Mr. President. I want to explain my vote.

20 I'm going to vote no on this bill.
21 And I think that as we talk about reform, the
22 first area of reform is to deal with the
23 well-known secret in government where we bunch
24 items together. We need to vote on each item.
25 Each item should stand alone.

1 And I'm going to vote no on this
2 bill because of the AIM funding for New York
3 City. We're punishing a municipality that
4 handled its finances in an appropriate way.
5 New York City had to cut back, they had to do
6 without. And because they did that, now
7 they're going to be punished by not receiving
8 any AIM. We stated that we were going to
9 refund the AIM this year in 2010. We're not.

10 So I believe this is the wrong
11 message to send. All municipalities must
12 tighten their belt, and when they do so they
13 should not be penalized by the state. And I
14 think we're penalizing New York City.
15 Although there are other items in this bill
16 that I'm happy are in the bill, but that's not
17 the right thing to do to state that because
18 they're bunched together I'm going to ignore
19 the fact that New York City is being denied
20 AIM.

21 New York City deserves to receive
22 their fair share of AIM. They send a large
23 amount of money to the state government.
24 We're not receiving that money back. And our
25 communities were hurt because of that. So I

1 have to vote no on this bill.

2 ACTING PRESIDENT GRIFFO: Senator
3 Adams to be recorded in the negative.

4 Senator Hassell-Thompson to explain
5 her vote.

6 SENATOR HASSELL-THOMPSON: Thank
7 you, Mr. President.

8 I went to commend our Governor and
9 the Assembly, my Assembly colleagues, for
10 attempting to minimize the pain in a terrible
11 budget year, particularly in the indigent
12 legal services. The continued existence of a
13 centralized office to distribute funding was
14 something that many of us fought very hard
15 for, and to change a flawed system of funds
16 distribution was long overdue.

17 I would also like to commend my
18 colleagues across the aisle for standing firm
19 against the merger of OPDD, OVS, and SCOC,
20 three virtually important offices, and for
21 restoring these offices to their full funding.

22 This public protection budget may
23 not be perfect, but I do want to give credit
24 where credit is due. Hard work went into
25 making sure that we did a good job on this

1 table, and I want to commend all who
2 participated in making it happen.

3 Thank you, Mr. President. I will
4 be voting yes.

5 ACTING PRESIDENT GRIFFO: Senator
6 Hassell-Thompson to be recorded in the
7 affirmative.

8 Senator Stewart-Cousins to explain
9 her vote.

10 SENATOR STEWART-COUSINS: Yes,
11 thank you, Mr. President.

12 I too will be voting for this, but
13 I did want to mention two things. First, the
14 fact that there is some sort of carrot, and I
15 want to commend the Governor for extending
16 some kind of a carrot to municipalities that
17 are looking at consolidation and merging
18 services. It's one thing to say to do it, but
19 without motivation sometimes it's not as easy.
20 So it's good that there is that.

21 And secondly, I do want to extend
22 some gratitude to Senator DeFrancisco, who
23 indeed when I stood up and talked about how
24 the damage to the Yonkers schools was just
25 inevitable due to the cut of \$19.6 million

1 from the proposed budget that the Republicans
2 put forward, he immediately asked how I could
3 give him more information, sent the analyst
4 over.

5 And I really thank you, Senator
6 DeFrancisco, and certainly all my colleagues
7 on both sides who understood that
8 schoolchildren and cutting streams that are
9 going directly to these schools -- and
10 certainly as a result of the raceway, which is
11 doing so well -- was something that we could
12 not jeopardize.

13 So again, my commendations to
14 Senator DeFrancisco, certainly everyone on the
15 other side of the aisle and certainly to my
16 own leader and my Democratic Senators here who
17 fought tooth and nail at every opportunity to
18 say no, this can't stand.

19 So again, I will be supporting
20 this.

21 ACTING PRESIDENT GRIFFO: Senator
22 Stewart-Cousins to be recorded in the
23 affirmative.

24 Senator Diaz to explain his vote.

25 SENATOR DIAZ: Yeah,

1 Mr. President, this is a budget that I have to
2 vote no, especially -- and not because I'm
3 opposing the closing of prisons. Not for that
4 reason.

5 But when we as a Legislature give a
6 blank check to the Governor to play with our
7 rice and beans, not knowing where he's going
8 to close a prison, not knowing what area is
9 going to be hurt, not knowing nothing, just to
10 give a blank check to the Governor -- here,
11 Governor, close at your pleasure -- this
12 doesn't speak well of us.

13 The people upstate that depend,
14 many of them depend on those earnings from
15 those prisons and whatever, they don't even
16 know what's going to happen. But we are
17 trusting the Governor. Close this thing
18 whenever you please, whatever you please.

19 That is wrong. This is not a way
20 of doing legislation, for the sake of an
21 on-time budget that we give the Governor this
22 blank check. This is wrong. I think this
23 is -- the people of the State of New York have
24 not elected us to do this kind of business.
25 Maybe we should abolish the whole Senate and

1 the whole Legislature and give the Governor
2 the command to do as we did with the
3 Lieutenant Governor.

4 So I'm voting no.

5 ACTING PRESIDENT GRIFFO: Senator
6 Diaz to be recorded in the negative.

7 Is there any other Senator
8 wishing -- Senator Stavisky.

9 SENATOR STAVISKY: Yes.

10 ACTING PRESIDENT GRIFFO: To
11 explain her vote.

12 SENATOR STAVISKY: To explain my
13 vote very briefly.

14 I too thank Senator DeFrancisco for
15 his answers last evening. And while there are
16 still a number of unanswered questions, I
17 appreciate the time he took to explain them.

18 I am concerned about two parts of
19 this bill that deal with the State University
20 of New York. The Long Island College
21 Hospital, which is presumably going to come
22 under the jurisdiction of SUNY Downstate, and
23 the Community General Hospital, if it's
24 acquired by SUNY Upstate, it's my hope that
25 the employees will be part of the SUNY system

1 and will retain their collective bargaining
2 rights and their pension rights, et cetera, so
3 that they become part of the SUNY system.

4 And I vote aye.

5 ACTING PRESIDENT GRIFFO: Senator
6 Stavisky to be recorded in the affirmative.

7 Announce the results.

8 THE SECRETARY: In relation to
9 Calendar Number 284, those recorded in the
10 negative are Senators Adams, Diaz, Duane,
11 C. Kruger and Perkins.

12 Absent from voting: Senator
13 Parker.

14 Ayes, 56. Nays, 5.

15 ACTING PRESIDENT GRIFFO: The
16 bill is passed.

17 The Secretary will read.

18 THE SECRETARY: Calendar Number
19 285, Senate Budget Bill, Senate Print 2811C,
20 an act to amend the Abandoned Property Law.

21 SENATOR KRUEGER: Explanation.

22 ACTING PRESIDENT GRIFFO: Senator
23 Krueger has requested an explanation, Senator
24 DeFrancisco.

25 SENATOR DeFRANCISCO: Yes. All

1 of you should have on your desks the memo on
2 the revenue bill, Senate 2811, the first
3 provision of which deals with abandoned
4 property.

5 There are several instances that
6 are described in the bill where we amended the
7 Governor's proposal but cut back the time
8 period in which the specific provision was in
9 effect. Each of those are the same rationale,
10 to try to maintain a closer legislative
11 oversight over those various activities that
12 are listed in the memo.

13 There is a series of proposals
14 concerning lotteries. And one of the most
15 significant, I believe, is one that we
16 concurred with the Governor on, in that
17 lottery award winners cannot only have
18 outstanding tax liabilities, et cetera,
19 deducted from their winnings and taxes and the
20 like, but the new provision also authorizes
21 lottery winners awards to be intercepted for
22 the payment of outstanding child support and
23 repayment of public assistance benefits, a
24 perfectly logical approach.

25 And in any event -- I apologize, I

1 was incorrect. All of the areas that were
2 discussed are already interceptable under the
3 current law, but what's added is outstanding
4 tax liabilities as an additional item that
5 could be paid for out of lottery winnings.

6 There are a series of other tax
7 issues that I could go through, but one of the
8 things I want to highlight is that there are a
9 whole series of efforts where we concurred
10 with the Governor in order to make it easier
11 to pay taxes, to file tax returns and the
12 like, all electronically. And there's a
13 series of provisions in this bill to allow
14 municipalities to participate, and if they
15 don't have the wherewithal to do their own
16 electronic system, to allow localities to pay
17 third-party vendors to do that.

18 So the concept is to eliminate a
19 lot of the paperwork. And in the long run,
20 this is going to be a substantial savings for
21 the State of New York.

22 Another thing I wanted to mention
23 was the cigarette registration fee. A fee was
24 imposed in the past charging vendors \$1,000,
25 \$2,500, and \$5,000 in order to register to be

1 able to have the luxury of selling cigarettes.
2 That was brought to litigation. The prior
3 registration fee, I believe, was \$100. That
4 litigation is pending, and while it's been
5 pending we've only been collecting \$100
6 because there's been an injunction.

7 Well, what was agreed to in this
8 bill that's agreed to by the vendors as well
9 is to change the fee to a flat \$300 fee, which
10 will actually result in more revenue since
11 we're only collecting \$100 now. And it will
12 also result, I believe, in the termination of
13 the lawsuit.

14 I had referred to yesterday when we
15 talked about prison closures that the
16 Legislature, especially the Senate, was
17 insisting on an economic transformation fund,
18 dollars and also tax credits for those
19 localities who are affected by the prison
20 closures. And part of that -- the \$50 million
21 is not in this bill, we'll talk about it in
22 another bill. But the series of tax credits
23 that are set forth on the last page of the
24 memo shows the benefits taxwise there would be
25 to he businesses locating within a specific

1 distance from the facility, depending upon,
2 you know, whether it's a dense area where the
3 facility takes place or population is actually
4 spread out more. And these tax credits will
5 be available for a five-year period. They're
6 listed on the last page of the memo.

7 With that said, I'd be happy to
8 answer any other questions about those topics
9 or whatever I can try to answer on the rest of
10 the bill.

11 ACTING PRESIDENT GRIFFO: Senator
12 Krueger.

13 SENATOR KRUEGER: Thank you,
14 Mr. President. If through you the sponsor
15 would yield. There is going to be I think
16 quite an extensive series of questions on this
17 bill.

18 ACTING PRESIDENT GRIFFO: Senator
19 DeFrancisco, do you yield?

20 SENATOR DeFRANCISCO: I yield to
21 all of the extensive questions. Without
22 having to be asked again.

23 ACTING PRESIDENT GRIFFO: We will
24 allow some leniency.

25 SENATOR KRUEGER: Thank you so

1 much.

2 Of course because when you start to
3 deal with the questions of revenue for the
4 state budget, you're really getting into the
5 questions of the overall size of the budget,
6 what we're bringing in, what we have to spend.
7 So I had saved some questions specifically
8 around the overall budget to be discussed in
9 the context of this bill.

10 What is the exact overall size of
11 the budget when you add all the different
12 bills together that we are passing yesterday
13 and today? I'm assuming we're done today.

14 SENATOR DeFRANCISCO: You're
15 talking about the overall budget?

16 SENATOR KRUEGER: Yes, sir.

17 SENATOR DeFRANCISCO: \$132.5
18 billion, which is a 2 percent reduction of
19 overall spending from last year.

20 SENATOR KRUEGER: Mr. President,
21 through you. The Governor's original proposed
22 budget was how much?

23 SENATOR DeFRANCISCO: I'm not
24 quite sure, but I know it's a reduction
25 overall year to year.

1 Does somebody have that number?

2 SENATOR KRUEGER: I believe he
3 said it was \$132.5 billion. But your staff
4 could correct me.

5 Is it correct that the
6 Legislature's version of the total budget
7 added \$250 million, as was said at the
8 conference committee?

9 SENATOR DeFRANCISCO: I don't --
10 I don't -- I'm not quite clear on that. I
11 believe, if the Governor's budget was
12 \$132.5 billion and our budget is the same,
13 whatever additions there were at various
14 conference committees would be offset by
15 reductions in other areas.

16 SENATOR KRUEGER: Mr. President,
17 if through you -- I appreciate the sponsor's
18 confusion. I too am confused at --

19 SENATOR DeFRANCISCO: I don't
20 think I'm confused. I think I was very clear.

21 SENATOR KRUEGER: To restate, I
22 do believe that the Governor's original
23 proposal was a \$132.5 billion All Funds budget
24 that there was discussion of through
25 negotiations with the Legislature having added

1 \$250 million in total to the All Funds. But I
2 believe I just heard the Senator say that this
3 budget, all funds, is \$132.5 billion.

4 Therefore, I guess my follow-up question is
5 where did we subtract \$250 million? Because
6 apparently we added \$250 million.

7 SENATOR DeFRANCISCO: Well, the
8 Executive Budget was 132.534 million. The
9 legislative additions were \$505 million, and
10 the reductions to the Legislature was
11 \$631 million. The net from federal funds,
12 \$126 million, which resulted in a legislative
13 budget total identical to the Governor's.

14 And by the way, I was just informed
15 that these aren't the Senate numbers, these
16 are the numbers that were agreed to from the
17 Division of Budget. It's not only us saying
18 this, it's the Governor's Budget Department
19 saying the same.

20 SENATOR KRUEGER: Thank you,
21 Mr. President. If through you the sponsor
22 would continue to yield.

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR KRUEGER: And I do

1 appreciate the sponsor's answer to my
2 question. And we will be following up because
3 we believe that the Governor announced in the
4 final announcement about the budget deal that
5 \$250 million had been added to the General
6 Fund. So there may be some language
7 disagreement -- on All Funds, excuse me,
8 \$250 million had been added to All Funds.

9 SENATOR DeFRANCISCO: May I just
10 make a comment to clarify?

11 SENATOR KRUEGER: Please. Yes.

12 SENATOR DeFRANCISCO: There was
13 \$250 million added to the General Fund, but
14 All Funds resulted in the same All Funds
15 number that the Governor came up with.

16 SENATOR KRUEGER: Thank you.
17 Thank you. Mr. President, if through you the
18 sponsor will continue to yield.

19 SENATOR DeFRANCISCO: Yes.

20 SENATOR KRUEGER: Jumping to
21 General Fund, my understanding was that the
22 net change in spending for General Fund was
23 \$608 million in increases. Can we confirm
24 that that's correct?

25 SENATOR DeFRANCISCO: General

1 Fund, net change was four hundred -- excuse
2 me, there's \$498 million in additions. The
3 net change was a negative 118 million.

4 SENATOR KRUEGER: If the sponsor
5 would continue to yield.

6 ACTING PRESIDENT GRIFFO: You may
7 continue, Senator Krueger.

8 SENATOR KRUEGER: When I'm doing
9 my tally -- and, you know, obviously in a
10 budget it's important to understand the pluses
11 and the minuses -- there was an addition of
12 \$272 million for education. Is that correct?

13 SENATOR DeFRANCISCO: There was
14 270 what?

15 SENATOR KRUEGER: A \$272 million
16 education add for General Fund.

17 SENATOR DeFRANCISCO: That is
18 correct.

19 SENATOR KRUEGER: \$86 million for
20 higher education?

21 SENATOR DeFRANCISCO: 86 million
22 is correct.

23 SENATOR KRUEGER: \$180 million
24 for health and Medicaid?

25 SENATOR DeFRANCISCO: Yes, that's

1 correct.

2 SENATOR KRUEGER: \$33 million for
3 other?

4 SENATOR DeFRANCISCO: Yup.

5 SENATOR KRUEGER: \$91 million for
6 human services?

7 SENATOR DeFRANCISCO: Correct.

8 SENATOR KRUEGER: That adds up to
9 have \$662 million of adds to General Fund.

10 SENATOR DeFRANCISCO: That's
11 correct. But there were other cuts that made
12 the numbers match what the Governor's
13 Executive Budget amounted to, an All Funds
14 budget amounted to.

15 SENATOR KRUEGER: I appreciate
16 that. Again, I'm staying focused on the
17 General Fund money now.

18 SENATOR DeFRANCISCO: Okay.

19 SENATOR KRUEGER: Okay? And then
20 reductions to the General Fund between the
21 Governor and Legislature's negotiations, a
22 \$21 million reduction from DAI litigation?

23 SENATOR DeFRANCISCO: I'm sorry,
24 I --

25 SENATOR KRUEGER: That's okay. I

1 was just reviewing that we've reduced General
2 Funds by \$21 million in the DA litigation
3 category.

4 SENATOR DeFRANCISCO: Correct.
5 And the total of that column would be
6 \$54 million.

7 SENATOR KRUEGER: Right. I think
8 we're actually looking at the same statistics.

9 SENATOR DeFRANCISCO: Yes, we
10 are.

11 SENATOR KRUEGER: Okay. Thank
12 you. So in fact the same chart shows that the
13 net change in General Fund spending was
14 \$608 million added. Is that your
15 understanding?

16 SENATOR DeFRANCISCO: That is
17 correct. But the difference is in the
18 health/Medicaid category, the \$180 million of
19 adds.

20 SENATOR KRUEGER: Yes.

21 SENATOR DeFRANCISCO: Those
22 \$180 million of adds were financed in the MRT
23 by other savings. Because the Governor made
24 certain that the MRT was an entity in and of
25 itself. And as a result, if there were

1 additions, those additions had to be funded
2 through other savings in that pot. And that
3 bill will be showing up hopefully this
4 afternoon.

5 SENATOR KRUEGER: Thank you.

6 So as I understand it, that
7 \$608 million chart is actually reduced to
8 \$428 million new General Fund spending,
9 accepting your explanation that the
10 \$180 million health/Medicaid add is actually
11 covered by something else in the MRT plan of
12 the Governor. Is that correct?

13 SENATOR DeFRANCISCO: That's
14 correct.

15 SENATOR KRUEGER: Thank you.

16 Mr. President, if through you the
17 sponsor would continue to yield.

18 ACTING PRESIDENT GRIFFO: Senator
19 Krueger, Senator DeFrancisco continues to
20 yield.

21 SENATOR DeFRANCISCO: Yes.

22 SENATOR KRUEGER: Thank you. I
23 appreciate it.

24 So I think we have established that
25 approximately -- and we're in agreement on how

1 much the General Fund is and how much the
2 All Funds budget is. How much of our General
3 Fund spending is coming from the personal
4 income tax in the new fiscal year?

5 SENATOR DeFRANCISCO: Two-thirds
6 of the spending is financed by the personal
7 income tax.

8 And we are opposed to the
9 millionaire's tax. Because that's going to be
10 the last part of your questions, I assume.

11 SENATOR KRUEGER: I didn't get to
12 the punch line yet. Don't jump ahead of me.
13 Mr. President, if through you you would tell
14 him not to take my lines, please.

15 (Laughter.)

16 SENATOR KRUEGER: Could you ask
17 the sponsor to clarify what the dollar amount
18 to that two-thirds to General Fund projection
19 adds up to?

20 SENATOR DeFRANCISCO:
21 Approximately \$50 billion.

22 SENATOR KRUEGER: Is two-thirds,
23 thank you. What percentage -- Mr. President,
24 if through you the sponsor will continue to
25 yield.

1 ACTING PRESIDENT GRIFFO: The
2 sponsor yields.

3 SENATOR KRUEGER: Thank you.

4 Whether we agree or disagree on the
5 policy on taxes, I assume that includes the
6 high-end-earners' supplement to our taxes
7 through December of this year, is that
8 correct? We are depending on that?

9 SENATOR DeFRANCISCO: We are
10 depending upon the -- yes.

11 SENATOR KRUEGER: Thank you.

12 Mr. President, if through you the
13 sponsor would continue to yield.

14 SENATOR DeFRANCISCO: Yes.

15 SENATOR KRUEGER: So two-thirds
16 of the General Fund is received through the
17 personal income tax. What percent of the
18 General Fund is collected through business
19 taxes? What percentage and dollar amount of
20 the General Fund is collected through business
21 taxes?

22 SENATOR DeFRANCISCO:
23 Approximately 10 percent, I'm told.

24 SENATOR KRUEGER: Which would be
25 approximately how many dollars?

1 SENATOR DeFRANCISCO: Five
2 billion, with a B.

3 SENATOR KRUEGER: Thank you. And
4 as follow-up, what percentage and what is the
5 amount collected towards the General Fund from
6 user fees and other taxes?

7 SENATOR DeFRANCISCO: Nine
8 billion, 15 percent.

9 SENATOR KRUEGER: Thank you.

10 SENATOR DeFRANCISCO: We're
11 giving you estimates. We could give you an
12 exact sheet if you'd like. But we're giving
13 you estimates at this point.

14 SENATOR KRUEGER: Thank you.

15 And what is the estimated revenue
16 from the MTA payroll tax in this coming year?

17 SENATOR DeFRANCISCO: That's
18 \$1.4 billion.

19 SENATOR KRUEGER: Thank you. And
20 does this bill propose any changes or repeals
21 to any portion of the MTA payroll tax?

22 SENATOR DeFRANCISCO: No. It
23 would have been much better if it wasn't
24 imposed in the first place and we cut our
25 spending over the last two years. But now

1 that we are stuck with that spending and we
2 have such a high deficit, we cannot afford
3 getting rid of that tax this year. Although
4 we would love to.

5 SENATOR KRUEGER: Mr. President,
6 if through you the sponsor would yield to
7 additional questions.

8 SENATOR DeFRANCISCO: Yes.

9 SENATOR KRUEGER: Thank you.

10 Given that you've stated on the
11 record you don't like the high-end-earner
12 supplement tax, nor do you like the MTA
13 payroll tax, what would you suggest we use to
14 alternatively provide funds to the General
15 Fund to pay for the budget that is being
16 proposed here today?

17 SENATOR DeFRANCISCO: Well, the
18 budget that's being voted on here today is
19 properly funded. The revenues are sufficient
20 to pay the indebtedness because of the cuts we
21 made.

22 So there's two ways to take care of
23 the budget this year. Number one is cutting
24 spending, as is the case in this particular
25 budget. And the best way to do it for future

1 years is to provide economic development
2 incentives -- lower taxes, lower fees, lower
3 the cost of doing business so we have
4 businesses actually coming to the State of
5 New York and, God forbid, making money and
6 then, making money, hiring employees. The
7 more employees, the more the tax base. The
8 more the tax base, the less the burden on
9 individuals because there's more individuals
10 to pay taxes.

11 That's the way to do it. And
12 that's what we tried to explain over the last
13 couple of years. And fortunately, with a
14 partner in the Governor, we're able to do it
15 this year.

16 SENATOR KRUEGER: Mr. President,
17 if through you the sponsor would continue to
18 yield.

19 ACTING PRESIDENT GRIFFO: The
20 sponsor continues to yield, Senator Krueger.

21 SENATOR KRUEGER: So despite the
22 sponsor and I having differing opinions about
23 how to collect tax revenue, I think -- but I
24 don't want to put words in his mouth -- that
25 he's actually agreeing with me that if we

1 didn't have the \$1.4 billion in MTA tax or the
2 revenue through December from the
3 high-end-earner personal income tax, we would
4 not actually be able to balance our budget and
5 we would take much greater cuts. Is that a
6 fair analysis of your statement?

7 SENATOR DeFRANCISCO: No, it is
8 not. We would definitely be able to balance
9 the budget. We may have had to cut more
10 spending -- because of the increases in
11 spending over the last two years, we might
12 have had to cut more spending to reach the
13 goal, but we would have done that.

14 But we felt that you had to make a
15 balance in the first year of changing the
16 financial direction of the state. There's a
17 lot of pain in this budget. We didn't feel
18 that it would be wise to do another
19 \$1.4 billion in pain for this calendar year,
20 and we decided that this was the best balance.
21 And the Governor, quite frankly, had a very
22 similar, almost identical concept in his own
23 budget.

24 SENATOR KRUEGER: Mr. President,
25 if through you the sponsor would continue to

1 yield.

2 SENATOR DeFRANCISCO: Yes.

3 ACTING PRESIDENT GRIFFO: The
4 sponsor yields.

5 SENATOR KRUEGER: Thank you.

6 Following up on your point, so
7 hypothetically would the sponsor agree with me
8 that if we were to continue the high-end
9 millionaire tax beyond its sunset date we
10 could actually end the MTA payroll tax? Would
11 that be true?

12 SENATOR DeFRANCISCO: We hope to
13 be able to end the payroll tax without raising
14 other taxes. This side of the aisle has said
15 repeatedly no new taxes, and that's what we
16 meant, what we said. So by substituting one
17 tax for the other doesn't, in my judgment,
18 honor that pledge.

19 Secondly, one thing that's
20 extremely important that hasn't been mentioned
21 yet, and I was just reminded of it, the cuts
22 we're making this year, including the caps on
23 Medicaid and the other caps that are in the
24 budget, it reduces next year's projected
25 deficit from \$15 billion to \$2 billion. By

1 taking the hard choices now, the long-range
2 deficit is decreased.

3 If we decided to take more money
4 through any other tax, it would simply be
5 another tax. It would contradict the economic
6 philosophy of trying to create jobs in the
7 state. But what we're doing now is already
8 reducing the deficit next year by \$13 billion.
9 And hopefully some of the other things that
10 are done in the budget will help create some
11 jobs. And if economy kicks back in, maybe we
12 won't have a deficit at all and we can start
13 providing more funding for the groups that are
14 no longer -- are not getting the funding that
15 they were used to in the past.

16 SENATOR KRUEGER: Mr. President,
17 if through you the sponsor would continue to
18 yield.

19 SENATOR DeFRANCISCO: Yes.

20 ACTING PRESIDENT GRIFFO: Senator
21 DeFrancisco yields.

22 Senator Krueger.

23 SENATOR KRUEGER: Thank you.

24 So as I understand the sponsor's
25 answers, there was a decision to continue the

1 MTA tax and end the tax for millionaires in
2 the state, so that was a decision being made
3 by this Legislature.

4 And I agree we would all love to
5 reduce everybody's taxes and end taxes
6 ultimately, except I just don't think we could
7 to that and fund government and provide the
8 public services we need.

9 So since the sponsor has explained
10 that they don't agree with continuing the
11 supplement on millionaires and they agree to
12 continue the payroll tax, but they would like
13 to end the payroll tax as well, where could we
14 have cut an additional \$1.4 billion out of the
15 budget so that we could accomplish both your
16 goals?

17 SENATOR DeFRANCISCO: Well, first
18 of all, we can go through all types of
19 hypotheticals and give you answers. However,
20 we don't have to do that hypothetical.

21 And besides, you should probably
22 know that the \$1.4 billion in the MTA tax is
23 revenue that doesn't go to the General Fund.
24 If we cut that tax, it would not go -- if we
25 kept that tax rolling, it still doesn't go to

1 the General Fund, it goes to the MTA. The
2 MTA.

3 So we're comparing apples to
4 oranges, a millionaire's tax that would go
5 into the General Fund and an MTA tax that goes
6 to fund one organization in downstate
7 New York.

8 SENATOR KRUEGER: Mr. President,
9 if the sponsor would continue to yield.

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The
12 sponsor yields.

13 SENATOR KRUEGER: Thank you.

14 So again, to follow the logic of
15 this questioning, if we cut the \$1.4 billion
16 from payroll tax and didn't replace it with
17 money from, say, the wealthiest earners in
18 New York State, we would cut transportation,
19 buses, subways, rails in the 12 counties in
20 the MTA region instead. So in fact, that's
21 the answer, that we would end up cutting those
22 services throughout the population-heavy
23 region of 12 counties?

24 SENATOR DeFRANCISCO: The MTA tax
25 is not being cut here. So we're not cutting

1 services to the downstate residents. So I'm
2 not sure where you're going.

3 That was imposed in order to fund
4 one entity. And we didn't cut that. It's
5 here. We're hoping in the future it can be
6 done when the economy kicks in so we can find
7 funding for the MTA -- and, God forbid, roads
8 and bridges upstate as well -- from an economy
9 that's got more revenues. So right now we
10 can't do it. The revenue isn't there.

11 SENATOR KRUEGER: Thank you,
12 Mr. President.

13 I think the point of this section
14 of questioning was to highlight that we make
15 decisions. We made a decision or we as the
16 Legislature are making a decision, with the
17 Governor, to end an existing tax on one
18 segment of our population, the highest --

19 ACTING PRESIDENT GRIFFO: Senator
20 Krueger, are you on the bill now?

21 SENATOR KRUEGER: No, I will be
22 following up with a question, thank you.

23 So we have -- as I understand the
24 answers, we have made the decision to end the
25 tax on the highest earners in New York State

1 and as a result have made a decision that we
2 can't cut the MTA payroll tax. And of course
3 we -- speaking for myself, we don't want to
4 cut the transportation services.

5 But shifting to my next section of
6 questions, if the sponsor would continue to
7 yield.

8 ACTING PRESIDENT GRIFFO: Senator
9 DeFrancisco, do you yield for an additional
10 set of questions?

11 SENATOR DeFRANCISCO: Yes, I will
12 yield.

13 And by the way, we're not -- when
14 that tax, the millionaire's tax was imposed,
15 there was an expiration date. And an
16 expiration date means the tax is over on that
17 date. And all that's happening in this budget
18 is nothing. We're not even addressing it. It
19 expires according to the law that the majority
20 passed last year to impose the millionaire's
21 tax.

22 So we're not -- this budget is
23 silent on the millionaire's tax. But it's
24 loud and clear that we're not imposing a new
25 tax. Which this would be by starting a new

1 millionaire's tax after the expiration.

2 ACTING PRESIDENT GRIFFO: Senator
3 Skelos, why do you rise?

4 SENATOR SKELOS: Would Senator
5 DeFrancisco yield for a question?

6 ACTING PRESIDENT GRIFFO: Senator
7 DeFrancisco, will you yield to a question from
8 Senator Skelos?

9 SENATOR DeFRANCISCO: No.

10 (Laughter.)

11 SENATOR DeFRANCISCO: Yes. Yes,
12 I will.

13 SENATOR SKELOS: Would the former
14 chairman of the Finance Committee yield for a
15 question.

16 (Laughter.)

17 ACTING PRESIDENT GRIFFO: Does
18 the former chairman yield?

19 SENATOR DeFRANCISCO: Well, if
20 you put it that way, yes, I will.

21 (Laughter.)

22 ACTING PRESIDENT GRIFFO: Senator
23 DeFrancisco yields, Senator Skelos.

24 SENATOR SKELOS: Senator
25 DeFrancisco, I have been listening to the

1 questions being asked of you and the
2 responses, and I just want to clarify
3 something for myself.

4 The so-called millionaire's tax,
5 which started at \$200,000, people making
6 \$200,000, small businesses that have been
7 negatively impacted, was that passed under
8 all-Democrat control in this state?

9 SENATOR DeFRANCISCO: Yes. It
10 was a party-line vote, Democrats yes,
11 Republicans no.

12 SENATOR SKELOS: Was there an
13 expiration date, just to clarify it, of that
14 surcharge?

15 SENATOR DeFRANCISCO: December
16 31, 2011, correct.

17 SENATOR SKELOS: If I could,
18 Mr. President, ask Senator DeFrancisco another
19 question.

20 ACTING PRESIDENT GRIFFO: Senator
21 DeFrancisco, do you continue to yield?

22 SENATOR DeFRANCISCO: Yes.

23 ACTING PRESIDENT GRIFFO: Senator
24 Skelos.

25 SENATOR SKELOS: The MTA payroll

1 tax, was that imposed on the MTA region when
2 the Democrats controlled every branch of
3 government in New York State?

4 SENATOR DeFRANCISCO: That is
5 correct.

6 SENATOR SKELOS: Was there an
7 expiration date on the payroll tax when it was
8 passed by the all-Democrat-controlled
9 government in New York State?

10 SENATOR DeFRANCISCO: There was
11 no expiration date.

12 SENATOR SKELOS: So if I could
13 just follow it up, and I'm sure you can answer
14 it yes or no, there was an expiration date for
15 millionaires but there was no expiration date
16 for the payroll tax that impacts every person
17 paying anything -- charities, school
18 districts, not-for-profits, libraries, anybody
19 that's paying the payroll tax, but there was
20 no expiration date on that?

21 SENATOR DeFRANCISCO: That is
22 correct.

23 SENATOR SKELOS: Thank you.

24 ACTING PRESIDENT GRIFFO: Thank
25 you.

1 Senator Krueger.

2 SENATOR KRUEGER: Thank you.

3 ACTING PRESIDENT GRIFFO: You
4 were asking if Senator DeFrancisco would
5 continue to yield; correct?

6 SENATOR KRUEGER: I am. Thank
7 you very much, Mr. President, I am asking --

8 ACTING PRESIDENT GRIFFO: Senator
9 DeFrancisco, will you yield to a series of
10 questions from Senator Krueger?

11 SENATOR KRUEGER: Apparently
12 there's some agreement about whether Senator
13 DeFrancisco is still the chair. May I ask him
14 some questions?

15 (Laughter.)

16 ACTING PRESIDENT GRIFFO: Senator
17 DeFrancisco yields, Senator Krueger.

18 SENATOR KRUEGER: Thank you. I'm
19 delighted you're still in your chair, Senator.

20 For the record, theoretically, I
21 appreciate Senator Skelos' point. This budget
22 could enact an expiration date on the payroll
23 tax, but I don't believe it does.

24 Following through with the next set
25 of questions, what is the estimated debt for

1 this coming fiscal year that the state owes?

2 SENATOR DeFRANCISCO: You mean
3 debt service, how much money has to be paid on
4 the debt?

5 SENATOR KRUEGER: Okay. How
6 large is our debt and how much is the debt
7 service in this coming budget year?

8 SENATOR DeFRANCISCO: There's
9 \$52 billion of outstanding debt, \$6 billion in
10 debt service.

11 SENATOR KRUEGER: Thank you.
12 Mr. President, if the sponsor will
13 continue to yield.

14 SENATOR DeFRANCISCO: Yes.

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR KRUEGER: Thank you.

18 I think we will both agree that the
19 debt nearly doubled in the last 10 years. Is
20 there anything in this budget that provides
21 for increased paying down of the debt?

22 SENATOR DeFRANCISCO: There's
23 \$250 million put in a reserve fund to reduce
24 the outstanding debt of 50-whatever-it-was
25 billion. Fifty billion? So it would be a

1 relatively small amount of reduction if those
2 funds are used for that purpose.

3 SENATOR KRUEGER: Mr. President,
4 if the sponsor would continue to clarify for
5 me on that question.

6 ACTING PRESIDENT GRIFFO: Senator
7 DeFrancisco, would you continue to elaborate
8 on that?

9 SENATOR DeFRANCISCO: I would be
10 happy to elaborate on it as soon as they give
11 me the answer.

12 SENATOR KRUEGER: So --

13 ACTING PRESIDENT GRIFFO: You may
14 want to allow him to get the information
15 before posing an additional question.

16 SENATOR KRUEGER: I am always
17 happy to give Senator DeFrancisco time to get
18 answers. I also get answers here from my
19 side.

20 My understanding, then, is we're
21 paying \$6 billion of our state budget on debt
22 payments?

23 SENATOR DeFRANCISCO: That is
24 correct.

25 SENATOR KRUEGER: But we may be

1 actually be reducing that somehow by a
2 speedier payment of up to \$250 million in this
3 fiscal year?

4 SENATOR DeFRANCISCO: Yes. Off
5 the principal, I would assume. Yes, correct.

6 SENATOR KRUEGER: Thank you very
7 much.

8 Excuse me, I am just moving on for
9 one second.

10 We spend a lot of time talking
11 about improving our budget from year to year.
12 And we've actually, many of us on both sides
13 of the aisle, carried varying bills to improve
14 the budget process. Particularly in light of
15 the amount of debt we're paying and what we
16 are able to pay off or not pay off and whether
17 taxes have expiration dates and the decisions
18 that are made about which taxes stay and which
19 taxes go.

20 Is there anything in this budget
21 that incorporates generally accepted
22 accounting principles, GAAP budgeting?

23 SENATOR DeFRANCISCO: Yes, we
24 support GAAP budgeting.

25 SENATOR KRUEGER: Okay. But, I'm

1 sorry, to clarify, is this budget actually
2 based on GAAP principles?

3 SENATOR DeFRANCISCO: It is not.
4 You need three parties to GAAP. You've got to
5 change the law. Our one-house bill did have a
6 GAAP budgeting; it was rejected during the
7 negotiations and did not happen. But we voted
8 for it in the one-house budget, we support it,
9 and we would like to see it happen.

10 SENATOR KRUEGER: I want to thank
11 the sponsor. I think I may have some other
12 questions -- you know what, I do have some
13 other questions. I apologize. I have to go
14 through more.

15 ACTING PRESIDENT GRIFFO: Senator
16 DeFrancisco, do you continue to yield?

17 SENATOR DeFRANCISCO: I already
18 told you I did.

19 (Laughter.)

20 ACTING PRESIDENT GRIFFO: Senator
21 DeFrancisco will continue to yield.

22 SENATOR KRUEGER: You know, we
23 have rules. Every once in a while we try to
24 follow them here.

25 You went through the explanation of

1 the revenue bill before. Are there any
2 changes that were made in this revenue bill
3 from what the Governor originally proposed?

4 SENATOR DeFRANCISCO: Yes, there
5 are. And if I could find my notes, I could
6 answer your next question.

7 Okay, I have it. Thank you.

8 SENATOR KRUEGER: The question on
9 the floor is what changes were made to this
10 revenue bill from the original Governor's
11 version to the version that we're being asked
12 to vote on here today.

13 SENATOR DeFRANCISCO: On the memo
14 that we handed out, Part A, for example, says
15 the Legislature concurs with the Executive
16 proposal but changes from three to five years
17 the amount of time. There's one change for
18 that.

19 In the next section we talk about
20 amending the tax sheltering reporting to lower
21 the number of years once again. That's for
22 better oversight.

23 And we go on. Each section that
24 says "concurs," if there's no -- we agreed
25 exactly to what the Governor said. If there's

1 some amendment to it, it will be explained in
2 each one of these sections.

3 And, for example, virtually the
4 whole page 2 is concur, concur. But there are
5 some changes, and each one is outlined. If
6 there's a specific one you want to refer to,
7 I'll try to answer any backup questions on it.

8 SENATOR KRUEGER: Thank you.
9 Perhaps I'll fine-tune the question.

10 Did we actually reject any revenue
11 increases from the original bill as proposed
12 by the Governor to the bill we have before us
13 today?

14 SENATOR DeFRANCISCO: Yes, we
15 rejected one. There was some disagreement
16 among our conference on that, but we did
17 reject one. It's Section 8, limit the
18 exemption provided for town or county
19 cooperative insurance corporations. The
20 Governor had some additional revenue coming
21 from extending that tax to these types of
22 insurance corporations, and the Senate
23 rejected it. And the Assembly did as well,
24 and the Governor agreed.

25 In addition, same with Quick Draw.

1 There was some additional revenue that was
2 projected by the Quick Draw proposal that we
3 rejected. The Assembly wanted to eliminate
4 restrictions on hours -- no, the Governor
5 wanted to eliminate the restrictions on hours
6 and the types of foods that were provided and
7 all of that in order to encourage more people
8 to come in and I assume use the video
9 terminals. The Assembly rejected that. It
10 was a suggestion that that would bring in more
11 revenues.

12 So those were the only ones that
13 were, I believe, rejected in this bill.

14 SENATOR KRUEGER: Thank you.

15 If the sponsor would please
16 continue to yield.

17 SENATOR DeFRANCISCO: By the way,
18 we did not reject the millionaire's tax
19 because the Governor didn't propose it. We
20 concurred with him in not having it.

21 Yes, I'll be happy to continue to
22 answer.

23 SENATOR KRUEGER: Thank you.

24 And I believe you did mention this
25 in your opening presentation on the bill.

1 There was a change in the cigarette
2 registration fee. How much money are we not
3 collecting because that change was made?

4 SENATOR DeFRANCISCO: What I
5 explained earlier was that the fee was going
6 to be 1,000, 2,500 or 5,000 depending upon the
7 gross sales of the establishment. The lawsuit
8 was brought immediately, an injunction was
9 placed on us collecting anything more than the
10 existing fee of \$100.

11 So in view of the court injunction,
12 that's all we collected, was \$100. Had we
13 lost the lawsuit, that's all we would have
14 collected would be \$100 per establishment.

15 What was agreed to in the budget
16 was an increase from \$100 to \$300, which was
17 agreed to I believe to settle the lawsuit as
18 well. And we'll be able to collect \$300. So
19 it actually results in tripling the revenue
20 that we were receiving before this budget went
21 into effect.

22 SENATOR KRUEGER: Thank you.

23 I appreciate the sponsor's answers
24 to my questions. As I said, I may have some
25 additional later, but I know that some of my

1 other colleagues would like to ask questions
2 of the sponsor. Thank you, Mr. President.

3 ACTING PRESIDENT GRIFFO: Thank
4 you, Senator Krueger.

5 Senator Rivera.

6 SENATOR RIVERA: Thank you,
7 Mr. President. If the sponsor would continue
8 to yield.

9 ACTING PRESIDENT GRIFFO: Senator
10 DeFrancisco, do you yield?

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: Senator
13 DeFrancisco yields, Senator Rivera.

14 SENATOR RIVERA: Thank you,
15 Mr. President. I just want to make sure that
16 the -- what you said before about the extended
17 yielding is still in effect. So that's the
18 only time I'm going to ask.

19 SENATOR DeFRANCISCO: That
20 applies to you as well.

21 SENATOR RIVERA: Thank you so
22 much, Senator DeFrancisco.

23 I want to actually follow up on a
24 couple of the things that Senator Krueger
25 asked.

1 First of all, and we keep obviously
2 going back to the millionaire's tax. We've
3 had a similar conversation before. And just
4 to review, how much is the PIT surcharge? How
5 much does the personal income tax surcharge
6 produce in a year? How much is it expected to
7 generate in a year?

8 SENATOR DeFRANCISCO: Four to
9 \$4.5 billion.

10 SENATOR RIVERA: Four to \$4.5
11 billion. So let's say.

12 SENATOR DeFRANCISCO: But if
13 millionaires leave, the revenue goes down and
14 it goes to other states.

15 SENATOR RIVERA: Very well. But
16 it is about \$4 billion.

17 And the Senator yielded --

18 SENATOR DeFRANCISCO: Yes.

19 SENATOR RIVERA: The sponsor
20 continues to yield.

21 Now, one thing I ant to clarify.
22 This tax, this personal income tax surcharge
23 is to taxable income as opposed to gross
24 income tax, is that correct?

25 SENATOR DeFRANCISCO: Yeah, it's

1 your bottom line. Whatever your adjusted
2 gross income tax is, that's what the tax would
3 be on.

4 Well, we're having an argument
5 about what adjustable gross income means.
6 Taxable income.

7 SENATOR RIVERA: Taxable income
8 is the one that we're talking about.

9 SENATOR DeFRANCISCO: I thought
10 it was adjustable gross, but maybe I'm wrong.

11 SENATOR RIVERA: So the taxable
12 income that would produce about 4 -- between
13 \$4 billion and \$4.5 billion of revenue, we
14 talked about a couple of different choices
15 that had been -- because that is, in all
16 honesty, what they are, choices. We talked,
17 for example, you mentioned about bridges and
18 highways, maintenance and other such things in
19 upstate New York. Do you know how much this
20 4.5 billion would be able to cover of those
21 things, of maintenance of bridges, highways
22 and roads in upstate New York?

23 SENATOR DeFRANCISCO: Well, I
24 don't have that number. But the fact of the
25 matter is is that the tax, as we mentioned

1 before, is scheduled to expire and we're not
2 imposing a new tax after December 31. We have
3 used the funds, we will be using the funds
4 until the expiration date.

5 SENATOR RIVERA: Thank you,
6 Senator DeFrancisco.

7 It would probably be about nearly
8 two years of state funding for bridges,
9 highways, road maintenance and DMV operations.
10 It would probably pay for all of that.

11 SENATOR DeFRANCISCO: Excuse me,
12 if I could just make a point there.

13 SENATOR RIVERA: Please, Senator.

14 SENATOR DeFRANCISCO: We will
15 have collected that \$4.5 billion or \$4 billion
16 by the end of December of this calendar year,
17 and we haven't fixed any roads, bridges,
18 highways or whatever. It's been used for
19 other stuff because of the spending that was
20 out of control.

21 So theoretically you could pick any
22 area of the budget that it could fund, but in
23 reality it hasn't done that because of the
24 other costs of government that fortunately are
25 starting to be cut this year.

1 SENATOR RIVERA: So -- and thank
2 you, Senator. And I agree with you, that
3 obviously we're making different -- as was
4 said before, we've made different choices
5 about where we put our funding. But
6 theoretically, as you accepted, it could fund
7 nearly two years of state funding for bridges,
8 highways, maintenance, et cetera.

9 SENATOR DeFRANCISCO: I'll stand
10 by my last answer.

11 SENATOR RIVERA: Very well.
12 Would you also agree that it would
13 cover maybe two years of state funding for
14 foster care, adoption, childcare, child
15 protective services?

16 SENATOR DeFRANCISCO: Again, I'll
17 say that it could fund a lot of things. But
18 it's not funding a lot of those things in view
19 of the fact that it's being used for just
20 general purposes in the state budget.

21 SENATOR RIVERA: Thank you,
22 Senator.

23 So it could also fund 20 percent of
24 the state aid to schools statewide.

25 SENATOR DeFRANCISCO:

1 Theoretically it could do that. But if you
2 have a better tax structure, the long-term
3 economic viability of the state creates
4 more -- I believe and the Republican
5 conference believes creates more jobs, more
6 taxpayers, and in the long run more revenue.

7 SENATOR RIVERA: Thank you,
8 Senator.

9 It could probably pay for 3 and a
10 half years of social services for low-income
11 families as well.

12 SENATOR DeFRANCISCO: The same
13 answer.

14 But I just want to remind you of
15 one point. Governor Paterson had the idea, at
16 least before he changed his mind on this
17 one -- and fortunately he did -- he had the
18 idea of taxing -- of having a surcharge on
19 bonuses of brokers on Wall Street. This was
20 last year or the year before. And what
21 happened was almost the day after, the
22 governor of Connecticut starting making
23 overtures to all the brokers in the City of
24 New York to maybe just cross the border and
25 enjoy the same electronic services that they

1 might have from their office in New York and
2 not pay this additional tax for the bonuses
3 that were imposed. Well, the Governor saw the
4 light on that one and pulled it back.

5 So you can -- I think the same
6 principle applies.

7 SENATOR RIVERA: But we are
8 debating a -- Governor Paterson is no longer
9 the governor. We're debating the choices that
10 we're making now; is that correct?

11 SENATOR DeFRANCISCO: Yes. But
12 the analogy is inescapable and so logical it
13 is --

14 ACTING PRESIDENT GRIFFO: Senator
15 Krueger, why do you rise?

16 SENATOR KRUEGER: I'm sorry,
17 could I ask Senator Rivera to yield for me to
18 do a follow-up to Senator DeFrancisco on that
19 question?

20 ACTING PRESIDENT GRIFFO: Senator
21 Rivera has the floor at this point in time,
22 Senator Krueger.

23 SENATOR KRUEGER: I was asking
24 Senator Rivera to yield to me.

25 SENATOR RIVERA: I yield to

1 Senator Krueger. I will have a couple of
2 questions afterward.

3 ACTING PRESIDENT GRIFFO: The
4 chair is exercising great flexibility and
5 latitude today, so I would ask the members to
6 be mindful and respectful of that.

7 I will call on Senator Krueger.
8 And, Senator DeFrancisco, will you yield to
9 that question?

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: Senator
12 Krueger.

13 SENATOR KRUEGER: Thank you.
14 Just a point of clarification, because Senator
15 Rivera was not with us in the Senate last
16 year.

17 I believe that Senator
18 DeFrancisco's point actually referred to a
19 proposal the Governor made to have a
20 \$50 million tax on hedge funds, not a bonus on
21 brokers. And it was at that time that the
22 governor of Connecticut made an invitation for
23 the out-of-state hedge fund owners to bring
24 their businesses to Connecticut, just for the
25 record.

1 SENATOR DeFRANCISCO: Thank you.
2 I'll stand corrected. But that analogy is as
3 good as the one I gave. The same principle
4 applies.

5 SENATOR KRUEGER: We don't agree
6 on the analogy. But I just wanted to go on
7 record to clarify what the issue was, because
8 Senator Rivera wouldn't have been here to know
9 what the issue was.

10 Thank you very much, and I cede
11 back to Senator Rivera.

12 ACTING PRESIDENT GRIFFO: Senator
13 Rivera.

14 SENATOR RIVERA: Thank you,
15 Senator Krueger. Thank you, Mr. President.

16 If the sponsor would continue to
17 yield.

18 ACTING PRESIDENT GRIFFO: The
19 sponsor yields.

20 SENATOR DeFRANCISCO: Yes.

21 SENATOR RIVERA: Thank you,
22 Senator DeFrancisco.

23 So as we have discussed, the PIT
24 surcharge will sunset. And do you
25 characterize this as tax relief?

1 SENATOR DeFRANCISCO: No, I
2 characterize that as following the law and not
3 imposing a new tax in this budget year.

4 SENATOR RIVERA: So it would
5 not -- Senator DeFrancisco, it would not be
6 relief for certain -- do you agree that there
7 are folks today, and up to the 31st of
8 December of this year that will have a
9 surcharge on themselves and their families and
10 will not have it after the 31st of December of
11 this year?

12 SENATOR DeFRANCISCO:
13 Unfortunately, it is the case that people over
14 \$200,000 -- that's small businesses, that's
15 couples that earn -- that are clearly not
16 millionaires at that level, are -- a tax is
17 imposed upon them. And I agree with you that
18 at the end of this year, when that tax
19 expires, according to the law when it was
20 supposed to expire, it will not be renewed or
21 it will not be a new tax imposed.

22 SENATOR RIVERA: So you would
23 characterize that as tax relief for these
24 taxpayers?

25 SENATOR DeFRANCISCO: No, I think

1 it was an ill-advised imposition on taxpayers
2 for the last period of time that it was in
3 effect, and that we're going back to a more
4 rationale approach as far as taxation in the
5 State of New York.

6 SENATOR RIVERA: Correct me if
7 I'm wrong, Senator, but as I understand the
8 concept of tax relief, if there is a taxpayer
9 that currently has a tax imposed on him or
10 her, or a business, and then we in government
11 act to take that tax away, that would be
12 considered tax relief, would it not?

13 SENATOR DeFRANCISCO: That is
14 correct. If there was a tax -- let's suppose
15 we reduce the tax on the highest income owners
16 by 1 percent. That's a tax reduction. That's
17 tax relief.

18 This is not, because this is a tax
19 that was going to expire. We're not giving
20 relief, we're just letting the law expire.
21 And we're not imposing a new tax.

22 SENATOR RIVERA: You obviously
23 would disagree that by choosing not to extend
24 it, we are not providing a tax relief.

25 SENATOR DEFRANCISCO: Well, by

1 that argument you could say by choosing not to
2 create a 12 percent sales tax, we're giving
3 people tax relief. Or not imposing an income
4 tax of 50 percent of incomes, since we're not
5 doing it, we're giving them tax relief. I
6 don't buy that argument.

7 What I say is that this law
8 expires. According to law, we're not going to
9 impose another tax. That's not tax relief,
10 that's letting the law expire. Because that's
11 what the majority decided when your side was
12 in control, that that was a tax that should
13 have expired. It's going to expire.

14 SENATOR RIVERA: Thank you,
15 Senator.

16 But do you know how much, on
17 average, there would be a decrease, let's say,
18 to the residents who have more than \$1 million
19 in taxable income, what the amount that they
20 will pay in this year, how much less it would
21 be in the following year when the surcharge --
22 if we let the surcharge expire.

23 SENATOR DeFRANCISCO: Well, the
24 surcharge is going to expire. And the amount
25 is the amount that would have been recovered

1 if a new tax was imposed on January 1 and that
2 amount was \$4 billion to \$4.5 billion, as I
3 discussed earlier.

4 SENATOR RIVERA: And it would
5 amount to about \$86,000 per taxpayer for those
6 that have more than a million dollars in
7 taxable income.

8 SENATOR DeFRANCISCO: I don't
9 believe that. Someone much smarter than me is
10 shaking her head. And I don't believe it
11 either. If she doesn't believe it, I don't
12 believe it.

13 SENATOR RIVERA: Someone much
14 smarter than me told me that information. So
15 we've just got to get those smart people
16 together to kind of debate this thing.

17 But on average, the information
18 that I have is that it would be approximately
19 \$86,000 dollar per individual that has a --
20 individual or family that has a taxable income
21 of more than a million dollars.

22 But actually -- so let's talk
23 about -- I want to ask you a few questions
24 about the impact of the choices that we are
25 making in this budget as it relates to

1 education or healthcare or public protection.
2 There are some serious decisions that we're
3 making in this budget to cut many of these.
4 Is that correct?

5 SENATOR DeFRANCISCO: Very
6 serious decisions.

7 SENATOR RIVERA: And I agree with
8 you 100 percent on that, as well as the rest
9 of my colleagues. These are very serious
10 decisions.

11 Now, you argued that it was not tax
12 relief. We will disagree on that. But I have
13 a question. Of the taxpayers who are -- let's
14 say a teacher making \$50,000 a year, would he
15 or she, having taxable income of \$50,000,
16 would he or she after December 31st of this
17 year pay -- have a surcharge -- pay less
18 taxes? Would they get what I consider tax
19 relief -- and you would call something else,
20 but would they have a tax relief --

21 SENATOR DeFRANCISCO: If they're
22 not a \$200,000 millionaire, then there would
23 be no change in their taxes. But there may be
24 a superintendent, maybe.

25 SENATOR RIVERA: But a teacher,

1 teacher. Or even, let's say, a correction
2 officer, like the one that we were talking
3 about in the last couple of days, him or her
4 having \$100,000 taxable income, would they pay
5 less taxes after December 31st of this year?

6 SENATOR DeFRANCISCO: The people
7 that were subject to the ill-advised
8 millionaire's tax will be paying less when
9 that tax expires by operation of law on
10 December 31, 2011.

11 SENATOR RIVERA: So individuals
12 that earn \$30,000 a year, \$50,000, \$70,000,
13 what have you, in all sorts of different
14 professions across the state would not receive
15 a tax cut, would not have a tax relief on
16 their tax bill?

17 SENATOR DeFRANCISCO: Nobody is
18 receiving a tax cut on December 31st. A tax
19 that was in existence expires.

20 SENATOR RIVERA: And as it
21 expires, it is being obviously -- since we are
22 making the choice not to renew it, we are
23 cutting it.

24 SENATOR DeFRANCISCO: Well, if
25 you wanted to have a permanent millionaire's

1 tax -- or, excuse me, \$200,000 millionaire's
2 tax, that could have been made permanent. And
3 then there would be a decision whether to get
4 rid of it by a separate law.

5 The decision made by the majority
6 party in the house last year or the year
7 before, whenever it went into effect, was to
8 make it expire. And it will expire, and we're
9 not going to impose another such tax.

10 SENATOR RIVERA: So according to
11 this logic we could choose to enact an
12 expiration on the current rate -- we could say
13 there's a rate for tax filers making less than
14 \$200,000, and we could actually set that to
15 expire. We could say -- they're at a
16 particular tax rate, we could say within two
17 years we would then lower the tax rate for
18 individuals making less -- having a gross
19 taxable income less than \$200,000 a year.

20 SENATOR DeFRANCISCO: You could
21 choose to impose \$14 billion in new taxes like
22 the Democrat majority imposed over the last
23 two years and end up with a \$10 billion
24 deficit this year. Or you could choose not to
25 tax, not to overspend and not to overtax, and

1 the choices are -- there's clear choices. And
2 there's a clear distinction between your
3 position and our position.

4 Our position is we choose not to
5 continue overtaxing and spending. And that's
6 a choice in the long run that's going to
7 benefit schoolteachers, children, and every
8 other group that is now being hurt by this
9 budget, because we're going to have a
10 healthier economic climate in the State of
11 New York in the long run.

12 This one year, two year thoughts on
13 how to have policy has to stop. We have to
14 look at the long term. And that's what I
15 believe the Governor and now both houses,
16 after the negotiations have been completed,
17 are doing in this budget.

18 SENATOR RIVERA: So to speak a
19 little bit about those individuals, then, that
20 you just referred to, the teachers, the
21 students, the children, the elderly who are
22 going to be impacted by the choices that we're
23 making here.

24 And by the way, I just want to
25 clarify that all of us in this house

1 understand very clearly that responsibility
2 and sacrifice are the two words that are kind
3 of leading our entire conversation. We all
4 understand that this has to happen, that we
5 have to share the respond and the burden for
6 some changes and that we have to sacrifice.

7 But let's talk a little bit about
8 where that sacrifice is going to be, who is it
9 going to be impacting.

10 In Senate District 57, I believe
11 it's Senator Young, the -- and we had a
12 similar conversation previously, but let me
13 ask you this.

14 ACTING PRESIDENT GRIFFO: Senator
15 Rivera, are you going to pose a question or
16 are you speaking on the bill now?

17 SENATOR RIVERA: I'm posing a
18 question. I'm posing a question.

19 On Senate District 57, are you
20 aware of how many individuals would be
21 impacted by the taxes that currently exist and
22 will no longer have a tax burden on them after
23 December 31st of this year?

24 SENATOR DeFRANCISCO: I don't
25 know how many people in each Senate district

1 would be impacted by the \$200,000
2 millionaire's tax. I have no idea. But I
3 know there's people that are small businesses
4 that may be making that amount of money that
5 are paying taxes rather than investing their
6 money in their businesses and hopefully create
7 a better business to create jobs. I know that
8 for a fact. I can't give you the numbers in
9 each Senate district.

10 SENATOR RIVERA: In that
11 particular district it would be 441
12 individuals of over 113,000 that filed taxes
13 in that district.

14 SENATOR DeFRANCISCO: Are you --
15 is this a one million dollar -- is this
16 starting at \$1 million or a \$200,000
17 millionaire's tax?

18 SENATOR RIVERA: Well, the PIT
19 surcharge starting at \$200,000 of taxable
20 income, yes.

21 SENATOR DeFRANCISCO: Okay, thank
22 you.

23 SENATOR RIVERA: As far as above
24 a million, it would be 32 individuals.

25 We could actually go through many,

1 many districts, but I have just a few more
2 questions and then I will speak briefly on the
3 bill.

4 So do you agree that the rationale
5 of the millionaire's tax -- or, I'm sorry, of
6 the -- see, I'm buying into the messaging
7 now -- the personal income tax surcharge on
8 wealthier New Yorkers, the rationale of the
9 establishment of it, of the enacting of it,
10 was to help dig us out of a recession, was it
11 not?

12 SENATOR DeFRANCISCO: That was
13 your rationale -- I mean your side's
14 rationale; I know you weren't here. Our
15 rationale is the best way to dig ourselves out
16 of recession is to cut spending and be able to
17 have a government that is fiscally sound.
18 Just like a family, when they lose income,
19 they don't just keep spending, they actually
20 have to cut things because they don't have the
21 income that they had before. So it's a
22 difference of philosophy.

23 SENATOR RIVERA: Certainly. And
24 as you made clear earlier, there was a choice
25 made between keeping the MTA payroll tax as

1 opposed to extending this one.

2 But let me ask you this. This is
3 the question I have for you --

4 SENATOR DeFRANCISCO: The two are
5 mutually exclusive. Because the millionaire's
6 tax, the money goes to the General Fund. The
7 MTA tax goes to the MTA. If we didn't extend
8 the MTA tax, they wouldn't have the revenues
9 they need to operate. So they either cut
10 capital or cut operations, cut some routes
11 down there. I don't know how they would deal
12 with it. They wouldn't have the money. It
13 wouldn't be an effect on the General Fund of
14 the State of New York.

15 SENATOR RIVERA: So as someone
16 who's obviously much experienced than I am in
17 financial matters, do you believe that we are
18 currently -- that we are out of a recession or
19 we are coming out of this recession?

20 SENATOR DeFRANCISCO: I have no
21 clue. I have no clue. You listen to six
22 economists and they'll give you seven answers.
23 I don't know. It seems like most of the
24 pundits are saying that things are starting to
25 move in the right direction, and then we end

1 up with a new war not started by President
2 Bush. That's amazing. I thought -- you know,
3 but in any event, that's another story. But
4 there's a new war, gas prices are going up,
5 who knows where this is all going to end.

6 But it seemed like the economy was
7 moving in the right direction and then you
8 have a disaster in Japan. So I don't know
9 what that all adds up to.

10 SENATOR RIVERA: One last
11 question for you, sir. And referring to the
12 earlier district that I referred to, District
13 57, Senator Young's district, do you know how
14 many folks file taxes in that district that
15 actually have less than \$50,000 in taxable
16 income?

17 SENATOR DeFRANCISCO: What
18 district is this?

19 SENATOR RIVERA: District 57.
20 Senator Young's district.

21 SENATOR DeFRANCISCO: I don't
22 know that.

23 SENATOR RIVERA: It amounts to
24 almost 100,000 individuals. Less than
25 \$20,000, 53,000 people, so less than \$20,000

1 of taxable income. From \$20,000 to \$30,000,
2 15,000. And from \$30,000 to \$60,000, 27,000.

3 So thank you. Mr. President, on
4 the bill.

5 ACTING PRESIDENT GRIFFO: Senator
6 Rivera on the --

7 SENATOR DeFRANCISCO: Excuse me,
8 may I --

9 ACTING PRESIDENT GRIFFO: Senator
10 DeFrancisco, you may respond.

11 SENATOR DeFRANCISCO: Would
12 Senator Rivera yield to a question?

13 ACTING PRESIDENT GRIFFO: Senator
14 Rivera, do you yield?

15 SENATOR RIVERA: Certainly. Not
16 only that, I will yield to any question.

17 ACTING PRESIDENT GRIFFO: Okay.
18 Senator DeFrancisco.

19 SENATOR DeFRANCISCO: Were you
20 aware of the fact that low-income earners in
21 the State of New York are given an earned
22 income tax credit?

23 SENATOR RIVERA: Yes, sir.

24 SENATOR DeFRANCISCO: And were
25 you also aware that the amount of earned

1 income tax credit paid by the taxpayers of the
2 State of New York throughout the state last
3 year was \$915 million?

4 SENATOR RIVERA: I was not aware
5 of that exact number, sir, no.

6 SENATOR DeFRANCISCO: And one
7 other fact I will ask you if you are aware of,
8 that of that \$915 million, \$800 million is not
9 used just to offset the taxes that the
10 taxpayer, the low-income taxpayer ordinarily
11 would have to pay, the \$800 million is
12 actually in refund checks, in checks sent out
13 to low-income taxpayers. Were you aware of
14 that?

15 SENATOR RIVERA: Yes, sir.

16 SENATOR DeFRANCISCO: Okay. But
17 my point simply being that low-income
18 taxpayers, there's tax breaks for low-income
19 taxpayers as well. So to say that the State
20 of New York is not being fair across the board
21 I don't think is quite correct.

22 Thank you.

23 ACTING PRESIDENT GRIFFO: Senator
24 Rivera on the bill.

25 SENATOR RIVERA: On the bill.

1 Well, first, I thank Senator
2 DeFrancisco for the conversation and certainly
3 for the debate. There are some basic
4 disagreements that we have, and that is pretty
5 obvious.

6 The first thing I'd like to say is
7 that regarding that \$800 million that we spoke
8 about, \$800 million is certainly less than
9 \$4.5 billion.

10 But I would like to just start by
11 underlining something which I said during the
12 questions that we were asking. And that has
13 to do with two words that I believe each
14 person in this house is very, very aware of as
15 we debate this very important budget. Those
16 two words are "responsibility" and
17 "sacrifice."

18 We are all very aware that we live
19 in tough fiscal times. And that we have to
20 share the responsibility. And we have to
21 share the sacrifice. And that is what we are
22 talking about here today.

23 This bill that is before us does
24 not create a situation in which the
25 responsibility and the sacrifice is shared.

1 We must remember a few things. First of all,
2 the federal government already gave a tax cut
3 to wealthier people all across America. It
4 was an extension of the Bush tax cuts.

5 Now we are making the choice, we
6 are making the choice not to extend, not to
7 extend a surcharge which would give us between
8 \$4 billion and \$5 billion if it is at the
9 current level.

10 And let's say that it's actually
11 the other level, as a few members of your
12 conference have suggested, and we make it a
13 true millionaire's tax. That would mean that
14 we would have \$780 million in this next half
15 of the fiscal year and \$3 billion annually.

16 Now, we're being asked to make very
17 tough choices about the education that our
18 children get, about the healthcare that we
19 have access to, about whether we're going to
20 fix those bridges and those tunnels and those
21 roads upstate, whether we're going to fund the
22 MTA and other mass transportation systems
23 downstate. We're making very tough choices
24 here. But unfortunately we're not having a
25 conversation about how those tough choices are

1 going to impact the majority of the
2 population.

3 In my district, of those numbers
4 that I spoke about before, there's only 391
5 individuals that would impacted by the
6 continuation of this surcharge. Over
7 50 percent of the people that live in my
8 district are taxpayers that have less than
9 \$20,000 of taxable income. Now, certainly if
10 they file their taxes they get an earned
11 income tax credit.

12 But to make the argument that in
13 the City of New York and in the State of
14 New York to have \$20,000 of taxable income as
15 your income, and that that would give you the
16 ability to give to your family, to take care
17 of your family and to thrive -- everybody
18 always is in different financial -- you know,
19 financial situation of different people. We
20 know that there's people that struggle. And
21 those people that struggle want and need
22 access to some of the services that we provide
23 as a safety net. And those are the ones that
24 we are cutting today.

25 These are tough choices. The

1 responsibility and the sacrifice must be
2 shared.

3 Just a few numbers and I will
4 finish. In the district that I spoke about
5 earlier, in District 57, 441 individuals. In
6 Senate District 60, Senator Grisanti's
7 district in Buffalo, 578 individuals. In
8 Senator Maziarz's district, District Number
9 62, 619 individuals.

10 Now, as I stated in our former
11 debate, I have not seen the hard evidence that
12 tells me that these are the people that are
13 leaving. The people that are leaving this
14 state are people that cannot afford to
15 continue to live here. They're not the folks,
16 they're not the folks that would be impacted
17 by this.

18 And let's say we put a true
19 millionaire's tax, as we call it. These folks
20 are not going leave. We would extend the same
21 thing that they are paying right now. And I
22 have said it before, this is not a new tax.
23 We are not imposing something that they are
24 not paying at this moment.

25 Ladies and gentlemen, I would only

1 ask that you consider one more thing. This
2 budget is going to pass. On this bill in
3 particular, even though it is a paradox, I
4 will be voting in the affirmative. The reason
5 I will be voting in the affirmative is because
6 I believe that there are things in here that
7 will fund at least to the level that they need
8 to be funded. But I do not believe that it
9 produces enough revenue for us to lessen the
10 impact on the communities that most of us
11 represent.

12 The majority of the individuals
13 that we represent are going to be impacted by
14 this, and this bill unfortunately does not
15 provide enough revenue. But we still have an
16 opportunity. I do hope that after this
17 process is done that we can come back to this
18 house and continue to have this conversation.
19 And before December 31st you consider the
20 impact that it had in your schools, in your
21 hospitals, in your police departments, that we
22 come back here and we say we have -- we can
23 establish something where responsibility for
24 the pain that we have to go through is shared,
25 that the sacrifice that we have to take is

1 shared.

2 I thank you for your time today.

3 And I will just finish with this one thing.

4 Remember that we are making choices here.

5 This is all about choices. And we can make

6 some choices in the near future that will have

7 an impact on the choices that our constituents

8 make so that they don't have to be impacted as

9 negatively as they are by some of these cuts.

10 Shared responsibility and shared sacrifice.

11 Thank you, Mr. President.

12 ACTING PRESIDENT GRIFFO: Is
13 there any other Senator wishing to be heard?

14 Senator Squadron.

15 SENATOR SQUADRON: Thank you,
16 Mr. President.

17 If Senator DeFrancisco would yield
18 for a few questions, please.

19 SENATOR DeFRANCISCO: Yes.

20 SENATOR SQUADRON: Thank you very
21 much.

22 Senator DeFrancisco, is there an
23 increase this year, year to year, in the
24 low-income housing tax credit in this budget?

25 SENATOR DeFRANCISCO: Yes, there

1 is. And I believe it's in the revenue bill
2 summary someplace.

3 SENATOR SQUADRON: I believe it's
4 Part F.

5 SENATOR DeFRANCISCO: Part F,
6 you're right. Okay, yes.

7 SENATOR SQUADRON: Would Senator
8 DeFrancisco continue to yield?

9 SENATOR DeFRANCISCO: Yes.

10 ACTING PRESIDENT GRIFFO: He will
11 yield.

12 SENATOR SQUADRON: And that
13 increase is \$4 million. And is it true that
14 the low-income housing tax credit is a tax
15 credit that encourages the creation and
16 expansion of low-income housing in New York
17 State and that this would be a \$4 million
18 increase, close to a 20 percent increase in
19 the program for this coming year?

20 SENATOR DeFRANCISCO: Yes, it's
21 correct.

22 SENATOR SQUADRON: Thank you.
23 Would Senator DeFrancisco continue
24 to yield?

25 SENATOR DeFRANCISCO: Yes.

1 SENATOR SQUADRON: Thank you.

2 SENATOR DeFRANCISCO: I've been
3 informed it's been increased every year. Each
4 Governor proposes this, such an increase.

5 SENATOR SQUADRON: Thank you.

6 And let me ask -- and I was struck
7 by the conversation between Senator Rivera and
8 Senator DeFrancisco because of how important
9 it was to make clear that there is no tax
10 relief in this bill, which is a different sort
11 of argument than we often have on this floor.
12 And certainly the low-income housing tax
13 credit is something that's meant to provide
14 relief to people of low income who need
15 housing.

16 Let me ask Senator DeFrancisco, is
17 there anything in this budget bill that gives
18 relief or extends relief to renters in the
19 City of New York who are covered by the
20 Emergency Tenant Protection Act?

21 SENATOR DeFRANCISCO: No. Nor
22 are there any relief for renters in upstate
23 New York either.

24 SENATOR SQUADRON: Thank you.

25 Would Senator DeFrancisco continue

1 to yield?

2 SENATOR DeFRANCISCO: Yes.

3 ACTING PRESIDENT GRIFFO: The
4 Senator yields.

5 SENATOR SQUADRON: Thank you.

6 And is there anything in this
7 budget that would provide property tax relief
8 to folks who own homes anywhere in the State
9 of New York?

10 SENATOR DeFRANCISCO: No. We
11 passed the property tax cap, but that -- and
12 had it as part of our one-house budget, but
13 there was no three-way agreement on that.

14 SENATOR SQUADRON: Thank you very
15 much.

16 On the bill, Mr. President.

17 ACTING PRESIDENT GRIFFO: Senator
18 Squadron on the bill.

19 SENATOR SQUADRON: Thank you very
20 much.

21 As Senator DeFrancisco says, there
22 isn't tax relief in this budget for the
23 2.5 million renters who, thanks to the state
24 government, basically have what is, in effect,
25 protection from the state government that will

1 be a massive, massive tax increase for them if
2 rent regulations are not extended and
3 expanded. That's not in this budget.

4 And similarly, a year ago and two
5 years ago we heard an enormous amount about
6 property tax relief and the need for property
7 tax relief. We heard it both here on the
8 floor and around the 62 Senate districts. And
9 as Senator DeFrancisco says, there's nothing
10 in this budget that provides property tax
11 relief across the state.

12 It's a tough, tough budget. And
13 the increased low-income housing tax credit is
14 something that the Governor and the Assembly
15 and the Majority Leader and the members of
16 this house deserve an enormous amount of
17 credit for and we're appreciative of. But we
18 need relief for people who are having trouble
19 staying in their homes, whether they're
20 renters in the downstate region or the upstate
21 region, or homeowners in the downstate region
22 or the upstate region. And we just simply
23 don't it have that relief in this bill.

24 It's not always possible.
25 Certainly the last two years it was very

1 difficult as well. I just wanted to highlight
2 that again in this budget it's been very
3 difficult to provide that relief.

4 Thank you, Mr. President.

5 ACTING PRESIDENT GRIFFO: Senator
6 Krueger, do you wish to speak?

7 SENATOR KRUEGER: Thank you,
8 Mr. President, I do. And I appreciate that
9 you noticed I jumped up too quickly before my
10 colleague Senator Squadron.

11 If the sponsor would continue to
12 yield, please.

13 ACTING PRESIDENT GRIFFO: Senator
14 DeFrancisco, do you yield?

15 SENATOR DeFRANCISCO: Yes.

16 ACTING PRESIDENT GRIFFO: Senator
17 Krueger.

18 SENATOR KRUEGER: Thank you.

19 Senator DeFrancisco, we're here
20 talking about the revenue bill, where we
21 collect taxes, where we don't collect taxes,
22 how we pay for the programmatic expenditures
23 of all the other bills.

24 Do you know how much we don't
25 collect because of tax expenditures in our tax

1 and budget code, or how much we expect not to
2 collect due to the tax expenditures we have on
3 the books in New York State?

4 SENATOR DeFRANCISCO: How much --
5 how many taxes are due that are not collected?

6 SENATOR KRUEGER: When we pass
7 laws, we pass laws to collect taxes and
8 revenue, as we've been discussing this
9 morning, and we also put into law different
10 tax expenditures, credits, even refundable
11 credits in our tax code, do you know what they
12 total for the coming fiscal year?

13 SENATOR DeFRANCISCO: I don't
14 know. The only one I'm sure of is the
15 \$915 million for the earned income tax credit.
16 But I'm sure there's substantially more than
17 that. And if you would like that number, I'd
18 be happy to get it for you.

19 If you're suggesting that -- to
20 eliminate some of those tax credits, that's a
21 policy decision and dependent upon the tax
22 credit and what advantage that credit has done
23 as far as creating business. There's tax
24 credits, as I discussed before, additional
25 ones in here for those areas that are going to

1 be affected by prison closures.

2 SENATOR KRUEGER: Mr. President,
3 if through you the sponsor would continue to
4 yield.

5 SENATOR DeFRANCISCO: Yes.

6 SENATOR KRUEGER: Thank you. And
7 I agree, my question was a hard one. I have
8 before you the Annual Report on New York State
9 Tax Expenditures, and it's a fascinating
10 document. But they actually forget to add up
11 all the dollars from each of the programs.
12 And it's a multi-hundred-page document. But I
13 actually went through and added them up. And
14 it's \$29 billion in the 2010-2011 year. They
15 don't have, obviously, the final report going
16 out of this budget.

17 But I'm curious, are we
18 discontinuing any of the tax expenditures in
19 this budget?

20 SENATOR DeFRANCISCO: You know,
21 I'm sorry, I just don't understand the
22 question. Discontinuing tax expenditures?
23 What are -- I don't know that what means, I
24 really don't.

25 SENATOR KRUEGER: Okay. So every

1 year -- Mr. President, through you, may I
2 explain? I believe I'm answering a question.

3 ACTING PRESIDENT GRIFFO: You may
4 explain, Senator Krueger.

5 SENATOR KRUEGER: Thank you so
6 much.

7 Every year we do a budget and we
8 put in revenues and we reject revenues. We've
9 been having that discussion now on the floor
10 for quite a while on this bill. And we also
11 put in tax expenditures. As Senator
12 DeFrancisco just pointed out, in this budget
13 bill or bills there is a new tax credit
14 opportunity tied into the regional economic
15 development groups. There's also some model
16 for tax credits to assist communities that may
17 be losing prisons. So those are two we're
18 adding.

19 But these would also be a place in
20 the revenue bill where you would potentially
21 discontinue programs. As has been discussed
22 multiple times, there are expiration dates on
23 lots of programs. There was an expiration
24 date, as discussed, on the high-end
25 supplement. There's expiration dates on any

1 number of different programs or enactments of
2 permanency for any number of different
3 programs in the budget.

4 So I'm asking have we discontinued
5 any of the tax expenditure programs within
6 this revenue bill.

7 SENATOR DeFRANCISCO: I -- once
8 again, the term "tax expenditure," I don't
9 get. If you're meaning tax credits, if you're
10 meaning deductions of taxes for mortgage
11 payments or various -- or at one time we had a
12 clothing tax moratorium. We don't have that
13 anymore.

14 Are you talking about tax
15 expenditures meaning the credits and benefits
16 given on a tax return to people?

17 SENATOR KRUEGER: Mr. President,
18 if the sponsor would continue to allow me --

19 ACTING PRESIDENT GRIFFO: The
20 sponsor yields. Senator Krueger, I would ask
21 that you be explicit in your questioning,
22 please.

23 SENATOR KRUEGER: Yes, thank you.
24 The tax expenditure budget is right
25 there. The state defines tax expenditures as

1 provisions in the tax code such as exclusions,
2 deductions, credits, deferrals that are
3 designed to encourage certain kinds of
4 activities or to aid taxpayers in certain
5 special circumstances.

6 Some tax expenditures are designed
7 to accomplish certain public goals and should
8 be evaluated in the context of the loss to
9 state revenue versus the public gain from
10 allowing them to have, again, exclusions from
11 their taxes, deductions from their taxes, tax
12 credits from the state or deferrals for paying
13 their taxes. That's the definition in the tax
14 expenditure report.

15 SENATOR DeFRANCISCO: Now that I
16 understand the issue, what is the question?

17 SENATOR KRUEGER: Thank you. In
18 this year's budget, in this revenue bill are
19 we in fact reducing any of the tax
20 expenditures?

21 SENATOR DeFRANCISCO: No, we're
22 not.

23 SENATOR KRUEGER: Thank you.

24 SENATOR DeFRANCISCO: And if some
25 of those tax expenditures, as defined, are bad

1 policy decisions, that certainly could be the
2 topic in a budget season. And it's probably a
3 fair topic in a budget season. The only tax
4 issue that I've heard is the millionaire's tax
5 being discussed.

6 But if there are some of those that
7 should, at least arguably, be eliminated, that
8 should be proposed by anyone in the house that
9 might want to do that. Unfortunately, it's a
10 little late at this point.

11 SENATOR KRUEGER: Thank you,
12 Mr. President.

13 Well, in fact that is the point I
14 am getting at. And I appreciate Senator
15 DeFrancisco's answers to my questions. So
16 I'll speak on the bill.

17 ACTING PRESIDENT GRIFFO: Senator
18 Krueger on the bill for the second time.

19 SENATOR KRUEGER: Thank you.

20 So this is a revenue bill, which
21 means we're supposed to be evaluating -- the
22 State Legislature, the Governor -- where we
23 get our revenue to spend the money on
24 important public services. And we know that
25 we're talking about cutting \$10 billion out of

1 the budget. And we have heard extensively
2 back and forth about one specific item that
3 some people think we should be extending or
4 redefining specifically for millionaires
5 moving forward when the existing law expires.

6 But we're at the date where we're
7 being asked to vote for this budget. And I am
8 extraordinarily disappointed that in very
9 difficult economic times, with a new
10 commitment to remodeling how we do state
11 business and state government, we completely
12 ignored the \$29 billion on the table that the
13 State of New York decides in its wisdom -- or
14 perhaps not always such good wisdom -- not to
15 put on the table as a mechanism to collect
16 revenue and avoid making some of the very
17 large cuts we're making to our programs.

18 And I have spoken on this many
19 times. I ran a committee, no longer, but on
20 tax and budget policy. It came out with any
21 number of reports that were nonpartisan or
22 bipartisan reports supported by my colleagues.
23 We did a specific report on property tax
24 exemptions and exclusions. I will highlight
25 Senator Bonacic's excellent work on that issue

1 over the years. When you exclude certain
2 people from paying their property taxes, as we
3 know, somebody else has to make that up or you
4 cut other services.

5 We did a tax report on the
6 inequities in tax policy when it came to
7 telecommunications, the fact that satellite TV
8 companies don't actually pay taxes in New
9 York, while cable TV companies, because they
10 have a cable in the ground, do. And it's an
11 equity question and it's also a question of
12 whether we collect revenue or we don't,
13 whether we then have to cut our schools
14 because we're not collecting revenue.

15 We have -- I heard earlier, in
16 response to a question on the bill, from the
17 sponsor that we collect \$9 billion in business
18 taxes. And in fact many people argue our
19 business taxes are too high and are
20 discouraging people from staying in New York
21 or starting new businesses in New York. But
22 we also have over \$5 billion in business tax
23 exemptions or expenditure deferrals or even
24 credits for businesses in New York State,
25 Mr. President.

1 And I asked the question and I
2 think all of us should be asking the question,
3 in a time when we're talking about cutting
4 billions from education and healthcare and
5 human services and we're telling localities
6 you're on your own for many issues where
7 you've depended on the state for help before,
8 that they're asking and I'm asking why didn't
9 we look at any of those items -- \$29 billion
10 that were on the table in our law that we
11 could have explored collecting money from.

12 General Electric -- we of course
13 don't know anything about individual
14 companies' tax returns, and I am not privy to
15 them. No one here is, but there was a recent
16 spate of articles about the fact that General
17 Electric, a very large corporation with a
18 large presence here in New York State -- and
19 I'm glad they're here in New York State, I'm
20 sure we all are -- they had \$15 billion in
21 profits -- and I'm delighted. They don't pay
22 any taxes. In fact, they got \$3 billion in
23 refunds or credits without paying any taxes.

24 Now, when you analyze the tax
25 expenditures at the federal level and the

1 state level, you actually see that the vast
2 majority of them go to large corporations and
3 large businesses. And I hear from my
4 colleagues every day that the help that is
5 needed, and I want to provide it, is to small
6 new businesses, medium-sized businesses who
7 technically are the job creators and the job
8 engines for our economy.

9 So I am disturbed that we're not
10 doing any evaluation of the good, the bad, the
11 ugly in our tax expenditure tax code. And I
12 am disturbed that we are moving forward to get
13 an on-time budget -- and I respect the
14 importance of that -- by cutting billions of
15 dollars without asking the questions about
16 money that was on the table and perhaps more
17 fairly and equitably should be paid to the
18 State of New York so that we weren't just
19 arguing about one tax question, a
20 millionaire's tax, we were asking the hard
21 questions about billions of dollars in revenue
22 that we, the State of New York, have decided
23 to give as tax credits, deferrals, refundable
24 money back to businesses without asking the
25 hard questions: Is that the right answer in

1 bad economic times? Is that the right answer
2 in job creation?

3 So I really wish -- I'm sorry,
4 Senator DeFrancisco --

5 ACTING PRESIDENT GRIFFO: Senator
6 DeFrancisco, why do you rise?

7 SENATOR DeFRANCISCO: Would
8 Senator Krueger yield to a question?

9 ACTING PRESIDENT GRIFFO: Senator
10 Krueger, will you yield?

11 SENATOR KRUEGER: Happily,
12 Mr. President.

13 ACTING PRESIDENT GRIFFO: Senator
14 DeFrancisco.

15 SENATOR DeFRANCISCO: We've had a
16 process that's gone on for some time now since
17 the Governor released the budget, including
18 conference committees and the like. We're now
19 passing the budget. The question is, any of
20 those tax expenditures in your book that
21 you've got there with over a hundred pages,
22 did you or anyone else make any suggestions to
23 anyone to remove any of those tax expenditures
24 from the budget or give reasons why they
25 should be or advocate for any of those

1 specific items that you're now talking about
2 that you're upset that are not in the budget?

3 SENATOR KRUEGER: Yes,
4 Mr. President, I did.

5 Now, of course I moved into the
6 ranker position quite late in the process.
7 But I actually submitted all of the reports
8 from our tax committee, many of which focus on
9 specific tax expenditure issues and the
10 questions, to the Governor, Lieutenant
11 Governor and both houses.

12 And in fact I also submitted my
13 proposal to ensure that we evaluate the value
14 and the cost of tax expenditures on a regular
15 basis, each and every one of them to be
16 included in the budget.

17 Earlier I asked some questions
18 about did we have GAAP budgeting in this
19 budget, did we include performance-based
20 budgeting. And some people might remember
21 that the Senate Democrats carried a package of
22 budget reform that also included evaluating
23 the effectiveness and the cost to the State of
24 New York of tax expenditures.

25 So I did make sure in this new year

1 to move that package through to everyone who
2 might have a role to play in this.

3 SENATOR DeFRANCISCO: Would
4 Senator Krueger yield to another question.

5 ACTING PRESIDENT GRIFFO: Senator
6 Krueger, do you continue to yield?

7 SENATOR KRUEGER: Yes.

8 SENATOR DeFRANCISCO: My question
9 is were there any specific tax credits, any
10 specific deductions, any specific use of -- or
11 tax expenditures, as the term is defined, that
12 you proposed to anyone in order to include in
13 this budget?

14 SENATOR KRUEGER: Yes. As I
15 said, there was a package of materials that
16 included individual proposals. But I -- in
17 follow up, when I say that they are not here,
18 I would agree, in a both houses and the
19 Governor, these were not put on the table to
20 going into this budget.

21 SENATOR DeFRANCISCO: And did you
22 provide me one? Because I honestly do not
23 remember.

24 SENATOR KRUEGER: And I honestly
25 don't remember whether you were on the list

1 either. But I will certainly happily make
2 sure you get the package. But I'm not sure
3 you were cc'd.

4 SENATOR DeFRANCISCO: Okay, thank
5 you.

6 ACTING PRESIDENT GRIFFO: Senator
7 Krueger, are you concluding comments now?

8 SENATOR KRUEGER: I'm continuing
9 on the bill.

10 ACTING PRESIDENT GRIFFO: I think
11 you were close to conclusion?

12 (Laughter.)

13 SENATOR KRUEGER: Yes, sir, I am.
14 I know you're fascinated by what I'm going to
15 say, so I am sure that you're not really
16 rushing me.

17 Excuse me, Mr. President, you made
18 me lose my train of thought.

19 So in conclusion --

20 (Laughter.)

21 SENATOR KRUEGER: -- having gone
22 through so many issues of why I know we could
23 have done better on this most important
24 fundamental assignment, the revenue for the
25 State of New York, the revenue we could, with

1 a better revenue bill, be collecting, that
2 would have ensured that without raising
3 taxes -- because these are special exemptions
4 and credits that never get looked at each year
5 the way we look at every other program --
6 without ever really doing the homework asking
7 the questions which I have been urging for
8 years, under Republican and democratic
9 Governors and under Democratic and Republican
10 leadership in these houses, that in this year
11 where we have said we're doing business a new
12 way, we are dealing with the third-rail issues
13 in budgeting and government that haven't been
14 dealt with, that we could, we could have come
15 up with significant revenue to help pay for
16 the public services we need. We could have
17 come up with alternatives that would have
18 ensured we weren't taking such huge cuts to
19 education, higher education, human services,
20 agriculture, so many programs that people care
21 so much about.

22 And because of that, because we
23 flunked a critical test for me, I find myself
24 determined that I must vote no on this bill.

25 Thank you, Mr. President.

1 ACTING PRESIDENT GRIFFO: Is
2 there any other Senator wishing to be heard?
3 Seeing none, the debate is closed.
4 The Secretary will ring the bell.
5 SENATOR LIBOUS: Mr. President.
6 ACTING PRESIDENT GRIFFO: Senator
7 Libous.
8 SENATOR LIBOUS: Are we ringing
9 the bell at this time?
10 ACTING PRESIDENT GRIFFO: The
11 bell is ringing.
12 SENATOR LIBOUS: Thank you.
13 ACTING PRESIDENT GRIFFO: I would
14 also like to remind members at this point in
15 time that this will be on explanation of
16 votes, and we will be looking to Rule 9(3)(e)
17 for a two-minute explanation.
18 SENATOR LIBOUS: Thank you,
19 Mr. President.
20 ACTING PRESIDENT GRIFFO: Read
21 the last section.
22 THE SECRETARY: Section 3. This
23 act shall take effect immediately.
24 ACTING PRESIDENT GRIFFO: Call
25 the roll.

1 (The Secretary called the roll.)

2 ACTING PRESIDENT GRIFFO: Senator
3 Adams to explain his vote.

4 SENATOR ADAMS: Mr. President,
5 I'm going to vote no on this bill.

6 And again, you know, New York State
7 is a family, and all families should share the
8 pain. One aspect of the family should not be
9 better off than the other.

10 The consistent tone that has
11 resonated during this budget is that this is a
12 tough budget. That has been a consistent
13 tone. The only group in New York State who
14 cannot say that are the millionaires. The
15 only group that can't say this is a tough
16 budget are the millionaires. That, to me, is
17 astonishing. Alex Rodriguez just bought a
18 condo, paid \$6 million for that condo. Only
19 \$1,200 in property tax he's going to pay --
20 \$1,200, when he's supposed to pay \$60,000.

21 That which is normal has become
22 abnormal, and that which is abnormal has
23 become normal. When you advocate on behalf of
24 schoolchildren, they're special interests.
25 When you advocate on behalf of Alex Rodriguez,

1 you're a special person. I'm not going to
2 accept that.

3 This is a terrible budget. At a
4 minimum, we should have had millionaire's
5 continued and extend this tax. I am not going
6 to vote for a budget in a year when we all
7 have to give back and the only group that
8 doesn't are the millionaires in the State of
9 New York.

10 That's not the legacy that I'm
11 going to live, and that's not the legacy that
12 the people who sent me to Albany expect me to
13 vote on. This budget is wrong not to force
14 millionaires to pay their fair share during
15 these tough and difficult times. I vote no on
16 this budget.

17 ACTING PRESIDENT GRIFFO: Senator
18 Adams to be recorded in the negative.

19 I remind the house to please keep
20 order so that we can hear all of the members
21 speak.

22 Senator Young to explain her vote.

23 SENATOR YOUNG: Thank you,
24 Mr. President. To explain my vote.

25 You know, I listened intently to

1 Senator Rivera argue in favor of taxing the
2 60,000 small businesses in this state. And he
3 used the argument that, oh, gee, there's only
4 441 people who would qualify, under the
5 personal income tax surcharge, in my district.
6 That's true. And, Senator Rivera, we used to
7 have more. But they've been driven out of the
8 state. I've lost small business after small
9 business.

10 And I'll give you just one example.
11 A month ago a company by a name of Luminite, a
12 family-owned business that's been in the City
13 of Salamanca for 85 years, decided to move out
14 of New York State. And they said to us, "You
15 know what, we know some people in Albany like
16 you and the Governor are trying to change the
17 business climate, but we can't take the heavy
18 taxes anymore. We can't take the heavy
19 regulations anymore." So they're picking up
20 their company and they're moving it across the
21 border in Pennsylvania, along with their
22 60 jobs, which hurts my constituents.

23 You talk about people not being
24 able to afford to live in New York State?
25 That's true. And I guess I'm not surprised to

1 hear you argue in favor of continuing to tax,
2 because that's what that side of the aisle,
3 the Senate Democrats, have consistently done
4 over the past two years. You raised 124 new
5 tax and fees, \$14 billion in taxes and
6 spending at a time when people could least
7 afford it.

8 Senator Squadron talks about
9 property tax relief and how important that is.
10 I think that's a farce, because last year you
11 took away and the year before you took away
12 people's property tax rebate checks that gave
13 them property tax relief.

14 People can't afford to live here
15 because when they have trouble paying their
16 utility bills, you tax them even more. When
17 they have trouble paying their property taxes,
18 you tax them even more. When they have
19 trouble paying their health insurance
20 premiums, you tax them even more. You taxed
21 them on their motor vehicle registrations.
22 One hundred twenty-four taxes that you imposed
23 on people.

24 In Western New York we have lost
25 tons of population. And in fact, in

1 Charlotte, North Carolina, it's now known,
2 nicknamed Little Buffalo because so many
3 people have left.

4 We've got to turn this state
5 around, and that's what this budget is about.
6 Because it's sending a clear message to the
7 people of this state and the people of this
8 country that this heavy taxation will not
9 continue. We are changing the direction of
10 the state --

11 ACTING PRESIDENT GRIFFO: Senator
12 Young.

13 SENATOR YOUNG: We are focusing
14 on revitalizing the economy, helping our small
15 businesses. And that's why I'm voting yes on
16 this bill.

17 ACTING PRESIDENT GRIFFO: Senator
18 Young to be recorded in the affirmative.

19 Senator Peralta to explain his
20 vote.

21 SENATOR PERALTA: Thank you,
22 Mr. President. I commend the Governor for
23 about to get an on-time budget. I agree with
24 parts of it, I disagree with other parts. But
25 as responsible policymakers, we know that

1 being on time is just one part of what makes a
2 good budget. The other part, the more
3 important part, is whether the budget
4 accurately represents our best ideals and
5 highest priorities.

6 I do not believe that this revenue
7 bill represents what most New Yorkers want.
8 In fact, I believe this revenue bill will hurt
9 our future competitiveness and place further
10 burdens on the backs of our most vulnerable
11 and our middle class.

12 So what happened to the notion of
13 shared sacrifice? Actually, only the wealthy
14 will benefit from this revenue bill. The
15 failure to extend a temporary surcharge on the
16 highest income earners is deplorable. We're
17 about to pass a devastating cut to education
18 that could largely have been avoided with the
19 temporary extension of the high-income-earners
20 surcharge. Providing a tax cut to
21 millionaires while laying off teachers and
22 cutting education programs hardly seems to be
23 shared sacrifices.

24 And most New Yorkers agree with me.
25 A recent Marist poll found that 64 percent of

1 state voters support extending this surcharge.
2 And this same poll found that as people's
3 income increases, so does their support for
4 the tax.

5 Moreover, the Fiscal Policy
6 Institute found that as a result of the Bush
7 tax cuts extended in December, those whose
8 incomes are over \$1 million will pay an
9 average of \$34,000 less in taxes.

10 And this is not just a moral
11 question, it's an economic one as well. One
12 of the most important ingredients in growing
13 our economy long term is a strong education
14 system. These cuts could have long-term
15 ramifications.

16 Yes, my colleagues, spending cuts
17 are necessary, absolutely. But so are common
18 sense and compassion, and that's what we need
19 to have here today.

20 I will vote nay on this bill.

21 ACTING PRESIDENT GRIFFO: Senator
22 Peralta to be recorded in the negative.

23 Senator Espallat.

24 SENATOR ESPAILLAT: Thank you,
25 Mr. President.

1 Once again, the poor, the
2 working-class and middle-class New Yorkers of
3 this great state are saddled with the
4 responsibility of balancing the budget, of
5 plugging the deficit. Much has been said
6 about the disparity in the approach, how the
7 mobility tax, also known as the payroll tax,
8 imposed on 12 counties across the State of
9 New York has continued. This is a tax that
10 affects small businesses, charities,
11 not-for-profits, people that are providing
12 goods and services in the 12 counties serviced
13 by the MTA. But of course the millionaires
14 get a break.

15 Aid to municipalities is cut. And
16 this is funding that often goes to the poor
17 and working class, assisting them with
18 programs that are vital to their existence in
19 those municipalities. But of course the
20 millionaires get a cut.

21 Cuts to education and Medicaid, we
22 will be discussing those as we move forward.
23 And while the big CEOs of the pharmaceutical
24 companies and the big CEOs of the insurance
25 companies and the bankers benefitted from the

1 stimulus package and the extended Bush tax
2 cuts, these cuts will have a disproportionate
3 impact on working-class and middle-class
4 New Yorkers. And again, the rich get a cut.

5 Shared sacrifice? Shared
6 responsibility? Sharing the pain? Not a
7 chance. The rich will continue to get a
8 break. The rich will continue to get a cut.
9 They will not leave in droves. The
10 Metropolitan Opera House will still be housed
11 in Manhattan. The Metropolitan Museum of
12 Modern Art will be still on Fifth Avenue.
13 Folks will not leave in droves. They have not
14 left in droves. They will still continue to
15 gravitate towards the cultural centers of New
16 York City and New York State. But they will
17 continue to get a cut.

18 ACTING PRESIDENT GRIFFO: Senator
19 Espaillat, how do you vote?

20 SENATOR ESPAILLAT: I will be
21 voting in the negative, Mr. President. Thank
22 you.

23 ACTING PRESIDENT GRIFFO: Senator
24 Espaillat to be recorded in the negative.

25 Senator Carlucci to explain his

1 vote.

2 SENATOR CARLUCCI: Thank you,
3 Mr. President.

4 First I just want to commend
5 Governor Andrew Cuomo and my colleagues here
6 in the Legislature for specifically amending
7 the Excelsior jobs program. Specifically in
8 there, amending the new jobs tax credit to
9 make it a percentage of the wages paid, I
10 think is extremely important in rewarding
11 quality employers that are really providing
12 quality jobs and high-paying jobs to
13 New Yorkers. New Yorkers deserve great-paying
14 jobs, and they need them right now.

15 And specifically when we talk about
16 taxpayers, this program is putting a return on
17 investment for taxpayer money that's going to
18 companies that in return will provide
19 great-paying jobs.

20 Another great program here is by
21 increasing the tax credits for research and
22 development. This positions New York to be
23 the leader when it comes to emerging
24 technologies, to high-tech companies. With
25 research and development I believe we can be

1 the leaders not just in this nation, but in
2 the global economy.

3 So, Mr. President, I'll be voting
4 in the affirmative. Thank you.

5 ACTING PRESIDENT GRIFFO: Senator
6 Carlucci to be recorded in the affirmative.

7 Senator Kennedy to explain his
8 vote.

9 SENATOR KENNEDY: Thank you,
10 Mr. President. Please record me in the
11 negative on this vote.

12 Our state is in a severe fiscal
13 crisis, we're all very well aware of that.
14 And our government is taking many steps to get
15 our fiscal house in order. And at the same
16 time, New York's middle-class families and
17 small businesses are overburdened with taxes.
18 They're desperate for tax relief.

19 I rise today because the
20 hardworking men and women of Western New York
21 and all of New York State have been clamoring
22 for us to help them make everyday life more
23 affordable as they struggle to make ends meet.
24 This bill does not ease the tax burden they've
25 been enduring. It does, however, provide a

1 tax bailout for Wall Street millionaires.

2 As I've said, the budget takes
3 money away from Western New York's families,
4 students and seniors and sends it directly in
5 the pockets of Wall Street millionaires. It
6 gives a tax break for millionaires while the
7 rest of our state, especially middle-class
8 families, are forced to pay the same but get
9 less.

10 With New York's business tax
11 climate known as one of the worst in the
12 nation, wouldn't it make more sense to target
13 tax relief to struggling small businesses
14 rather than giving hefty tax breaks to
15 millionaires?

16 What about Western New York's
17 middle-class families? They're bearing the
18 burden of this budget deficit because their
19 taxes remain high while services they rely on,
20 like their kids' schools and their kids'
21 educations, are suffering severe cuts.

22 This budget plan fails to implement
23 a tax cap, guts education funding, and gives a
24 tax bailout to millionaires. In the
25 Cheektowaga-Sloan School District, one of --

1 which I represent, the school board has cut
2 the fat, cut through the muscle and now
3 they're stuck trying to cut through the bone.
4 They've cut to the point where they really
5 can't cut anymore, and now they're forced to
6 consider depleting educational programs.

7 In the Hamburg, West Seneca, Eden,
8 Lackawanna and Buffalo School Districts that I
9 represent, the financial outlook is just as
10 dire. But by simply holding the line on taxes
11 for millionaires, as this budget does, with
12 taxes for the rest of the state --

13 ACTING PRESIDENT GRIFFO: Senator
14 Kennedy, how do you vote?

15 SENATOR KENNEDY: I vote no
16 because this bill takes money away from
17 Western New York families and puts it in the
18 pocket of Wall Street millionaires.

19 ACTING PRESIDENT GRIFFO: Senator
20 Kennedy to be recorded in the negative.

21 Senator Parker to explain his vote.

22 SENATOR PARKER: Thank you,
23 Mr. President. Within two minutes, to explain
24 my vote.

25 I'm actually unfortunately voting

1 no on this revenue bill. I'd like to be
2 voting yes, but -- and I think my colleagues
3 have made the point very aptly that this
4 revenue bill in particular is unacceptable
5 because it balances the budget on the backs of
6 the most vulnerable people in our society --
7 on schoolchildren, on people with
8 disabilities -- you know, and there's no
9 fairness in it.

10 You know, I can go on and on, as my
11 colleagues have indicated, about the fair
12 share tax plan that we're now abandoning,
13 something that would actually give us an
14 additional -- forget this year, next year it
15 would provide \$5 billion in the budget and
16 would actually give us a surplus of \$2 billion
17 simply by just doing what is fair to the
18 taxpayer.

19 And we could do that simply -- in
20 fact, we ought to restructure it, frankly, and
21 not start it at \$200,000, we ought to probably
22 raise it to \$750,000 or maybe even make it a
23 million. But we certainly ought to have that
24 surcharge in place to in fact do the right
25 thing by the people of the State of New York.

1 I want to just, you know, have
2 Senator Young just be correct about this.
3 Because I'm from Brooklyn, and we have an
4 expression there about keeping it real. And
5 to keep it real, from 1989 to 2008, under
6 Republican control, taxes went up in this
7 state by \$131 billion. Let me say that again.
8 Under Republican control, taxes went up by
9 \$131 billion from 1998 to 2008.

10 The STAR program in this budget is
11 being cut by \$125 million. In this budget
12 that you're voting for today.

13 So I want to make sure that
14 everybody knows what we're doing in this
15 budget and why I'm voting no. Because that's
16 the wrong choice for my community. And it's
17 the wrong choice, frankly, for your
18 communities.

19 And I put out some things that we
20 ought to do. We could have actually collected
21 10 percent of the stock transfer tax, and that
22 would have gave us \$1.5 billion. We could
23 have done -- you know, gotten rid of a number
24 of the tax loopholes that we find, you know,
25 for corporations --

1 ACTING PRESIDENT GRIFFO: Senator
2 Parker.

3 SENATOR PARKER: -- and we could
4 have collected some money on that.

5 So there were lots of the options
6 that we said no to, and that's why I'm saying
7 no to this revenue budget, Mr. President.

8 ACTING PRESIDENT GRIFFO: Senator
9 Parker to be recorded in the negative.

10 Senator Ball to explain his vote.

11 SENATOR BALL: I'll be voting in
12 the affirmative. And I'll just give a little
13 background.

14 I have a white collar today, but my
15 collar is as blue as it comes. I grew up, my
16 parents were caretakers on the Kennedy estate,
17 Jean Kennedy and Steve Smith, in Pawling,
18 New York. First in my family to graduate from
19 college.

20 You know, it may sound fun that we
21 were caretakers on the Kennedy estate. That
22 meant that we got to cut the grass and, when
23 they weren't around, get into the swimming
24 pool. When we weren't there, my parents went
25 paycheck by paycheck, we lived in my

1 grandmother's basement. Now, I'm not talking
2 about a furnished basement, I'm talking about
3 concrete, little tiny windows, bedsheets up
4 instead of walls. That's how I grew up.

5 Now, we're talking about Bush tax
6 cuts. Bush has -- he's not president anymore,
7 folks. And these tax cuts have nothing to do
8 with George Bush.

9 On the MTA payroll tax, which
10 really affects my district, at the end of the
11 day that issue certainly has to be addressed.
12 We had an opportunity in this budget to do
13 that. On our side we fought for a forensic
14 accounting of the MTA. It would have been
15 nice to have your support on that.

16 And moving forward for a full
17 repeal of the MTA payroll tax, it's going to
18 be important that you walk over to the other
19 chamber to make sure that it's a priority just
20 like it seems to be a priority in the debate
21 today.

22 Furthermore, on the tax cap, we
23 have got to address the crisis of the property
24 tax. But you have to understand something
25 very real about what's been called the

1 millionaire tax today, folks making between
2 \$200,000 to a million dollars a year. Many of
3 these folks that live in my district, these
4 are the people who are creating the jobs.
5 They have dirt under their fingernails. They
6 are being forced out of the state. They are
7 losing their businesses. We have lost
8 1.8 million New Yorkers.

9 You can blame the Senate majority
10 for what you call a millionaire tax. It is
11 not a millionaire tax. It's a job-killing
12 tax. And at the end of the day, it's your
13 governor, Governor Cuomo, who stands solidly
14 on this issue because he knows that we have no
15 future in this state continuing to be number
16 one in all the wrong ways -- number one in
17 killing jobs, number one in taxing, number one
18 in outmigration.

19 ACTING PRESIDENT GRIFFO: Senator
20 Ball.

21 SENATOR BALL: People are voting
22 with their feet --

23 ACTING PRESIDENT GRIFFO: Senator
24 Ball, how do you vote?

25 SENATOR BALL: I vote yes. Thank

1 you.

2 ACTING PRESIDENT GRIFFO: Senator
3 Ball to be recorded in the affirmative.

4 Senator Fuschillo to explain his
5 vote.

6 SENATOR FUSCHILLO: Just briefly.
7 Thank you, Mr. President. And let me thank my
8 colleague Senator DeFrancisco for his work on
9 the floor here today.

10 New York State has a spending
11 problem. And if we continue that, we're going
12 to continue the mass exodus that we've seen
13 over the last decade where more people move
14 out of our state than any other state in the
15 nation.

16 I've heard arguments from the other
17 side of the aisle about the MTA payroll tax.
18 We agree. Where were you two years ago when
19 you implemented the tax? It's a job-killing
20 tax. And just because our budget may get
21 completed today or tomorrow, our work isn't
22 done to eliminate the tax that you put on.

23 So don't tell us you're against it
24 today when two years ago those of you that
25 were in the Senate, or in the Senate today who

1 were in the Assembly, you voted for it. This
2 side of the aisle, when we were over there,
3 voted against the MTA payroll tax. You gave
4 it to us.

5 We're number one, in the State of
6 New York -- actually, number two, almost
7 number one -- in the state and local tax
8 burden. New Jersey is number one by
9 0.1 percent over New York State.

10 The state business tax climate in
11 the nation, we're the worst. We're at the
12 bottom. State individual income tax
13 collection, New York State is number one.

14 I'm a little confused. You're for
15 the tax, you're against the tax. Every minute
16 somebody else gets up: We need to tax, we
17 don't need to tax. If we keep taxing, we're
18 going to keep running people out of the State
19 of New York.

20 You know, the last two years -- and
21 I've heard comments about the last decade --
22 New York state spent more than \$14 billion in
23 new taxes and fees the first two years I voted
24 against the budget. If we continued on that
25 trend, our state of the economy would be worse

1 than it is today.

2 The Governor has taken some bold
3 moves. And if we don't eliminate this
4 \$10 billion deficit, we'd in worse condition
5 next year. It does that, it doesn't raise
6 taxes, and it cuts spending to get the state
7 back to where it fiscally should be in the
8 right direction.

9 I'll be voting in the affirmative,
10 Mr. President.

11 ACTING PRESIDENT GRIFFO: Thank
12 you, Senator Fuschillo. You will be recorded
13 in the affirmative.

14 Senator Diaz to explain his vote.

15 SENATOR DIAZ: Thank you,
16 Mr. President.

17 You know, to me what's amazing is
18 that we in our communities, black and Hispanic
19 communities especially, where I come from, we
20 all are Democrats. And we -- no Republican,
21 no Republican will win in our district,
22 especially in my district. Democrats.
23 Democrats. And we -- and you know why we do?
24 Because we do like Chuck Schumer. We educate
25 our community that Republican are the bad

1 guys. And sometimes you are, guys.

2 But what's amazing is that today we
3 are having a Democratic Governor getting away
4 with not putting taxes, not extending taxes on
5 the rich, giving New Jersey \$350 million,
6 giving Connecticut money, giving Pennsylvania
7 money, and killing the black and the Hispanic,
8 the poor and the needy and the senior
9 citizens. This is done by a Democratic
10 Governor. Supported by Republicans.

11 But ladies and gentlemen, we in our
12 community, we have to learn, we're going to
13 have to learn that we cannot keep being taken
14 for granted. During election time, Oh, vote
15 for me, I'm Democrat. Oh, vote for me, I'm
16 going to take care of you. And then, when
17 they get elected, this is what they do to us.

18 And it's amazing to see that all
19 Republicans are the ones supporting this
20 Governor's budget. And we Democrats that
21 voted for him, that supported him, that
22 campaigns for him, we are the ones saying
23 huuuh, huuuh. Amazing. Amazing. A
24 Democratic Governor giving rich people a
25 break --

1 ACTING PRESIDENT GRIFFO: Senator
2 Diaz, how do you vote?

3 SENATOR DIAZ: -- and forcing us
4 to close hospitals, to close our senior
5 centers, to cut education.

6 ACTING PRESIDENT GRIFFO: Senator
7 Diaz, how do you vote?

8 SENATOR DIAZ: How I'm voting?
9 Don't you know yet?

10 (Laughter.)

11 SENATOR DIAZ: Do I have to tell
12 you how I'm voting?

13 ACTING PRESIDENT GRIFFO: I want
14 to ensure that we have this accurately.

15 SENATOR DIAZ: Well, in English
16 it's no, in Spanish it's no --

17 ACTING PRESIDENT GRIFFO: Senator
18 Diaz to be recorded in the negative.

19 Senator Marcellino to explain his
20 vote.

21 SENATOR MARCELLINO: Thank you,
22 Mr. President.

23 I rise to support this bill because
24 124 new taxes is not the way to continue,
25 \$14 billion in the last two years in new

1 spending is not the way to continue. Yes,
2 Senator, the Metropolitan Opera will have
3 people attending it, the Museum of Modern Art
4 will still have people attending it. The only
5 problem is they'll be coming from Connecticut,
6 New Jersey, and Pennsylvania, not from
7 New York. Because they're leaving New York.
8 They're leaving New York.

9 We have to send a message. We have
10 to send a message to the small businesspeople
11 who are contemplating leaving because of the
12 high taxes and regulations that we want them
13 to stay because they employ our citizens. We
14 want to send a message to the people who are
15 contemplating moving out of their homes
16 because they can't afford the property taxes
17 that we want them to stay because we need
18 them. We've got to create jobs in the private
19 sector, not in the public sector.

20 This is a painful budget, we agree
21 with that. We understand that. We don't want
22 to make these decisions, we have to make these
23 decisions. I commend the Governor for working
24 with Senator Skelos and the other leaders to
25 put forth a budget that solves a problem that

1 was created not by us but by the world and by
2 the situation that's around us. But the
3 taxing and spending ways of New York State
4 have to end. Let it end here, let it end
5 today, and let us move forward in a
6 responsible way, creating jobs and keeping our
7 citizens employed and in this state, not
8 driving them out of the state because they
9 can't afford to live here.

10 Mr. President, I vote aye.

11 ACTING PRESIDENT GRIFFO: Senator
12 Marcellino to be recorded in the affirmative.

13 Senator Farley to explain his vote.

14 SENATOR FARLEY: Thank you,
15 Mr. President.

16 I rise to support this because, my
17 colleagues, we have a \$10 billion deficit. We
18 have to live in the real world. I am proud of
19 my colleagues on this side of the aisle that
20 are supporting this and for my enlightened
21 colleagues on the other side of the aisle that
22 will support it.

23 But we have a problem. And I am
24 proud of the Governor, Governor Cuomo, for
25 standing up and addressing this. We are

1 solving a \$10 billion deficit with no new
2 taxes. That is a remarkable accomplishment.

3 When I first addressed this budget
4 I said I don't know how we're going to do it.
5 Yes, there's pain. There's pain for
6 everybody. But we are solving a huge problem
7 and we're bringing back New York State to
8 become the Empire State again.

9 I vote aye.

10 ACTING PRESIDENT GRIFFO: Senator
11 Farley to be recorded in the affirmative.

12 Senator Ranzenhofer to explain his
13 vote.

14 SENATOR RANZENHOFER: Thank you,
15 Mr. President. Just briefly, I do want to
16 rise and explain my vote.

17 It's amazing that for the second
18 time in 30 years a budget spends less money
19 that it did the year before. I think it's
20 reflective of what is going on in our society
21 and the people that live in our districts.
22 Economic times have changed. People in their
23 own households are getting their spending
24 under control. But for some reason in the
25 past, New York State has not been able to do

1 that, and my colleagues have eloquently talked
2 about the problems of population loss and job
3 loss.

4 I also want to commend the
5 Governor, who gets it. He understands that
6 you can't keep on spending money that you
7 don't have. The Comptroller indicated over
8 the last couple of years that that level of
9 spending was not sustainable.

10 So I rise today by saying that this
11 is a good start. It's a good start for the
12 first time in many, many, many years that
13 we're not spending more money than we have,
14 that we're not continuing to increase taxes on
15 the hardworking people of this state.

16 For those reasons, I will be voting
17 in favor of the budget. Thank you.

18 ACTING PRESIDENT GRIFFO: Senator
19 Ranzenhofer to be recorded in the affirmative.

20 Senator Grisanti to explain his
21 vote.

22 SENATOR GRISTANTI: Yes, thank
23 you, Mr. President.

24 I can tell you, my friends and
25 colleagues, that in my district there will be

1 some that are happy with this budget and some
2 that are not. But however, this is not a time
3 of easy choices. In fact, they're not choices
4 at all. Our state is in a state of chaos. I
5 come from the private sector, and that's what
6 my people see in my district. But I see the
7 infant stages of turning this state around, a
8 state that has not been friendly in the past
9 to taxpayers, business, in utter and complete
10 dysfunction.

11 This budget does not cover
12 everyone's needs, but it does offer a new
13 beginning to once again make this state the
14 Empire State again. We are open for business.
15 And instead of bickering for our own spotlight
16 and personal needs, you need to compromise.
17 The sooner you realize that, that we're moving
18 in the right direction by not taxing, by
19 creating the opportunity for job growth,
20 cutting government waste, duplicative
21 services, and -- most importantly -- realizing
22 that it is a privilege and not a right to be
23 here representing your district, the sooner
24 this state will be a catalyst for not only the
25 taxpayers of New York but the nation.

1 History tells us that we are often
2 looked upon as the one who will lead. Once
3 again, we can make that a reality. As this
4 state grows, we can all look proudly on what
5 we accomplished, although painful, as it is
6 today. I've stated a quote, and I'll state it
7 again. No state has ever spent themselves
8 into prosperity. The taxes and the fees that
9 were issued the last two years were ridiculous
10 in the eyes of the voters and the people of my
11 district, fees that people couldn't even
12 believe that were raised.

13 We have to work harder and together
14 to free up restrictions on businesses. But
15 let's remember one thing, because I know my
16 time is short. Our conference was not looking
17 and the Governor was not looking at a one-year
18 fix to a problem. This is a fix that is
19 carried on to the future, a \$15 billion
20 deficit next year reduced down to \$2 billion.
21 We're not only tackling the deficit this year
22 but tackling the future deficits.

23 ACTING PRESIDENT GRIFFO: Senator
24 Grisanti, how do you vote?

25 SENATOR GRISTANTI: I vote yes.

1 ACTING PRESIDENT GRIFFO: Senator
2 Grisanti to be recorded in the affirmative.

3 The Secretary will announce the
4 results.

5 THE SECRETARY: In relation to
6 Calendar Number 285, those Senators recorded
7 in the negative are Senators Adams, Diaz,
8 Duane, Espaillat, Kennedy, L. Krueger,
9 Montgomery, Parker, Peralta, Perkins. Also
10 Senator Rivera.

11 Ayes, 51. Nays, 11.

12 ACTING PRESIDENT GRIFFO: The
13 bill is passed.

14 Senator Libous.

15 SENATOR LIBOUS: Mr. President,
16 would you call on Senator Ruth
17 Hassell-Thompson for an announcement.

18 ACTING PRESIDENT GRIFFO: I will,
19 Senator Libous.

20 Before I do that, I would ask and
21 remind all of our guests in the gallery that
22 they need to remain seated at all times.

23 I will now recognize Senator Ruth
24 Hassell-Thompson for purposes of an
25 announcement.

1 SENATOR HASSELL-THOMPSON: Thank
2 you. There will be an immediate meeting of
3 the Democratic Conference in the Democratic
4 Conference Room.

5 ACTING PRESIDENT GRIFFO: There
6 is an immediate meeting of the Democrat
7 Conference in the Democrat Conference Room.
8 Senator Libous.

9 SENATOR LIBOUS: Mr. President,
10 there will be a Finance Committee meeting at
11 1:45 in Room 332.

12 ACTING PRESIDENT GRIFFO: There
13 will be a Finance Committee meeting in
14 Room 332 at 1:45 p.m.

15 SENATOR LIBOUS: Pending the
16 report of the Finance Committee, the Senate
17 will stand at ease.

18 ACTING PRESIDENT GRIFFO: Pending
19 the report, the Senate stands at ease.

20 (Whereupon, the Senate stood at
21 ease at 1:35 p.m.)

22 (Whereupon, the Senate reconvened
23 at 2:01 p.m.)

24 ACTING PRESIDENT GRIFFO: The
25 Senate will come to order.

1 Senator Libous.

2 SENATOR LIBOUS: Mr. President, I
3 believe there's a report of the Finance
4 Committee at the desk. May we have the report
5 read, please.

6 ACTING PRESIDENT GRIFFO: The
7 Secretary will read the report of the Finance
8 Committee.

9 THE SECRETARY: Senator
10 DeFrancisco, from the Committee on Finance,
11 reports the following bill direct to third
12 reading:

13 Senate 2804D, Senate Budget Bill,
14 an act making appropriations for the support
15 of government: CAPITAL PROJECTS BUDGET.

16 ACTING PRESIDENT GRIFFO: The
17 bill is reported to third reading.

18 Senator Libous, the report has been
19 accepted and brought to third reading.

20 SENATOR LIBOUS: Thank you. Can
21 we go to I believe it would be Calendar B, the
22 noncontroversial reading.

23 ACTING PRESIDENT GRIFFO: The
24 Secretary will read the substitution.

25 THE SECRETARY: Senator

1 DeFrancisco moves to discharge, from the
2 Committee on Finance, Assembly Bill Number
3 4004D and substitute it for the identical
4 Senate Bill Number 2804D, Third Reading
5 Calendar 286.

6 ACTING PRESIDENT GRIFFO: The
7 substitution is so ordered.

8 Senator Libous.

9 SENATOR LIBOUS: Mr. President,
10 is there a message of necessity at the desk?

11 ACTING PRESIDENT GRIFFO: There
12 is a message of necessity at the desk.

13 SENATOR LIBOUS: Can we move to
14 accept the message of necessity, please.

15 ACTING PRESIDENT GRIFFO: All in
16 favor of accepting the message of necessity
17 signify by saying aye.

18 (Response of "Aye.")

19 ACTING PRESIDENT GRIFFO:
20 Opposed?

21 (No response.)

22 ACTING PRESIDENT GRIFFO: The
23 message of necessity is accepted.

24 The bill is before the house.

25 The Secretary will read.

1 THE SECRETARY: Assembly Print
2 40004D, Assembly Budget Bill, an act making
3 appropriations for the support of government:
4 CAPITAL PROJECTS BUDGET.

5 SENATOR DeFRANCISCO: Last
6 section.

7 ACTING PRESIDENT GRIFFO: Read
8 the last section.

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

11 ACTING PRESIDENT GRIFFO: Call
12 the roll.

13 (The Secretary called the roll.)

14 THE SECRETARY: Ayes, 62.

15 ACTING PRESIDENT GRIFFO: The
16 bill is passed.

17 Senator Libous.

18 SENATOR LIBOUS: Mr. President,
19 could -- I know we hastily passed the bill,
20 but if we could still be on the vote for a
21 second, please.

22 ACTING PRESIDENT GRIFFO: Senator
23 Libous, with permission, I will temporarily,
24 without objection, temporarily withdraw --

25 SENATOR LIBOUS: Actually, you

1 don't have to do that, Mr. President. It's on
2 first reading, so if the member wants to come
3 in and vote no, it will still be recorded at
4 the desk.

5 ACTING PRESIDENT GRIFFO: Thank
6 you.

7 SENATOR LIBOUS: So I believe the
8 bill is passed?

9 ACTING PRESIDENT GRIFFO: The
10 bill is passed.

11 Senator Libous.

12 SENATOR LIBOUS: Mr. President,
13 things are moving a little too quickly.

14 (Laughter.)

15 SENATOR LIBOUS: I would ask
16 for -- I would ask for -- we really are.
17 Early budget, early voting.

18 Mr. President, I would pause for a
19 second and ask my colleagues for unanimous
20 consent to allow Senator Duane to vote,
21 please.

22 ACTING PRESIDENT GRIFFO: Without
23 objection, unanimous consent is granted to
24 Senator Duane.

25 There being no objection, Senator

1 Duane has cast his vote in the negative.

2 Correct?

3 Senator Diaz in the negative.

4 Senator Perkins in the negative.

5 SENATOR LIBOUS: How are we
6 doing, Mr. President?

7 ACTING PRESIDENT GRIFFO: We're
8 doing good.

9 The Secretary will announce the
10 results.

11 THE SECRETARY: Ayes, 59. Nays,
12 3. Those recorded in the negative are
13 Senators Diaz, Duane and Perkins.

14 ACTING PRESIDENT GRIFFO: The
15 bill is passed.

16 SENATOR LIBOUS: Mr. President,
17 if we could just stand at ease for a second
18 here.

19 ACTING PRESIDENT GRIFFO: The
20 Senate stands at ease momentarily.

21 (Pause.)

22 SENATOR LIBOUS: Mr. President.

23 ACTING PRESIDENT GRIFFO: The
24 Senate will come to order.

25 Senator Libous.

1 SENATOR LIBOUS: There will be an
2 immediate meeting of the Agriculture Committee
3 in Room 332.

4 ACTING PRESIDENT GRIFFO: There
5 will be an immediate meeting of the
6 Agriculture Committee in Room 332.

7 SENATOR LIBOUS: And until the
8 Agriculture Committee meeting is complete, the
9 Senate will stand at ease.

10 ACTING PRESIDENT GRIFFO: Until
11 that committee is complete, the Senate stands
12 at ease.

13 I want to again remind all of our
14 guests and visitors that you must remain
15 seated at all times in the gallery.

16 The Senate is at ease.

17 (Whereupon, the Senate stood at
18 ease at 2:09 p.m.)

19 (Whereupon, the Senate reconvened
20 at 2:39 p.m.)

21 ACTING PRESIDENT GRIFFO: The
22 Senate will come to order.

23 I ask all in the gallery to please
24 remain seated and to remain silent.

25 Senator Libous.

1 SENATOR LIBOUS: Thank you,
2 Mr. President.

3 There will be an immediate meeting
4 of the Rules Committee in Room 332.

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

7 ACTING PRESIDENT GRIFFO: There
8 will be an immediate meeting of the Rules
9 Committee in Room 332.

10 The Senate stands at ease.

11 (Whereupon, the Senate stood at
12 ease at 2:40 p.m.)

13 (Whereupon, the Senate reconvened
14 at 3:01 p.m.)

15 ACTING PRESIDENT GRIFFO: The
16 Senate will come to order.

17 Senator Libous.

18 SENATOR LIBOUS: Mr. President,
19 if we can return to reports of standing
20 committees, please. There's a report of the
21 Rules Committee at the desk.

22 ACTING PRESIDENT GRIFFO: The
23 Secretary will read.

24 THE SECRETARY: Senator Skelos,
25 from the Committee on Rules, reports the

1 following bills.

2 By Senator Young, Senate Print 754,
3 an act to amend the Criminal Procedure Law;

4 By Senator Saland, Senate Print
5 1414A, an act to amend the Criminal Procedure
6 Law;

7 By Senator Saland, Senate Print
8 4222, an act to amend the Social Services Law;

9 By Senator Saland, Senate Print
10 4244, an act to amend the Criminal Procedure
11 Law.

12 All bills reported direct to third
13 reading.

14 ACTING PRESIDENT GRIFFO: Senator
15 Libous.

16 SENATOR LIBOUS: Thank you,
17 Mr. President. Can we move to accept the
18 report of the Rules Committee, please.

19 ACTING PRESIDENT GRIFFO: All in
20 favor of accepting the report of the Rules
21 Committee signify by saying aye.

22 (Response of "Aye.")

23 ACTING PRESIDENT GRIFFO:
24 Opposed?

25 (No response.)

1 ACTING PRESIDENT GRIFFO: The
2 committee report is accepted.

3 Senator Libous.

4 SENATOR LIBOUS: Thank you,
5 Mr. President.

6 At this time could we read the
7 noncontroversial reading of Supplemental
8 Calendar Number 27C.

9 ACTING PRESIDENT GRIFFO: The
10 Secretary will read.

11 THE SECRETARY: Calendar Number
12 289, by Senator Young, Senate Print 754, an
13 act to amend the Criminal Procedure Law.

14 ACTING PRESIDENT GRIFFO: Read
15 the last section.

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

18 SENATOR LIBOUS: Call the roll.
19 (The Secretary called the roll.)

20 THE SECRETARY: Ayes, 62.

21 ACTING PRESIDENT GRIFFO: The
22 bill is passed.

23 THE SECRETARY: Calendar Number
24 290, by Senator Saland, Senate Print 1414A, an
25 act to amend the Criminal Procedure Law.

1 ACTING PRESIDENT GRIFFO: Read
2 the last section.

3 THE SECRETARY: Section 2. This
4 act shall take effect on the first of
5 November.

6 ACTING PRESIDENT GRIFFO: Call
7 the roll.

8 (The Secretary called the roll.)

9 THE SECRETARY: Ayes, 62.

10 ACTING PRESIDENT GRIFFO: The
11 bill is passed.

12 THE SECRETARY: In relation to
13 Calendar Number 291, Senator Saland moves to
14 discharge, from the Committee on Rules,
15 Assembly Bill Number 627 and substitute it for
16 the identical Senate Bill Number 4222, Third
17 Reading Calendar 291.

18 ACTING PRESIDENT GRIFFO:
19 Substitution so ordered.

20 The Secretary will read.

21 THE SECRETARY: Calendar Number
22 291, by Member of the Assembly Weinstein,
23 Assembly Print Number 627, an act to amend the
24 Social Services Law.

25 ACTING PRESIDENT GRIFFO: Read

1 the last section.

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

4 ACTING PRESIDENT GRIFFO: Call
5 the roll.

6 (The Secretary called the roll.)

7 THE SECRETARY: Ayes, 62.

8 ACTING PRESIDENT GRIFFO: The
9 bill is passed.

10 THE SECRETARY: Calendar Number
11 292, by Senator Saland, Senate Print 4244, an
12 act to amend the Criminal Procedure Law.

13 ACTING PRESIDENT GRIFFO: Read
14 the last section.

15 THE SECRETARY: Section 5. This
16 act shall effect on the first of November.

17 ACTING PRESIDENT GRIFFO: Call
18 the roll.

19 (The Secretary called the roll.)

20 ACTING PRESIDENT GRIFFO: Senator
21 Saland to explain his vote.

22 SENATOR SALAND: Thank you,
23 Mr. President.

24 Mr. President, as I think everybody
25 in the chamber is aware, and notwithstanding

1 the fact that we're consumed by budget
2 matters, attempting to deliver an effective
3 and on-time budget, the fact of the matter is
4 that today is March 30th, and it's Domestic
5 Violence Advocacy Day. And both in the
6 Assembly and in our house a number of measures
7 have been passed attempting to deal with this
8 issue which causes such enormous trauma, such
9 enormous tragedy and often, as is the case in
10 my district, the loss of life.

11 There have been four separate
12 instances in my district in the past eight
13 months in which incidents that are domestic-
14 violence-related have resulted in the death of
15 the victim and in one instance not only the
16 victim, a wife, but also a police officer.

17 During my entire service in this
18 house and the other house, I've long dwelled
19 on the subject of child abuse and domestic
20 violence and made every effort to try and tip
21 the playing field in a fashion that would
22 benefit victims, as have so many others in a
23 bipartisan fashion attempted to do so.

24 What we are accomplishing here
25 today, and I believe most of these bills

1 certainly are going to be bills that are
2 ultimately going to make their way to the
3 Governor's desk, is accomplishing that very
4 end. We are trying to ensure that victims
5 will not be victimized as frequently as has
6 occurred in the past. We're trying to provide
7 means to further protect victims, we're trying
8 to provide means for court and law enforcement
9 intervention long before it becomes a tragic
10 story that we learn about in the news.

11 So I would merely say to my
12 colleagues we've taken the time to divorce
13 ourselves from matters fiscal, but these
14 matters are certainly extraordinarily every
15 bit as important and each and every one of us
16 in our districts knows of, I'm sure, multiple
17 incidents that have resulted in enormous
18 personal tragedy not only to the victim but to
19 the victim's family.

20 I thank you.

21 ACTING PRESIDENT GRIFFO: Senator
22 Saland to be recorded in the affirmative.

23 Announce the results.

24 THE SECRETARY: Ayes, 62.

25 ACTING PRESIDENT GRIFFO: The

1 bill is passed.

2 Senator Libous, that completes the
3 reading of the noncontroversial supplemental
4 calendar.

5 SENATOR LIBOUS: Thank you,
6 Mr. President.

7 Is there any cleanup work to be
8 done at the desk at this time?

9 ACTING PRESIDENT GRIFFO: There
10 is no housekeeping before the desk at this
11 time.

12 SENATOR LIBOUS: No housekeeping?
13 Thank you, Mr. President.

14 At this time the Senate will stand
15 at ease till 5:00 p.m.

16 ACTING PRESIDENT GRIFFO: The
17 Senate will stand at ease till 5:00 p.m.

18 (Whereupon, the Senate stood at
19 ease at 3:06 p.m.)

20 (Whereupon, the Senate reconvened
21 at 5:10 p.m.)

22 ACTING PRESIDENT ZELDIN: Senator
23 Libous.

24 SENATOR LIBOUS: We're awaiting
25 Senator Breslin, Mr. President.

1 (Pause.)

2 ACTING PRESIDENT ZELDIN: Senator
3 Libous, why do you rise?

4 SENATOR LIBOUS: President
5 Zeldin, I stand before you to let the members
6 of this body know that we are at ease and we
7 will remain at ease until further notice.

8 ACTING PRESIDENT ZELDIN: The
9 Senate stands at ease until further notice.

10 SENATOR LIBOUS: Thank you,
11 Mr. President.

12 (Whereupon, the Senate stood at
13 ease at 5:11 p.m.)

14 ACTING PRESIDENT GRIFFO: Senator
15 Skelos.

16 SENATOR SKELOS: Mr. President,
17 there will be a 7:45 Majority conference in
18 the Majority Conference Room.

19 ACTING PRESIDENT GRIFFO:
20 Conference of the Majority at 7:45 in the
21 Majority Conference Room.

22 (Whereupon, the Senate reconvened
23 at 8:42 p.m.)

24 ACTING PRESIDENT GRIFFO: The
25 Senate will come to order.

1 Senator Libous.

2 SENATOR LIBOUS: Mr. President,
3 there will be an immediate meeting of the
4 Finance Committee, an immediate meeting of the
5 Finance Committee in Room 332.

6 ACTING PRESIDENT GRIFFO: There
7 is an immediate meeting of the Finance
8 Committee in Room 332.

9 The Senate will stand at ease.

10 (Whereupon, the Senate stood at
11 ease at 8:43 p.m.)

12 (Whereupon, the Senate reconvened
13 at 9:38 p.m.)

14 ACTING PRESIDENT GRIFFO: The
15 Senate will come to order.

16 Senator Libous.

17 SENATOR LIBOUS: Thank you,
18 Mr. President. May we have the doors closed
19 and order in the house, please.

20 ACTING PRESIDENT GRIFFO: Will
21 the Sergeant please close the doors.

22 Please bring order to the house.
23 The Senate is in session.

24 SENATOR LIBOUS: Thank you,
25 Mr. President.

1 Can we go to the reports of
2 standing committees, please. I believe
3 there's a report of the Finance Committee at
4 the desk.

5 ACTING PRESIDENT GRIFFO: The
6 Secretary will read.

7 THE SECRETARY: Senator
8 DeFrancisco, from the Committee on Finance,
9 reports the following bills:

10 Senate Print 2803E, Senate Budget
11 Bill, an act making appropriations for the
12 support of government: AID TO LOCALITIES
13 BUDGET.

14 Senate Print 2808C, Senate Budget
15 Bill, an act to amend the Education Law;

16 Senate Print 2809D, Senate Budget
17 Bill, an act to amend the Elder Law;

18 And Senate Print 2801A, Senate
19 Budget Bill, an act making appropriations for
20 the support of government: LEGISLATURE AND
21 JUDICIARY BUDGET.

22 All bills ordered direct to third
23 reading.

24 ACTING PRESIDENT GRIFFO:
25 Reported to third reading.

1 Senator Libous.

2 SENATOR LIBOUS: Mr. President,
3 could we go back to motions and resolutions,
4 please.

5 ACTING PRESIDENT GRIFFO: On
6 motions and resolutions.

7 SENATOR LIBOUS: Thank you,
8 Mr. President.

9 On behalf of Senator DeFrancisco,
10 on page 1 I offer the following amendments to
11 Calendar Number 294, Senate Print 2808C, and
12 ask that said bill retain its place on the
13 Third Reading Calendar.

14 ACTING PRESIDENT GRIFFO: The
15 amendments are received and adopted, and the
16 bill will retain its place on the Third
17 Reading Calendar.

18 SENATOR LIBOUS: Mr. President.

19 ACTING PRESIDENT GRIFFO: Senator
20 Libous.

21 SENATOR LIBOUS: At this time
22 could we have the noncontroversial reading of
23 Senate Supplemental Calendar 27D.

24 ACTING PRESIDENT GRIFFO: The
25 Secretary will read.

1 THE SECRETARY: Calendar Number
2 293, Senate Print 2803E, Senate Budget Bill,
3 an act making appropriations for the support
4 of government.

5 SENATOR BRESLIN: Lay it aside.

6 ACTING PRESIDENT GRIFFO: Lay it
7 aside.

8 We will accept the message of
9 necessity, Senator Libous.

10 SENATOR LIBOUS: Mr. President,
11 is there a message of necessity at the desk?

12 ACTING PRESIDENT GRIFFO: There
13 is a message of necessity at the desk.

14 SENATOR LIBOUS: I move that we
15 accept the message of necessity,
16 Mr. President.

17 ACTING PRESIDENT GRIFFO: All in
18 favor of accepting the message signify by
19 saying aye.

20 (Response of "Aye.")

21 ACTING PRESIDENT GRIFFO:
22 Opposed?

23 (No response.)

24 ACTING PRESIDENT GRIFFO: The
25 message is accepted.

1 SENATOR LIBOUS: The bill is laid
2 aside?

3 ACTING PRESIDENT GRIFFO: The
4 bill is laid aside.

5 SENATOR LIBOUS: Thank you.

6 ACTING PRESIDENT GRIFFO: The
7 Secretary will continue to read.

8 THE SECRETARY: Calendar Number
9 294, Senate Print 2808D, Senate Budget Bill,
10 an act to amend the Education Law.

11 ACTING PRESIDENT GRIFFO: Senator
12 Libous.

13 SENATOR LIBOUS: Thank you,
14 Mr. President. Is there a message of
15 necessity at the desk?

16 ACTING PRESIDENT GRIFFO: There
17 is a message at the desk.

18 SENATOR LIBOUS: I move we accept
19 the message.

20 ACTING PRESIDENT GRIFFO: All in
21 favor of accepting the message signify by
22 saying aye.

23 (Response of "Aye.")

24 ACTING PRESIDENT GRIFFO:
25 Opposed?

1 (No response.)

2 ACTING PRESIDENT GRIFFO: The
3 message is accepted.

4 SENATOR BRESLIN: Lay it aside.

5 ACTING PRESIDENT GRIFFO: Lay it
6 aside.

7 THE SECRETARY: Calendar Number
8 295, Senate Print 2809D, Senate Budget Bill,
9 an act to amend the Elder Law.

10 ACTING PRESIDENT GRIFFO: Senator
11 Libous.

12 SENATOR LIBOUS: Thank you,
13 Mr. President. Is there a message of
14 necessity at the desk?

15 ACTING PRESIDENT GRIFFO: There
16 is a message at the desk.

17 SENATOR LIBOUS: Thank you. Can
18 we move to accept the message, please.

19 ACTING PRESIDENT GRIFFO: All in
20 favor of accepting the message say aye.

21 (Response of "Aye.")

22 ACTING PRESIDENT GRIFFO:
23 Opposed?

24 (No response.)

25 ACTING PRESIDENT GRIFFO: The

1 message of necessity is accepted.

2 Read the last section.

3 THE SECRETARY: Section 3. This
4 act shall take effect immediately.

5 ACTING PRESIDENT GRIFFO: Call
6 the roll.

7 (The Secretary called the roll.)

8 ACTING PRESIDENT GRIFFO: All
9 those voting in the negative, would you please
10 signify by raising your hands.

11 Announce the results.

12 THE SECRETARY: In relation to
13 Calendar Number 295, those recorded in the
14 negative are Senators Diaz, Duane,
15 Hassell-Thompson, Parker and Perkins.

16 Ayes, 57. Nays, 5.

17 ACTING PRESIDENT GRIFFO: The
18 bill is passed.

19 The Secretary will read.

20 THE SECRETARY: Calendar Number
21 296, Senate Print 2801A, Senate Budget Bill,
22 an act making appropriations for the support
23 of government.

24 ACTING PRESIDENT GRIFFO: Senator
25 Libous.

1 SENATOR LIBOUS: Mr. President,
2 is there a message of necessity at the desk?

3 ACTING PRESIDENT GRIFFO: There
4 is a message at the desk.

5 SENATOR LIBOUS: I move that we
6 accept the message, please.

7 ACTING PRESIDENT GRIFFO: All in
8 favor of accepting the message signify by
9 saying aye.

10 (Response of "Aye.")

11 ACTING PRESIDENT GRIFFO:
12 Opposed?

13 (Response of "Nay.")

14 ACTING PRESIDENT GRIFFO: The
15 message of necessity is accepted.

16 Read the last section.

17 THE SECRETARY: Section 5. This
18 act shall take effect immediately.

19 ACTING PRESIDENT GRIFFO: Call
20 the roll.

21 (The Secretary called the roll.)

22 SENATOR BRESLIN: Lay it aside.

23 ACTING PRESIDENT GRIFFO: Lay it
24 aside.

25 Senator Libous, that completes the

1 noncontroversial reading of Supplemental
2 Calendar 27D.

3 SENATOR LIBOUS: Thank you,
4 Mr. President. Can we now have the
5 controversial reading of the calendar.

6 ACTING PRESIDENT GRIFFO: The
7 Secretary will ring the bell.

8 The Secretary will read.

9 THE SECRETARY: Calendar Number
10 293, Senate Print 2803E, Senate Budget Bill,
11 an act making appropriations for the support
12 of government: AID TO LOCALITIES BUDGET.

13 ACTING PRESIDENT GRIFFO: Senator
14 Oppenheimer, why do you rise?

15 SENATOR OPPENHEIMER: I would
16 like to ask some questions of the Finance
17 chair.

18 ACTING PRESIDENT GRIFFO: Senator
19 DeFrancisco, do you yield to questions from
20 Senator Oppenheimer?

21 SENATOR DeFRANCISCO: Yes, I do.

22 ACTING PRESIDENT GRIFFO: Senator
23 Oppenheimer.

24 SENATOR OPPENHEIMER: Can we have
25 an explanation, please.

1 ACTING PRESIDENT GRIFFO: An
2 explanation has been requested.

3 SENATOR DeFRANCISCO: Everyone
4 should have been provided with a memo that
5 should be on the desks that outlines the
6 various provisions of the bill. I'll
7 highlight a couple of them, and then if you
8 have any questions on some of the others.

9 There was various aging programs
10 that the Governor attempted to eliminate or
11 wanted to eliminate. We ended up restoring
12 and creating a competitive grant program.
13 Well, the Legislature believed that that was
14 not the way to go, that we should line out the
15 various organizations that were receiving the
16 money, as was done in the past, because it's
17 difficult for many of these organizations to
18 continue without knowing what their next
19 year's funding is going to be.

20 So that was -- those items were
21 lined out. However, we were only able to
22 restore one-half of the cuts that Governor
23 gave to each of those programs.

24 Similarly, there was a competitive
25 grant program with respect to agriculture. I

1 think Senator Kennedy asked this on another --
2 at another time about the competitive grants
3 in agriculture.

4 Well, the Legislature denied that,
5 those competitive grants, and funded, in
6 accordance with the memo on page 2, separate
7 agriculture programs in the same manner that
8 they were provided in the past. Because once
9 again, many organizations live from year to
10 year, and to not know whether they're going to
11 get funding would probably end the programs.

12 There are changes in the children
13 and family services budget. The Legislature
14 denied the Executive proposal to create a
15 \$35.4 million primary prevention program and
16 once again broke those down, provided the
17 funding to the various organizations to
18 provide some stability with those
19 organizations.

20 And that's found in several other
21 areas in this portion of the budget. There
22 are legislative restorations to the Education
23 Department that are found, I believe, on page
24 5 -- these pages weren't numbered. But there
25 were additional funds going to the various

1 school districts totaling about \$270 million.
2 And when we get into -- we can get into that a
3 little later, Senator, if you need more
4 detail. Senator Flanagan is the expert in
5 that area and will provide you some more
6 details as far as that's concerned.

7 I can go over some of these areas,
8 unless you have specific questions.

9 SENATOR OPPENHEIMER: Yes, I
10 think that is sufficient. I thank you.

11 Now, if you would yield for a few
12 questions.

13 ACTING PRESIDENT GRIFFO: The
14 Senator yields.

15 SENATOR OPPENHEIMER: When he
16 stops drinking.

17 ACTING PRESIDENT GRIFFO: You may
18 ask your question, Senator Oppenheimer.

19 SENATOR OPPENHEIMER: Well, I'd
20 like to know what are the overall
21 appropriations for education in the ELFA
22 budget, both the All Funds and the General
23 Funds.

24 SENATOR DeFRANCISCO: What was
25 the question?

1 SENATOR OPPENHEIMER: What is the
2 overall appropriation for education in the
3 ELFA budget, both in --

4 SENATOR DeFRANCISCO: I think
5 I'll defer that to Senator Flanagan. I
6 believe you're in a position to answer that
7 question, Senator Flanagan, having negotiated
8 this?

9 ACTING PRESIDENT GRIFFO: Without
10 objection, the floor will recognize Senator
11 Flanagan.

12 Senator Flanagan, you're
13 recognized.

14 SENATOR FLANAGAN: Thank you.

15 Senator Oppenheimer, I want to make
16 sure I understood the question. Would you
17 repeat it, please?

18 SENATOR OPPENHEIMER: In the Aid
19 to Localities budget, I'm just asking what are
20 the total appropriations for education both in
21 the General Fund and also in the All Funds.

22 SENATOR FLANAGAN: General
23 support for public schools is approximately
24 \$19.6 billion.

25 SENATOR OPPENHEIMER: And how

1 does that compare with last year's aprops?

2 Through you, Mr. President.

3 SENATOR FLANAGAN: There's a
4 \$697 million year-to-year reduction.

5 SENATOR OPPENHEIMER: And what
6 had the Governor proposed in total cuts to
7 education?

8 SENATOR FLANAGAN: Mr. President,
9 if I might. Senator Oppenheimer, I think, if
10 I could take the liberty, if I just explained
11 what was proposed and what's actually been
12 done, I think that might be a little bit more
13 beneficial.

14 SENATOR OPPENHEIMER: Yes, that
15 would be beneficial.

16 SENATOR FLANAGAN: Mr. President,
17 if I may.

18 ACTING PRESIDENT GRIFFO: Senator
19 Flanagan.

20 SENATOR FLANAGAN: The Governor
21 came out with a budget proposal that has been
22 modified in a number of different ways, and I
23 think it's very important to talk about where
24 we started from and where we've ended up.
25 And, frankly, where we might be going as well.

1 When the Governor came out,
2 everybody talked -- including us, the Assembly
3 and the Governor -- about a \$1.5 billion cut,
4 approximately, in state aid to education. The
5 school aid runs that we see here and the final
6 agreement that has been reached has been
7 modified in a number of different ways, most
8 notable of which is last year there was
9 \$600 million that came from the federal
10 government, as you well know, called EduJobs
11 funding. That was a one-shot source of
12 revenue that was similar but separate to the
13 ARRA money that we had gotten to help offset
14 some of the problems in the prior budgets.

15 That money from the last two years
16 was not considered as part of the base or as
17 part of the school aid run, so in consultation
18 with the Assembly and the Governor, we have
19 taken that out of the run because it's a
20 one-shot source of revenue and frankly it
21 should not have been built into the base.

22 Taking that into account, the
23 Governor's proposed year-to-year cut in state
24 aid was \$929 million. Based on the actions
25 that we've taken, that has been reduced to

1 \$697 million.

2 There are a couple of things in
3 relation to that that I think are very
4 important. And while they're separate, they
5 certainly are worthy of mention.

6 All of our colleagues are well
7 aware of some of the proposed cost shifts that
8 were in the Governor's budget -- the 4201
9 schools, to the tune of \$98 million; summer
10 school special education, \$57 million; and the
11 Office of Children and Family Services, while
12 it's separate, it clearly affects school
13 districts -- that was about \$37 million.

14 So independent of anything we did
15 relative to the school aid run, there was
16 about \$190 million in cost shifts that were
17 avoided. That did not go back to the local
18 property taxpayer, and the distribution of
19 those funds is an important component of what
20 we did.

21 In relation to the proposal that
22 the Governor advanced, there were winners and
23 there were losers. I would respectfully offer
24 that working with the Assembly and with the
25 Executive, that we took a bad situation and we

1 made it better. You know it's not perfect, I
2 know it's not perfect. Certainly anybody who
3 pays attention and does a fair assessment will
4 have to recognize that we put money back in.
5 And here's how we did it. And in fact, it
6 ended up being very similar to what we had
7 advanced in our one-house resolution.

8 There's \$272 million in
9 restorations in school aid; \$57 million of
10 that represents the cost of funding the summer
11 school special education program that I had
12 talked about. Approximately \$161 million of
13 that for this year's fiscal year makes up part
14 of that balance. And the rest of the money is
15 tied to things like teacher centers,
16 libraries, nonpublic schools.

17 So when you look on a direct year
18 to year -- meaning school year -- restoration
19 of money, it's \$230 million that we drove back
20 into the formula all across the State of
21 New York.

22 We achieved regional balance.
23 Certainly coming from the County of
24 Westchester, you can look at the runs and see
25 restorations. I know Senator Stewart-Cousins

1 had spoken in detail not only outside the
2 chamber but here today in terms of some
3 restorations that have been made. More money
4 is driven to Rochester, Buffalo, Syracuse,
5 Yonkers, the City of New York, our rural
6 districts, and our suburban districts. So
7 it's spread out.

8 And you know how it works. You try
9 and come up with a formula that provides some
10 fairness and equity and you push here, you
11 prod there, and sometimes it works in one way.
12 The final resolution I think is very similar
13 to what we had advocated in our one-house
14 budget resolution.

15 Now, I know, Senator Oppenheimer,
16 you in particular have been acutely sensitive
17 to the issue of the 4201 schools. I want to
18 address that in particular.

19 There are some who may walk out of
20 here and think, Well, wait a second, we
21 haven't really appropriated money to address
22 this problem. We have absolutely addressed
23 the problem of the 4201 schools in working
24 with the Executive. The school districts are
25 going to pay the money in the first instance.

1 They will get 50 percent of that money
2 reimbursed during the 2011-2012 school year,
3 and they will get the other 50 percent in the
4 2012-2013 school year.

5 The reason there's no formal
6 appropriation in here is because it's part of
7 next year's fiscal year. So I'm
8 representing -- and you know this, because
9 everyone is aware of it -- that is properly
10 funded, it's taken out of the local school
11 districts, taking the burden off their back.
12 And while it is certainly not perfect, we have
13 to work on that separately, it clearly is
14 something that was very much a concern for a
15 number of our colleagues in all communities
16 across the State of New York.

17 So I think, as I said, we took a
18 bad situation and frankly we made it better.

19 ACTING PRESIDENT GRIFFO: Senator
20 Oppenheimer.

21 SENATOR OPPENHEIMER: Thank you,
22 Senator.

23 I would like to add on that
24 particular issue, if I can ask another
25 question. While the payment will come this

1 year, at least, not on the formula for the
2 first half of the year, the second half is on
3 the formula. And do you believe that in
4 future years it will be on the formula so that
5 the school districts will themselves be paying
6 the full amount for and getting reimbursed --
7 maybe 50 percent, maybe more -- over the
8 course of the year for their payment to send
9 that child to the 4201?

10 SENATOR FLANAGAN: No, I would
11 differentiate and disagree to an extent. I
12 don't believe the second year is on the
13 formula. I think I'm making a fair
14 representation that in essence what we did was
15 we had a \$98 million problem.

16 And there are those who will say,
17 Well, why wasn't it the same way? The bottom
18 line is if we wanted to come up with
19 additional money to drive to our school
20 districts, we had to find a way to perhaps do
21 this creatively, maybe finesse it a little
22 bit. But the bottom line, again, is that
23 these schools are going to be made whole.

24 And I think this gives us an
25 opportunity and a window to work with all the

1 stakeholders -- the schools, the Regents, the
2 State Education Department, the Division of
3 the Budget. Because, Senator Oppenheimer, you
4 know this as well as I do, there isn't really
5 anybody who's hugely happy with how the
6 program was working in terms of its financing
7 long before the Governor's proposal.

8 This in a perverse way may provide
9 a window for people who are frankly of good
10 faith, and willing to compromise and
11 negotiate, to sit down and come up with
12 something that I hope will continue to be a
13 direct state appropriation but work out the
14 details in terms of the financing and the
15 methodology so the kids, who are supposed to
16 be our ultimate and primary concern, are
17 properly taken care of and these schools don't
18 have to worry about whether or not they're
19 going to have the cash to meet their bills.

20 SENATOR OPPENHEIMER: I
21 appreciate your answer, but I'd like to pursue
22 one more question on this subject.

23 ACTING PRESIDENT GRIFFO: An
24 additional question by Senator Oppenheimer.
25 Senator Flanagan, do you yield?

1 SENATOR FLANAGAN: I do.

2 ACTING PRESIDENT GRIFFO: Senator
3 Oppenheimer.

4 SENATOR OPPENHEIMER: When we
5 talk about a rate methodology, though, it is
6 frightening when you think of what has
7 happened with the 853 schools and with the
8 special act schools where the rate methodology
9 has been a catastrophe and they've had to be
10 loaning money from the banks and now the banks
11 aren't even loaning to them.

12 So do you feel that the rate
13 methodology used on those other two
14 special-needs schools would be something that
15 you would suggest for the 4201s?

16 SENATOR FLANAGAN: Absolutely
17 not. I have no -- in fact, I'm going to use
18 it in a different direction. I think the
19 example of the 853 schools is something that
20 we should look at and say we're not going to
21 do that. We should be doing something
22 different and better. And frankly, we need to
23 include the 853 schools in that type of
24 discussion.

25 If you look -- and it doesn't

1 matter if it's me or anyone in this chamber.
2 We talk about education, these are our
3 frailest of children. Whether they have
4 disabilities, whether they have learning
5 problems, whether they have behavioral
6 problems. If we're going to look in terms of
7 how we're going to educate kids in the State
8 of New York, there is no more acute area of
9 need and sensitivity.

10 So I don't think the 853 situation
11 is working out the way it should either. But
12 we are obviously in the throes of this budget.
13 The Governor did not make any proposed changes
14 to the 853 schools. So we have to live within
15 the confines and the structure of what he
16 presented to us.

17 Do I think it's worthy of
18 discussion? Yes. And I think that's
19 something that we can be doing right after we
20 enact this budget.

21 SENATOR OPPENHEIMER: Thank you,
22 Senator.

23 I'm going to limit my questions.
24 I'll probably only have a couple more. So
25 would the Senator still yield.

1 ACTING PRESIDENT GRIFFO: The
2 Senator yields.

3 SENATOR OPPENHEIMER: As you
4 know, in the past two years when I was chair
5 of Education I did a lot of work around
6 unfunded mandates and around sharing of
7 services. Is there anything in this budget
8 limiting or eliminating a number of unfunded
9 mandates on localities, like consolidating
10 transportation of schools or utilizing a
11 single superintendent for several school
12 districts? Is there anything in the budget?
13 Which I haven't been able to read.

14 SENATOR FLANAGAN: Senator
15 Oppenheimer, I'd be happy to answer that
16 question. Unfortunately, I have everyone
17 cheering me on in the background here.

18 (Laughter.)

19 SENATOR FLANAGAN: To your point,
20 this is Groundhog Day in a bad way. The
21 Assembly has not advanced anything -- I'm
22 going to repeat, anything. Nothing
23 meaningful, nothing substantive, nothing
24 qualitative, nothing quantitative. They have
25 not offered one approach whatsoever with

1 regard to mandates.

2 The Governor -- we have been
3 working on language to do a direct ban on
4 unfunded state mandates. The Governor was on
5 board. And we had discussions about not only
6 do we not but looking at a review of all
7 existing plants to see which ones work and
8 maybe where we should be picking up the costs.

9 So there's a good-faith effort,
10 but -- I'm telling you something you already
11 know, but it bears repeating. I will tell you
12 I have talked to many of my colleagues, this
13 is an area of tremendous concern to all of us.
14 We need to engage the Assembly.

15 And you know what? There should be
16 nothing wrong with having a debate on these
17 issues. If it gets contentious and it gets a
18 little out of hand at times, so be it.
19 Everybody talks about it. You tried to
20 advance it. We tried to advance it. We're
21 trying to advance it now.

22 I don't think I'm going out on the
23 proverbial limb to suggest that you will be
24 seeing, in the coming weeks, mandate relief
25 proposals on the floor of this house that will

1 address a myriad of concerns, not only in the
2 area of education but I know Senator Martins,
3 Senator Little have been extremely active in
4 putting together ideas for the body's
5 consideration that I'm comfortable and
6 confident that we will pass.

7 And then we will have to of course
8 send it over to the Assembly and see if
9 they're willing to engage.

10 SENATOR OPPENHEIMER: If he would
11 yield for another question.

12 ACTING PRESIDENT GRIFFO: The
13 Senator yields.

14 SENATOR OPPENHEIMER: I think I
15 heard you say that teacher centers were going
16 to be funded in this budget. They weren't
17 funded last year. The prior year, they'd been
18 funded at \$35 million. But are they funded in
19 this budget?

20 SENATOR FLANAGAN: Senator
21 Oppenheimer, they are funded. It is slightly
22 over \$14 million. I think it's -- thank you.
23 Senator Farley informs me it's \$14.3 million.

24 SENATOR OPPENHEIMER: -- included
25 even if it's at half the amount.

1 Now, if I could just look for a
2 moment at libraries. I haven't had the a
3 chance to see how much they have been
4 improved. They have such great need. And
5 years ago, like four, five, six years ago,
6 they were up like \$102 million. And we had
7 them cut back to like \$74 million. Do you
8 know if they are improved in this current
9 budget?

10 SENATOR FLANAGAN: Yes, they are.
11 There's \$3 million added back. And I have
12 checked with my resident ambassador to the
13 libraries, Senator Farley. While they, like
14 everyone else, would like more money, they are
15 very gratified that \$3 million was added back
16 in the final budget.

17 SENATOR OPPENHEIMER: And I'm
18 trying to cut down my questions. I think my
19 last question would center around BOCES.

20 Does the budget eliminate BOCES
21 aids to the local school districts for certain
22 shared services which are now aidable? And
23 the Governor's suggestion was to remove that
24 aid, which seemed so contrary to our idea of
25 trying to promote shared services. I mean,

1 they're the ultimate shared services for 64
2 years now.

3 Do you know if aid has been put in?

4 SENATOR FLANAGAN: Yeah, the
5 Governor had proposed two primary changes to
6 BOCES. Fortunately, both of them were
7 prospective. But regardless, we have rejected
8 both of them.

9 One is changing of the
10 reimbursement methodology to go more tied to
11 the foundation formula, which would have a
12 beneficial effect on some districts and
13 adverse impact on others. Certainly you're
14 aware of that. We have rejected that.

15 And we have rejected the Governor's
16 elimination of aid for approximately 25
17 different types of shared services. I'm going
18 to take the Governor at the good faith that
19 they are really looking for ways to find
20 efficiencies, promote consolidation. And that
21 proposal didn't go that way. We have rejected
22 it.

23 But I think we can move forward in
24 a way -- and personally, I think we should be
25 looking for ways to enhance the BOCES model by

1 looking at the reimbursement. Because if
2 we're going to give incentives to school
3 districts, the way we do it is through money.

4 SENATOR OPPENHEIMER: Thank you
5 very much.

6 ACTING PRESIDENT GRIFFO: Thank
7 you, Senator Flanagan.

8 Is there any other Senator wishing
9 to be heard?

10 Senator Montgomery.

11 SENATOR MONTGOMERY: Yes, thank
12 you, Mr. President. I wonder if the sponsor
13 would yield for a couple of questions.

14 SENATOR DeFRANCISCO: Yes, I
15 would.

16 ACTING PRESIDENT GRIFFO: The
17 sponsor yields.

18 SENATOR MONTGOMERY: Thank you.

19 Senator DeFrancisco, this part of
20 our budget includes funding for programs -- I
21 should say excludes funding -- for the Work
22 Advantage Program. Or it would, it should.
23 But unfortunately it does not. So the
24 35 million in funding that we have excluded
25 from this budget for that purpose, which would

1 go to New York City to use for homeless
2 families, primarily, that funding is no longer
3 going to be available for New York City.

4 And my question is how many
5 individuals or how many families would be
6 affected by the loss of these funds? Do we
7 have any idea? Has the city been able to give
8 us some idea as to what's going to -- how many
9 families are going to be affected by the loss
10 of these funds?

11 SENATOR DeFRANCISCO: I don't
12 have any idea. I just know that it was one of
13 the cuts that we concurred with the Governor
14 Cuomo on in order to balance the budget. I
15 don't know the number of families.

16 But there's \$15 million added for
17 two things, to include two things, a rent
18 supplement and homeless eviction
19 intervention -- excuse me. All right,
20 homeless eviction prevention and rent
21 supplements to try to help mitigate some of
22 the problems that you're talking about.
23 That's \$15 million, but that's all that's in
24 there.

25 SENATOR MONTGOMERY: So through

1 you, Mr. President, I have another follow-up
2 questions.

3 ACTING PRESIDENT GRIFFO: The
4 Senator yields.

5 SENATOR MONTGOMERY: So, Senator
6 DeFrancisco, do you think that or has there
7 been any indication that the city would be
8 able to in fact use the \$15 million in the new
9 homeless programs that you're talking about to
10 sort of replace some of the services that the
11 Work Advantage Program provides to homeless
12 families?

13 SENATOR DeFRANCISCO: Yes. The
14 answer is yes.

15 SENATOR MONTGOMERY: Through you,
16 Mr. President, if I can ask in another area.

17 Senator DeFrancisco, as you know,
18 one of the areas in this budget that -- in
19 fact, I want to thank the team that really
20 were responsible for making sure that the
21 juvenile justice reform part of the agenda
22 remained pretty close to what the Governor had
23 proposed in the beginning. And I'm very happy
24 about that.

25 I would like to ask you, however,

1 there is a new sort of arrangement in terms of
2 the funding. One, there's funding that is set
3 aside for the purpose of reimbursement, the
4 state's reimbursement to localities for
5 detention, both secure and nonsecure. And the
6 same funding is also available in a flexible
7 way, it seems, for reimbursement to localities
8 for something that is referred to as
9 alternatives to detention.

10 They have different rates of
11 reimbursement. Alternatives being 62 percent
12 reimbursement, I believe, and the detention
13 funding 49 percent.

14 In addition to that, there's a
15 dedicated fund for the purpose of providing
16 supervision and treatment for juvenile
17 services to juveniles through community-based
18 programs.

19 My question to you is given this
20 new configuration of funding for services and
21 programming in those areas, can we be assured
22 that the local Youth Bureaus who also serve
23 young people, some in prevention and other
24 kinds of services and treatment, will those
25 Youth Bureaus also be able to utilize funding

1 under the first two categories that I
2 mentioned?

3 SENATOR DeFRANCISCO: They are
4 able to do that, yes.

5 SENATOR MONTGOMERY: Okay.
6 That's very important. I appreciate that.

7 And will they also continue to be
8 eligible for funding under YDDP and SDDP funds
9 as well?

10 SENATOR DeFRANCISCO: They will.

11 SENATOR MONTGOMERY: Okay. That
12 being the case, I am assured that local
13 counties throughout the state are now going to
14 be able to provide more and much more
15 effective and efficient services and
16 programming to young people. So I thank you
17 for that, and I'm very pleased.

18 Just one last question in that
19 area, follow-up.

20 SENATOR DeFRANCISCO: Yes.
21 Senator, just one question. You're not going
22 to agree with Senator Nozzolio and me in
23 consecutive days, are you?

24 (Laughter.)

25 SENATOR MONTGOMERY: Well, it

1 sounds like I'm about to, but --

2 (Laughter.)

3 SENATOR DeFRANCISCO: All right,
4 thank you.

5 SENATOR MONTGOMERY: Miracles
6 never cease to happen.

7 ACTING PRESIDENT GRIFFO: Senator
8 Montgomery, do you still have another
9 question, a last question?

10 SENATOR MONTGOMERY: Yes, I do.
11 If I may pursue.

12 ACTING PRESIDENT GRIFFO: The
13 Senator yields.

14 SENATOR MONTGOMERY: All right.
15 Senator DeFrancisco, there is an additional
16 program that was referred to in the Governor's
17 budget, and I'm just trying to see where it is
18 in the final version.

19 It was \$13.5 million proposed for
20 enhanced medical, mental health, and health
21 and education services within juvenile
22 facilities. And it really was to try and
23 address the Justice Department's findings that
24 the state was violating the constitutional
25 rights of the young people in those facilities

1 primarily because we did not provide these
2 programs.

3 I don't see it, and I guess perhaps
4 you know where it is and I just am not able to
5 find it.

6 SENATOR DeFRANCISCO: The funding
7 is in the government operations, state
8 operations bill that we passed earlier.

9 SENATOR MONTGOMERY: Okay. Thank
10 you. I appreciate that. That's a good
11 answer.

12 So, Senator, again, I thank you and
13 I look forward to working with you as we
14 implement these aspects of juvenile justice
15 reform in our state.

16 Thank you, Mr. President.

17 ACTING PRESIDENT GRIFFO: Senator
18 Krueger.

19 SENATOR KRUEGER: Thank you,
20 Mr. President. I'm going to actually cede to
21 my colleague Senator Duane first. Thank you.

22 ACTING PRESIDENT GRIFFO: Senator
23 Duane.

24 SENATOR DUANE: Thank you,
25 Mr. President. As we debate --

1 ACTING PRESIDENT GRIFFO: Senator
2 Duane, are you on the bill or are you asking a
3 question?

4 SENATOR DUANE: No,
5 Mr. President, I'm on the bill. Thank you.

6 ACTING PRESIDENT GRIFFO: Senator
7 Duane on the bill.

8 SENATOR DUANE: As we debate this
9 section of the budget, Mr. President, I want
10 to just begin by raising the issue, although
11 it's been spoken about before, of the really
12 misnamed millionaire's tax. Sadly, it should
13 only have been millionaires and not -- but the
14 issue really isn't about the millionaire's
15 tax. It's too much of a shorthand. It's
16 about how it is that we fairly bring revenue
17 into the state.

18 And we used to have a much more
19 progressive system of taxation, not just in
20 the state but in the nation. And that also
21 provided a way for the federal government to
22 send more money back to the states, and then
23 the states to send money to localities for
24 programs that really there was consensus each
25 time one was created or funded or eliminated

1 and a new one that there was a need for. And
2 we learned that some were great and some were
3 good and some not so good, but that's how the
4 funding was accomplished.

5 And people who make more than
6 \$5 million a year -- not people that even have
7 \$5 million in the bank, but people that make
8 \$5 million a year should pay more in taxes
9 than people who make a million dollars a year.
10 And people who make a million dollars a year
11 should pay more taxes than a family that makes
12 under a quarter-million dollars a year.
13 That's fair, that's progressive.

14 We had a system more like that in
15 this nation and this state, and we
16 unfortunately don't have that anymore. And
17 what's happened is we have a more regressive
18 system of taxation and we've depended more on
19 property tax, which I guess sort of cuts both
20 ways. It's both regressive and I guess it's
21 not regressive. There's a history of funding
22 education through property tax in the state
23 and in the nation.

24 But sales tax, which is pretty darn
25 regressive -- and these are limited, finite

1 pools of money. We hear people complain about
2 their property taxes because there isn't as
3 much state aid as there used to be. And there
4 isn't as much state aid not just because of
5 what we do with our tax policy in New York
6 State but because of what's happened on a
7 national level and what the federal government
8 has been doing.

9 But sales tax is going to shrink
10 even more because people can do more on the
11 Internet, and municipalities -- it's become
12 more of a race to the bottom with mom-and-pop
13 stores and -- I just think this is a terrible,
14 terrible trend. And I don't know how we got
15 into this downward spiral, but maybe New York
16 is, you know, afraid to do something different
17 than what other states are sadly doing.
18 Because all states are having the same issue.

19 This money is going to dry up. And
20 we're going to come back year after year and
21 be in the same fix over and over again. And I
22 just -- I think that we're being foolish about
23 that.

24 And, you know, this budget has been
25 a very tough call for me. And, you know, I

1 know we had conference committees this year.
2 And we should have had them when this side of
3 the aisle was running the show, but the fact
4 is we had trouble doing a lot of things. And,
5 you know, unfortunately it was the same -- I
6 mean, really, you know, I'm going to say
7 something and then I'm going to say maybe this
8 is the last time we can talk about it. You
9 know, I am claiming to have the last word on
10 it.

11 The terrible thing that happened
12 here two years ago, the fuse was lit by that
13 side of the aisle, but we weren't better
14 actors over here. Everybody wanted someone so
15 they could have the majority, and that person
16 was very problematic. And the fuse got lit
17 and the bomb went off, and nothing good came
18 in terms of how we govern. Good things
19 happened in government. I mean, good things
20 happened in this house. But there are no
21 angels or -- no one looked good on either side
22 of the aisle. It was a terrible, horrible,
23 embarrassing, dreadful thing, and we are all
24 culpable. So let's just drop it. Enough.

25 Now that said, I believe -- and if

1 someone disagrees, I'd like to hear it -- that
2 I reached across the aisle a great deal. And
3 maybe I could have done more, but I think I
4 really tried to have the courage of what my
5 conviction had been, which was a body where
6 there was really a bipartisan spirit that
7 we -- you know, that we act like a real
8 deliberative Senate. And as I say, maybe I
9 fell short, but I don't think -- I mean, I
10 hope that no one who was here on the other
11 side of the aisle could say that I behaved in
12 any different way from that. And I don't
13 think anyone who was here on this side of the
14 aisle could say that I behaved in any
15 different way than that either.

16 And I have to say that the whole --
17 the conference committee system that we did
18 there year -- I mean, come on. There was
19 nothing to be proud of in that either.

20 So, you know, I'll redouble my
21 efforts. But I would like to ask everybody on
22 both sides of the aisle if we could redouble
23 our efforts to reach across the aisle and
24 leave the past behind us and start again with
25 a fresh slate. Because we have a lot of

1 problems and a lot of issues that we need to
2 deal with going forward. And let's remember
3 the good things that we've done over -- you
4 know, I've been here much longer than I
5 thought I was going to be here, and many fine
6 things have happened here. So let's focus
7 on -- let's accentuate the positive.

8 ACTING PRESIDENT GRIFFO: Thank
9 you, Senator Duane.

10 Senator Rivera.

11 SENATOR DUANE: I'm not --
12 Mr. President, I'm very sorry, I'm not -- I'm
13 really -- I don't -- I did not conclude.

14 ACTING PRESIDENT GRIFFO: I'm
15 sorry, Senator Duane, I thought you were
16 concluding.

17 SENATOR DUANE: No, I don't think
18 you did think that.

19 ACTING PRESIDENT GRIFFO: Well, I
20 was wondering whether to the germaneness. But
21 speak to the bill, then, Senator.

22 SENATOR DUANE: Would you really
23 like me to explain it, Mr. President? Or
24 would you please just accept that it's
25 germane.

1 ACTING PRESIDENT GRIFFO: I will
2 accept. Please continue.

3 SENATOR DUANE: Thank you.

4 You know, by the way, I never did
5 anything like that when I chaired. That's
6 really -- you know, I know the hour is late.
7 I have not spoken before this. I don't think
8 I've taken up an inordinate amount of time.
9 So patience, Mr. President.

10 ACTING PRESIDENT GRIFFO: Indeed.

11 SENATOR DUANE: With no
12 interruptions, I'll be able to have my say.

13 ACTING PRESIDENT GRIFFO:
14 Continue to speak, sir.

15 SENATOR DUANE: Thank you,
16 Mr. President.

17 I think it's great that we're
18 having an on-time budget. I do. And
19 congratulations to the Governor and
20 congratulations to the Assembly and
21 congratulations to us on both sides of the
22 aisle, because there have been far more votes
23 on this side of the aisle in the minority
24 than, you know, what happened recently and
25 even some of the time when the present

1 majority was the majority. So congratulations
2 to all of us on that.

3 Having an on-time budget is very
4 important. It's not that I don't love all of
5 you, but I don't really like spending any
6 extra time with you. And I hope you feel the
7 same about me. I've got people I love at home
8 that I want to see. And I just -- I would
9 like everyone on both sides of the aisle to
10 let me finish, though, without -- and then you
11 can all do all the commenting you want.

12 So, you know, there are a number of
13 really excellent pieces of this budget. You
14 know, it's no secret. I spoke out on it, the
15 cap on noneconomic damages and the Title 20
16 funding. We can all go home and, you know --
17 as you know, my -- anyone that has elderly
18 parents, you can look them in the eye. We did
19 great stuff with the restoration of TANF and
20 pre-K. And, you know, I'm very happy about
21 the continued emphasis on primary care and our
22 work on medical homes. I don't see Senator
23 Hannon here, but, you know, we worked
24 extremely collegially together on health
25 issues.

1 But -- and of course there is a
2 but. Otherwise, I'd be voting yes. You know,
3 this eliminating the -- shall we say the
4 exceptionalism around drugs dealing with
5 rejection or behavioral health and HIV, I
6 think that that's penny-wise and
7 pound-foolish. While I know it may not seem
8 seem like a big deal to some to have a get a
9 physician's override, it can in fact be a
10 burden. And it's hard sometimes for people
11 still today in managed care to find or to have
12 enough time with the physician for the
13 prevail.

14 And those that need those drugs are
15 the ones that have the greatest problems:
16 Anti-rejection and people who are trying to
17 recover from mental illness and people with
18 HIV. I mean, I think those are exactly the
19 areas where we shouldn't have taken away the
20 ability to automatically have a physician
21 prescribe what they think is best.

22 And, you know, I would be remiss --
23 you know, I know that people are -- the issue
24 around rent regulation is a tough, tough
25 issue. But I would argue, and this is a local

1 issue, that the areas where there's rent
2 regulation -- and that is rent regulation of
3 units to make sure that they are habitable.
4 It's not just about price controls, it's about
5 habitability also.

6 And I believe that actually New
7 York City's rental housing, and the rental
8 housing in the other counties surrounding
9 New York City that have a rent regulation,
10 that their housing stock is better than in
11 other places I've seen in the state. So I am
12 unhappy that we are marching to the brink of
13 dismantling it rather than strengthening it,
14 because I believe it works well and helps keep
15 housing affordable.

16 And, you know, the -- again, the --
17 within the constraints of the amount of
18 revenue we have, of the things I talked about,
19 our progressive system -- and also the
20 millionaire's tax, which I don't think should
21 have been sunsetted. And here we are, it's
22 sunsetting. Right? Now it's sunsetting. But
23 we would have had more revenue. And we
24 wouldn't have had to make such difficult
25 choices.

1 And, you know, I've never met the
2 guy, but you know what, I don't really care if
3 Golisano moved to Florida. Good riddance.
4 Why do I care whether he feels better? He's
5 probably happier in Florida. It's warmer,
6 whatever.

7 But I do believe that we could have
8 provided more assistance to localities, to
9 people who need help, to middle-class families
10 if we hadn't have done that.

11 And tough, tough call -- I'll say
12 on the one hand congratulations to us for an
13 on-time budget. Congratulations because we've
14 done well in many areas. And we could always
15 do better, and so could I. But on balance --
16 and there are some other problems in this
17 budget. And I've -- I'm going to have to vote
18 no, as I have on other parts of the budget.
19 And here again, I'm going to vote no.

20 Thank you, Mr. President.

21 ACTING PRESIDENT GRIFFO: Thank
22 you, Senator Duane.

23 And my apologies for interrupting
24 you earlier. I thought you had been
25 concluded.

1 Senator Rivera.

2 SENATOR RIVERA: Thank you,
3 Mr. President. On the bill.

4 ACTING PRESIDENT GRIFFO: Senator
5 Rivera on the bill.

6 SENATOR RIVERA: My colleagues,
7 as I stated earlier, there are a few words
8 that guide our deliberations here tonight:
9 Responsibility, sacrifice, and one word which
10 I mentioned more than a few times, which is
11 choices.

12 Now, this is a budget in which
13 we've had to make very tough choices. This
14 particular bill that is before us tonight, I
15 will be voting in the affirmative. But I
16 wanted to explain that vote.

17 As an educator, I actually teach
18 college. I've been living in New York for
19 almost 13 years and have taught college for
20 about 12 of those, both in public universities
21 and private universities. And I stand before
22 you because of education. Both my parents
23 were both the first graduates from high school
24 and college of their respective families. And
25 both of them are children of single mothers

1 who didn't graduate from grammar school. So I
2 am here because of education.

3 And so I have serious concerns
4 about what the choices that we are making in
5 this budget can do to the education system in
6 the entire state.

7 But in this particular bill, as we
8 have split up -- as obviously this is what
9 happens in this process, different bills get
10 split up. In this case, this particular bill
11 has a few things which I believe are positive
12 for the state and that I congratulate both the
13 Assembly and the Senate and the Governor for
14 coming to an agreement to putting them on the
15 bill.

16 This particular one here creates a
17 standard of living for home health aides. As
18 we've discussed previously, it establishes
19 partial restorations for 4201 schools. It
20 restores Title 20 funding which is so
21 important to the senior centers back home.
22 Four of them in my district would have closed
23 if we didn't reach an agreement on this
24 restoration. Summer youth employment, which
25 is also incredibly important -- in my

1 district, in the Bronx, and certainly across
2 the state. All of these are in this bill, and
3 it is the reason why I will be voting in the
4 affirmative for it.

5 But I would be remiss both as a
6 representative of a very poor district, of a
7 district that has serious challenges in its
8 education system, and as an educator myself,
9 if I did not point out that I have serious
10 concerns about what this budget would
11 ultimately do to the education system across
12 the state.

13 I don't think I have to go over
14 again what I think the lack of revenue in this
15 budget will do to us and what are the things
16 that I believe we need to do to remedy that
17 situation, at least partially. I've already
18 made that point.

19 In this one, the only thing that I
20 will say is that in a bill that we will vote
21 on very shortly that deals with Article VII
22 language, I will be voting in the negative.
23 But on this one I will be voting in the
24 affirmative because of those programs that are
25 in it. These are things that I agree with,

1 these are things that I think are positive for
2 the state, will be positive for my
3 consistency. And they are part of the tough
4 choices that we have to make.

5 So I would encourage some of my
6 colleagues to consider their vote. I
7 certainly would encourage them to vote one way
8 or the other but only to do so with full
9 consideration of what is in each legislation
10 before us.

11 And in this case, because of this,
12 but still expressing serious concerns about
13 what this budget overall does to our education
14 system, I will be voting in affirmative on
15 this bill.

16 Thank you, Mr. President.

17 ACTING PRESIDENT GRIFFO: Senator
18 Diaz.

19 SENATOR DIAZ: Thank you,
20 Mr. President.

21 Tonight is the -- on the bill,
22 Mr. President. On the bill.

23 ACTING PRESIDENT GRIFFO: Senator
24 Diaz on the bill.

25 SENATOR DIAZ: Tonight is the

1 day -- tonight is the night when we are
2 rushing, rushing to make Governor Cuomo look
3 good. There are late budgets, there are
4 on-time budgets, and there are early budgets.
5 Early budgets, the last one that happened in
6 this city, this state, was in 1983. So since
7 1983 there has not been -- 1983, there has not
8 been an early budget. Meaning, early budget,
9 that we have one hour and 25 minutes before
10 12:00 midnight. If we pass 12:00 midnight,
11 there will be an on-time budget.

12 But we've got to beat the clock.
13 We've got to beat that clock and rush so we
14 could have an early budget. And Governor
15 Cuomo and the leaders of both houses and some
16 minority and black and Hispanic legislators
17 could stand here tomorrow or maybe at 12:00
18 midnight and take on the press or have a press
19 conference and say we have an early budget.
20 Not an on-time budget. Not an on-time budget,
21 not a late budget, we have an early budget.

22 But let me tell you something. In
23 our race to get an early budget, we have made
24 all kind of mistakes, take down the wrong
25 information, information being left out,

1 rushing here, rushing there -- we got to do
2 it, we got to do it -- because the guy on the
3 second floor, the master, said "I want an
4 early budget.

5 And we are going to have an early
6 budget. We have people here from our
7 communities, especially black and Hispanic
8 communities, since this morning, chanting,
9 crying "Help, help." Especially, that cry
10 goes especially to us black and Hispanics. It
11 is a shame to see black and Hispanic joining
12 to kill our communities, joining in the rush:
13 I'm voting yes, so whoa, ho, ho.

14 So we have an early budget. And
15 those people out there crying, maybe they
16 haven't eaten since this morning. And all for
17 the last two weeks and for the last month,
18 they've been coming here -- children,
19 handicapped, senior citizens -- everybody has
20 come here asking us from our communities,
21 "Hey, help me, don't do this, don't do this."

22 And I ask you if every black and
23 Hispanic legislator, if every black and
24 Hispanic legislator would have stood up and
25 joined forces and said no in the Assembly and

1 in this chamber, this budget would not happen.
2 We could have done it. We could have done it.
3 Black and Hispanic, we could have done it. It
4 is our shame. It is not their shame, it is
5 our shame. Black and Hispanic, we are the
6 ones doing it. And then we're going to stand
7 up, explaining it: I've got no choice, I
8 could have this, I voted yes, it's either/or.

9 Hey, come on, please stop this
10 hypocrisy. Black and Hispanic -- I'm not
11 talking to you guys. Not tonight. I spoke to
12 you last night. I'm talking now to this side,
13 to my people, black and Hispanic. We could
14 have stopped it. We could have stopped it.
15 And not until we put our foot in the ground
16 and decide that we're going to protect our
17 communities, our communities are never, ever
18 going to come forward and going to improve.

19 Because we go to our communities,
20 to our neighborhoods, and we're there, while
21 we're there, we eat lions. In our community
22 we eat lions. And we eat tigers. [Growling]
23 "Oh, vote for me." We come here, the master
24 calls: "Hey, you know, I need you to do
25 this." "Oh, yes, master."

1 The time of masters has long time
2 passed already, ladies and gentlemen. We're
3 here to protect the needy and the poor and to
4 act as Democrats if we're going to be one.

5 This budget, this budget that you
6 are all rushing to pass tonight is going to
7 affect our children's education, it's going to
8 affect hospitals that are going to close.
9 People are going to suffer. And it is not
10 other people, it's especially the people in
11 the black and Hispanic communities.

12 So all those people out there that
13 are crying all day long, putting theirself to
14 be arrested, I'm telling them: I'm with you
15 guys. I'm with you guys. And even if I'm the
16 only one. Last year I did, I was the only one
17 last year. And this year again -- I'm
18 consistent. This year again, I'm here. The
19 people of the 32nd Senatorial District voted
20 for me and sent me here to protect them and to
21 fight for them and not to come here and kiss
22 nobody's ring.

23 So in an hour and 20 minutes we
24 will have an early budget. Not an on-time
25 budget, an early budget. So all of you that

1 are preparing yourself with your nice dress
2 for tomorrow morning, join the Governor to
3 claim victory, you are killing them, you're
4 killing people that need you. People that
5 sent you here. People that voted for you,
6 people that trusted you, you are hurting them.

7 So, Mr. President, my pain and my
8 diatribe, as my fellow Senator DeFrancisco
9 called it last night a diatribe -- if this is
10 a diatribe, I love this diatribe. And last
11 night I was talking diatribe. I loved last
12 night. Every newspaper picked it up.

13 So I'm not talking -- again, and
14 I'm going to repeat myself again, I'm not
15 talking to you guys tonight, I'm talking about
16 the black and Hispanic in the Assembly. That
17 I heard only one, only one black and Hispanic,
18 only one member of the black and Hispanic
19 delegation in the Assembly voted against.

20 And I'm talking about the black and
21 Hispanic in this chamber. We could have done
22 it. We could have joined forces. We could
23 have stood together. We, we. I'm not talking
24 about you. We black and Hispanic, we could
25 have said no. No. No. Basta ya.

1 But no, no, we play the same game
2 that every year, playing game. We talk, talk,
3 talk, talk. And when the time comes: Yes.

4 I'm going to end so I can
5 contribute a little bit with the time so we
6 can have an early budget. And Governor Cuomo,
7 Governor Andrew Cuomo tomorrow could claim
8 that since 1983 it is the first time that we
9 have an early budget. And now, ladies and
10 gentlemen, we are functioning. This body,
11 that to everybody it was a dysfunctioning
12 body, now we're going to be a functioning
13 body, killing the black and the Hispanic and
14 the poor and the needy. We're going to be --
15 that's functioning. That's a function. And
16 having an early, early budget.

17 Thank you, Mr. President. I'm
18 voting no. I'm voting no with honor. I'm
19 voting no with distinction. I'm voting no
20 even though I'm making enemies and people will
21 say [retching sound]. I don't care. I don't
22 care. Black and Hispanic could have stopped
23 this. And after I finish, I know there are
24 some people are going to start all the time
25 criticizing. Whatever it is, it is. It is

1 what it is.

2 Black and Hispanic, learn how to
3 fight for your community, for your people.
4 And stop selling yourself so cheap.

5 I'm voting no.

6 ACTING PRESIDENT GRIFFO: Senator
7 Stavisky.

8 SENATOR STAVISKY: If Senator
9 DeFrancisco would yield, I'd like to ask
10 really one question.

11 SENATOR DeFRANCISCO: Okay.

12 ACTING PRESIDENT GRIFFO: Senator
13 DeFrancisco to yield. The Senator yields.

14 SENATOR STAVISKY: In the
15 proposals there has been talk that language is
16 going to be added to provide TAP under the
17 Higher Education Services Corporation part of
18 the budget for schools that are not under the
19 direct supervision of the State Education
20 Department. The religious, presumably
21 religious institutions, what has been referred
22 to as rabbinical TAP. Has this been included
23 in the budget?

24 SENATOR DeFRANCISCO: Yes,
25 \$3 million in TAP.

1 SENATOR STAVISKY: Three billion
2 in TAP.

3 SENATOR DeFRANCISCO: Not
4 \$3 billion, \$3 million.

5 SENATOR STAVISKY: I'm sorry --
6 \$3 billion? I wish -- \$3 million in TAP.

7 Then a follow-up question. I don't
8 see it in the budget. Is this included in the
9 lump-sum appropriation? In a lump-sum
10 appropriation.

11 SENATOR DeFRANCISCO: Yes. Yes,
12 it is. In the lump-sum appropriation.

13 SENATOR STAVISKY: Thank you,
14 Mr. President.

15 ACTING PRESIDENT GRIFFO: Thank
16 you, Senator Stavisky.

17 Senator Espallat.

18 SENATOR ESPAILLAT: Yes,
19 Mr. President, would the sponsor yield for a
20 couple of questions on the education part.

21 ACTING PRESIDENT GRIFFO: Will
22 the sponsor yield for a couple questions?

23 Senator DeFrancisco yields.

24 SENATOR DeFRANCISCO: I do.

25 SENATOR ESPAILLAT: Thank you,

1 Senator DeFrancisco.

2 Now, earlier on, Senator Flanagan
3 said that there was a \$697 million cut to
4 education for New York City.

5 SENATOR DeFRANCISCO: No.
6 Overall cut. Total cut, entire state, 697.

7 SENATOR ESPAILLAT: What
8 percentage of that will be for New York City?

9 SENATOR DeFRANCISCO: I believe,
10 if I recall correctly, about 35 percent. I'm
11 sorry, 38. Which was the same percentage of
12 the increases when there were years of
13 increases.

14 SENATOR ESPAILLAT: And through
15 you, Mr. President, if the Senator will yield.

16 ACTING PRESIDENT GRIFFO: Senator
17 Espailat, you may ask your question.

18 SENATOR ESPAILLAT: And how much
19 funding was not restored through the gap
20 elimination adjustment, through the GEA?

21 SENATOR DeFRANCISCO: How much
22 was not restored?

23 SENATOR ESPAILLAT: Yes.

24 SENATOR DeFRANCISCO: \$3.5
25 billion.

1 SENATOR ESPAILLAT: And through
2 you, Mr. President, if the Senator will yield.

3 SENATOR DeFRANCISCO: Yes.

4 ACTING PRESIDENT GRIFFO: You may
5 continue.

6 SENATOR ESPAILLAT: And what
7 percentage of that over \$2 billion was not
8 restored to New York City?

9 SENATOR DeFRANCISCO: \$850
10 million. And I'd have to calculate what
11 percentage that is.

12 SENATOR ESPAILLAT: So through
13 you, Mr. President, if the sponsor will yield.

14 SENATOR DeFRANCISCO: Yes.

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR ESPAILLAT: So you're
18 saying that \$850 million were not restored to
19 New York City through the GEA, and 38 percent
20 of the \$697 million were also cut for
21 education for New York City?

22 SENATOR DeFRANCISCO: Yes, that's
23 correct.

24 SENATOR ESPAILLAT: So in
25 essence -- through you, Mr. President, if the

1 sponsor will yield.

2 SENATOR DeFRANCISCO: Yes.

3 ACTING PRESIDENT GRIFFO: The
4 sponsor yields.

5 SENATOR ESPAILLAT: So in
6 essence, what you're saying is that there is a
7 total cut of over a billion dollars for
8 New York City.

9 SENATOR DeFRANCISCO: The
10 year-to-year cut is \$270 million.

11 SENATOR ESPAILLAT: And the GEA?

12 SENATOR DeFRANCISCO: Senator
13 Flanagan can give you a much better answer,
14 because I am not able to understand the advice
15 I'm being given at this point. If you don't
16 mind, I can yield to Senator Flanagan.

17 SENATOR ESPAILLAT: I don't mind.
18 Of course not.

19 ACTING PRESIDENT GRIFFO: Senator
20 Flanagan.

21 SENATOR FLANAGAN: Senator
22 Espailat, you mentioned two different things.
23 You're talking about the gap elimination
24 adjustment --

25 SENATOR ESPAILLAT: That's

1 correct, yes.

2 SENATOR FLANAGAN: -- and you're
3 talking about overall cuts to state aid. I
4 want to be very, very clear. The state
5 statewide -- not New York City -- the
6 statewide cut is \$697 million.

7 SENATOR ESPAILLAT: Yes.

8 SENATOR FLANAGAN: So that
9 compiles everything, including New York City.
10 The gap elimination -- and I have
11 the school runs, just as every member in the
12 chamber has received this. The gap
13 elimination adjustment for the City of New
14 York is \$891 million. Approximately
15 \$51 million of that was restored, leaving a
16 gap elimination adjustment to the tune of
17 \$840.5 million.

18 But I would also want to make it
19 clear, because I think I understand part of
20 what you're talking about, no one should labor
21 under the misimpression that every school
22 district in the State of New York doesn't have
23 a gap elimination adjustment as well after
24 what was done in the budget. New York City's
25 happens to be larger, of course, because of

1 its sheer size.

2 SENATOR ESPAILLAT: Through you,
3 Mr. President.

4 I understand that, Senator
5 Flanagan. But I'm trying to get at the actual
6 number, the total number of funding that the
7 City of New York will not have for its
8 education. And you're saying that there's a
9 \$697 million cut for the entire state, out of
10 which \$271 million are cut to New York City,
11 or 38 percent, and that through the gap
12 elimination the city will be out approximately
13 \$840 million.

14 My math shows me that that's over a
15 billion dollars that the school system will
16 not have this year in this fiscal year. Am I
17 correct to say that?

18 SENATOR FLANAGAN: Absolutely
19 not. I have right in front of me a state aid
20 run that says total for '10-'11, City of
21 New York, approximately \$7.93 billion. The
22 total for this year is \$7.662 billion,
23 representing a decrease of \$271 million.

24 You're focusing on components
25 within that. You should be looking at the

1 total aid. So let's be very clear. The City
2 of New York is getting \$7.662 billion from the
3 State of New York. That's a reduction over
4 last year of \$271 million.

5 SENATOR ESPAILLAT: But is the
6 gap elimination not part of the school aid
7 formula?

8 SENATOR FLANAGAN: The gap
9 elimination adjustment is absolutely part of
10 the school aid formula. But to look at that
11 in isolation is totally inappropriate, in my
12 opinion, because there are a number of factors
13 that are involved -- expense-driven aids, gap
14 restoration. There are a number of factors
15 that not only affect the City of New York but
16 suburban and rural districts.

17 So it would be inappropriate, in my
18 opinion, for someone to go out and say that
19 New York City got shortchanged \$840 million,
20 because I could say that for Senator
21 Marcellino's district, Senator Young's,
22 Senator Oppenheimer's district. Everybody has
23 a gap elimination adjustment.

24 What I believe you should be
25 looking at more appropriately is the total

1 year-to-year changes and recognize that where
2 we came from where the Governor started is far
3 better for the City of New York and every
4 other community in the state.

5 SENATOR ESPAILLAT: Through you,
6 Mr. President.

7 So what you're saying, in essence,
8 is that the gap elimination adjustment does
9 not exist and that in fact doesn't translate
10 into actual dollar cuts for education, not
11 only in New York City but across the State of
12 New York, as you well said. That it doesn't
13 impact New York City exclusively, but that it
14 impacts other counties and other regions as
15 well.

16 SENATOR FLANAGAN: No. Senator
17 Espaillat, you may try and parse my words, but
18 let's be very clear. The gap elimination
19 adjustment does exist. I didn't say it didn't
20 exist whatsoever. It's real, it's palpable,
21 it has an effect on every single school
22 district.

23 So when you're talking about
24 numbers, you want to go out -- my colleague
25 Senator Lanza is from Staten Island, which you

1 well know. He can go out and say tomorrow
2 that this \$7.66 billion that's going to the
3 City of New York, based on efforts that he and
4 everybody else in this chamber made -- is it a
5 reduction from last year? You bet it is. But
6 there's a reduction for every member in every
7 community in this state. And there's a gap
8 elimination adjustment.

9 We all went through the school
10 runs. No one is going to walk out of here
11 saying "I'm extraordinarily happy." The gap
12 elimination adjustment does exist. But it's
13 part of an overall package that includes a
14 number of different factors, many of which
15 help the City of New York.

16 Let me give you an example. While
17 it's not on the run, we talked about certain
18 things like the 4201 schools. New York City
19 is a better beneficiary of that program than
20 any other school district in the state.
21 Summer school special education, New York City
22 is a better beneficiary under that program
23 than any other school district in the State of
24 New York. And you know what? They deserve
25 the money. They have the students. That

1 that's where the money should go.

2 That's well over -- those two
3 programs alone represent \$93 million of
4 additional money that's not on this run.

5 So if you want to talk about
6 factors that are involved, I can go beyond the
7 school run and talk to Senator Lanza and
8 Senator Golden and bring up factors that
9 affect the City of New York that make you more
10 unique because you have a disproportionate
11 share of these children, in large part based
12 on the size of the New York City School
13 District.

14 SENATOR ESPAILLAT: Through you,
15 Mr. President.

16 ACTING PRESIDENT GRIFFO: Senator
17 Espaillat.

18 SENATOR ESPAILLAT: That's true,
19 but that's a different appropriation.

20 A cut is a cut is a cut by any
21 other name. And whether it is a GEA item that
22 was not restored to the tune of over
23 \$800 million, or a cut, a percentage, a
24 38 percent of the actual \$697 million cut that
25 you have actually stated that is occurring,

1 it's still a cut to an educational system,
2 whether it is in New York City or in any
3 county throughout the State of New York.

4 Senator Flanagan, you are familiar,
5 obviously, with the Campaign for Fiscal Equity
6 lawsuit that started back in 1993?

7 SENATOR FLANAGAN: Yes, I am.

8 SENATOR ESPAILLAT: And you know
9 that in fact that lawsuit -- which, by the
10 way, originated in my district, in the 34th
11 Senatorial District, took about 13 years.
12 That litigation went on for about 13 years.
13 It actually was -- we actually got a decision
14 from the Supreme Court and the Court of
15 Appeals in November of 2006. And that
16 decision called for our Legislature to provide
17 funding for a sound and basic education.

18 Am I correct with that
19 interpretation, Senator Flanagan?

20 SENATOR FLANAGAN: So far I'm in
21 general agreement, yes.

22 SENATOR ESPAILLAT: Furthermore,
23 that lawsuit challenged the constitutionality
24 of our education funding formula here in
25 New York State.

1 And would you say that this year's
2 funding for education is a complete U-turn
3 from the instructions that we got from the
4 Court of Appeals to provide funding and
5 provide a sound and basic education not just
6 for New York City schoolkids, because we were
7 large enough to understand that we had to
8 address the need of high-needs districts in
9 Buffalo, in Syracuse, in Yonkers and in other
10 areas?

11 Although the lawsuit initiated in
12 New York City, and its intent, original intent
13 was to address a disparity in funding for
14 education exclusive to New York City, when we
15 finally dealt with the lawsuit here we were
16 large enough to understand that other regions
17 of the state also needed help.

18 Would you say that this budget,
19 this funding that we have concluded cuts
20 New York City by \$271 million and through the
21 GEA, the gap elimination adjustment, denies
22 the city another over \$800 million, is a
23 complete U-turn from our commitment and the
24 mandate that the court vested upon us to
25 comply with?

1 SENATOR FLANAGAN: Absolutely
2 not.

3 Senator Espaillat, would you yield
4 to a question?

5 SENATOR ESPAILLAT: Yes, I would.

6 SENATOR FLANAGAN: When you were
7 in the Assembly in the last several years, did
8 you vote in favor of the budgets?

9 SENATOR ESPAILLAT: Not all the
10 budgets. Some of the education budgets I
11 voted against because I felt that we were not
12 in compliance with the mandate that was given
13 to us by the Court of Appeals to provide a
14 sound and basic education for schoolchildren
15 in New York State.

16 SENATOR FLANAGAN: I believe that
17 we are continuing to provide a sound, basic
18 education.

19 And I would go back to part of what
20 you said. The obligation that came to us as a
21 result of the Court of Appeals case had
22 nothing to do with the entire State of
23 New York. That case was principally decided
24 about educating children in the City of
25 New York. And at the time that the case was

1 decided, there had been recognition that we
2 were already making strides in that direction.
3 We drove a lot more money, there was the
4 creation of the foundation formula, and that
5 was advanced by Governor Spitzer.

6 And then I would say thereafter,
7 with Democratic governors, with Democratic
8 Assemblymembers and with Republicans and
9 Democrats, there were changes made to that
10 foundation aid formula recognizing that we had
11 to live within certain fiscal constraints.

12 Do I think we've made a U-turn?
13 Absolutely not. Am I thrilled with the idea
14 that we're limiting the funds in education
15 compared to many other years? No, I'm not.
16 But there's a fiscal reality that we have to
17 deal with, and I believe that we're still
18 meeting the obligations of that court case in
19 relation to the City of New York, and we've
20 gone beyond that in meeting those obligations,
21 which frankly didn't exist to the balance of
22 the State of New York.

23 SENATOR ESPAILLAT: Thank you,
24 Senator Flanagan and Mr. President. Thank you
25 for your answers to my questions.

1 On the bill.

2 ACTING PRESIDENT GRIFFO: Senator
3 Espaillat on the bill.

4 SENATOR ESPAILLAT: Yes,
5 Mr. President.

6 Justice Leland DeGrasse affirmed on
7 November 30th of 2005, when he made some
8 recommendations to the Legislature, that in
9 order to provide a sound and basic education,
10 New York City needed to gain \$5.6 billion for
11 operating expenses and another \$9.2 billion
12 for facilities, for capital. Clearly, that
13 has not happened.

14 This budget bill, although it
15 restores some of the items that I think are
16 very important to all of us -- Title 20,
17 summer youth jobs, many of us have already
18 highlighted what they are -- fails to provide
19 adequate funding for education. And in fact,
20 if we are to overcome this economic crisis, if
21 in fact we are preparing ourselves to have the
22 best qualified and competitive workforce once
23 we overcome this economic crisis, we must
24 invest in education.

25 The best investment that we can

1 make in this Legislature to prepare ourselves
2 for the next generation to be competitive when
3 the economy turns around is to invest in
4 education. And this bill, this aid to
5 locality bill does not do that.

6 That's why I will be voting in the
7 negative, Mr. President. I think that this
8 bill falls far short of where we need to be
9 with regards to education funding. It has
10 clearly been stated that New York City will be
11 short over a billion dollars in education
12 funding.

13 I represent a district that built
14 over 15 new schools, and many of those schools
15 have empty classrooms and empty floors and
16 overcrowded classrooms in those floors that
17 are not empty because we lack operating funds
18 to hire new teachers and to have gifted
19 programs and arts programs and to provide the
20 best possibilities for our students.

21 So, Mr. President, once again, I
22 will be voting in the negative on this bill.
23 I feel that we have fallen very short of where
24 our children ask us to be.

25 ACTING PRESIDENT GRIFFO: Is

1 there any other Senator wishing to be heard?

2 Senator Krueger.

3 SENATOR KRUEGER: Thank you very
4 much, Mr. President.

5 So we have heard here on this floor
6 tonight angry legislators, upset legislators.
7 We're hearing from the people of New York
8 State outside of our chambers here and now in
9 this great Capitol. There is tough choices in
10 this budget. I started the day talking about
11 the revenue bill, talking about how even in a
12 world of tough choices there could have been
13 better choices made about how we raised our
14 money in a variety of ways that would have
15 helped us avoid specifically many of the cuts
16 and much of the pain that we are going to be
17 moving through this budget, much of which are
18 in this bill tonight.

19 Senator Espaillat just very
20 articulately discussed the concerns for public
21 education in his and my great City of
22 New York. But Senator Flanagan is right when
23 he says these cuts are everywhere. They will
24 impact every community, I agree with you,
25 Senator Flanagan.

1 What I'm suggesting is we didn't
2 have to end up here. We didn't have to end up
3 here with these cuts to education, which we
4 know will do harm to every one of our
5 communities no matter whether we come from
6 upstate or downstate, a big city or a small
7 rural town.

8 And there are more cuts in this
9 budget. My colleague Senator Velmanette
10 Montgomery talked about the impact on human
11 services, the complicating factors of cutting
12 services to the lowest-income New Yorkers when
13 the unemployment rate does not appear to be
14 going down and job opportunities are scarce.

15 And these budget cuts will not only
16 do enormous harm to particularly poor
17 families, mostly women and children, but
18 ironically those cuts are in categories of
19 programs -- in fact, this entire bill is
20 filled with cuts that actually move money into
21 the communities to be spent as economic
22 development money.

23 Because the one thing we can say
24 about the aid to localities budget, the list
25 of items of appropriation in this bill, is

1 these monies go directly to local governments
2 and local communities where they are spent
3 primarily on jobs for people or to provide
4 basic living needs, which means people go out
5 and go and shop in their food store, pay their
6 rent, meet their children's basic needs,
7 provide them with all the things we all want
8 to provide our families.

9 So when I realize that in a
10 \$132 billion budget with other alternatives
11 for revenue -- including those \$29 billion in
12 tax expenditures we never looked at or
13 considered as options -- and yet we're going
14 to make these level of cuts in education,
15 human services, and real jobs for real people,
16 I also find myself sharing the frustration of
17 many of my colleagues and the emotional
18 discussion you heard tonight. And I also will
19 be voting no on this budget bill.

20 Thank you, Mr. President.

21 ACTING PRESIDENT GRIFFO: Seeing
22 no other Senator wishing to be heard, debate
23 is closed.

24 The Secretary will ring the bell.

25 Senator Oppenheimer, why do you

1 rise?

2 SENATOR OPPENHEIMER: To explain
3 my vote.

4 ACTING PRESIDENT GRIFFO: We have
5 not called the roll yet, Senator Oppenheimer.

6 I will remind all members of the
7 Senate, though, that we will be enforcing the
8 two-minute explanation of votes.

9 Read the last section.

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

12 ACTING PRESIDENT GRIFFO: Call
13 the roll.

14 (The Secretary called the roll.)

15 ACTING PRESIDENT GRIFFO: Senator
16 Zeldin to explain his vote.

17 SENATOR ZELDIN: Thank you,
18 Mr. President.

19 During my campaign I committed to
20 cut taxes, control spending, and assist with
21 this private-sector job creation that was so
22 important all across Long Island and around
23 New York State. I stand to say thank you,
24 thank you to Senator Skelos, thank you to
25 Senator Flanagan for all of your work on this

1 education issue.

2 I am proud to say that I have three
3 school districts -- William Floyd, South
4 Country, and Hauppauge -- that actually are
5 going to end up with more money next year than
6 they did this year.

7 I went to public school, my
8 daughters are about to start public school, my
9 mother's a retired teacher, grandparents were
10 teachers. I went to SUNY, my chief of staff
11 went to SUNY, my deputy chief of staff went to
12 SUNY. I believe in public school education.

13 And I'm happy that we have closed a
14 \$10 billion budget deficit for next year. And
15 the following year's budget deficit, which was
16 projected to be \$15 billion, has been reduced
17 to \$2 billion.

18 Our work is not done here, but this
19 is a good start. And I look forward to the
20 dialogue about a tax cap, to get that tax cap
21 done, to get mandate relief done, to get the
22 MTA payroll tax repealed, hopefully get our
23 school aid formula changed. Because Long
24 Island should not be an ATM machine for
25 New York City and elsewhere.

1 Republican or Democrat, upstate or
2 downstate --

3 ACTING PRESIDENT GRIFFO: Senator
4 Zeldin, how do you vote?

5 SENATOR ZELDIN: -- Assembly or
6 Senate, we need to stick together. I vote
7 aye.

8 ACTING PRESIDENT GRIFFO: Senator
9 Zeldin to be recorded in the affirmative.

10 Senator Oppenheimer to explain her
11 vote.

12 SENATOR OPPENHEIMER: Very
13 briefly.

14 The reality is that we are living
15 in very difficult times for our economy and
16 for the state and local governments all across
17 this nation. And there is no doubt that we
18 need to change direction. And we should all
19 applaud Governor Cuomo for providing strong
20 leadership to turn the state government
21 around.

22 There is no doubt that vital
23 services will be badly impacted because this
24 year is a crisis year and it's much larger
25 than we would have thought. The need for a

1 change in direction is greater than ever. And
2 the importance of the Legislature successfully
3 working together is more paramount than ever
4 before.

5 Going forward, I want to bring to
6 your attention the challenges that will
7 continue to face education throughout our
8 state. Reduced funding for school districts,
9 the need to improve schools that fail and
10 protect excellence where it exists, these
11 present a multitude of pressures that we will
12 have to address this year and next. Property
13 taxpayers are already overtaxed. State
14 resources are declining. But there are
15 children who are in school now, one grade at a
16 time, one year at a time, one childhood at a
17 time. There are no do-overs.

18 We need to work together and with
19 Governor and give special attention to the
20 delicate, precarious place we have put our
21 schools into. We need to help them reduce
22 costs, provide mandate relief, improve
23 teaching, make sure we protect a system that
24 has already suffered incredible cuts. And you
25 all know what I know, they are cutting in all

1 of our school districts -- music, art,
2 physical ed, pre-K, full-day kindergarten --

3 ACTING PRESIDENT GRIFFO: Senator
4 Oppenheimer, how do you vote?

5 SENATOR OPPENHEIMER: All right.
6 I just want to say that our work is much ahead
7 of us. I'm voting yes.

8 ACTING PRESIDENT GRIFFO: Senator
9 Oppenheimer to be recorded in the affirmative.
10 Senator Carlucci to explain his
11 vote.

12 SENATOR CARLUCCI: Thank you,
13 Mr. President. I'll be voting in the
14 affirmative on this bill.

15 However, I stand here tonight
16 disappointed. I'm disappointed that the
17 funding restoration to the Office of People
18 with Developmental Disabilities that we fought
19 here in this chamber to restore fell on deaf
20 ears in the Assembly. And, you know, we're
21 not talking about cutting bloated government
22 salaries, we're talking about cutting vital
23 services to our most vulnerable population.

24 However, I know that the people in
25 my district and throughout New York State, the

1 good community services, the people that work
2 everyday towards servicing our most vulnerable
3 population when it comes to people living with
4 developmental disabilities, I plan on working
5 with them to make sure that our most
6 vulnerable population does not fall through
7 the cracks.

8 So with this, I vote in the
9 affirmative. Thank you, Mr. President.

10 ACTING PRESIDENT GRIFFO: Senator
11 Carlucci to be recorded in the affirmative.

12 Senator Stewart-Cousins to explain
13 her vote.

14 SENATOR STEWART-COUSINS: Yes, to
15 explain my vote.

16 Tomorrow morning at about 7:00 a.m.
17 hundreds of children will get up early so that
18 they can rally in Yonkers because they don't
19 have gym, they don't have art, they don't have
20 music, they don't have psychologists, they
21 don't have social workers. And where we are
22 today with this budget, we will lay off
23 possibly 600 people in the Yonkers School
24 District.

25 I understand there's a lot of pain.

1 But for this school district, the pain has got
2 to stop. I look at a run where there's
3 percentages and it's all shared pain. But
4 among the Big Five, I look at a school
5 district like Yonkers that loses \$6 million
6 while another school district gains
7 \$6 million. I still don't understand how this
8 continues to be called equitable and fair.

9 So I'm standing here voting no,
10 walking with those children symbolically
11 tomorrow, because education matters. Funding
12 it right matters. We can no longer afford to
13 keep deciding that it is something that maybe
14 we'll get right. It's not right yet.

15 I vote no.

16 ACTING PRESIDENT GRIFFO: Senator
17 Stewart-Cousins to be recorded in the
18 negative.

19 Announce the results.

20 THE SECRETARY: In relation to
21 Calendar Number 293, those recorded in the
22 negative are Senators Adams, Diaz, Duane,
23 Espaillat, Hassell-Thompson, L. Krueger,
24 Parker, Peralta, Perkins and Stewart-Cousins.

25 Ayes, 52. Nays, 10.

1 ACTING PRESIDENT GRIFFO: The
2 bill is passed.

3 Senator Libous.

4 SENATOR LIBOUS: Mr. President,
5 could we please take up Calendar Number 296,
6 please.

7 ACTING PRESIDENT GRIFFO: The
8 Secretary will read.

9 THE SECRETARY: Calendar Number
10 296, Senate Print 2801A, Senate Budget Bill,
11 an act making appropriations for the support
12 of government: LEGISLATURE AND JUDICIARY
13 BUDGET.

14 ACTING PRESIDENT GRIFFO: Read
15 the last section.

16 THE SECRETARY: Section 5. This
17 act shall take effect immediately.

18 ACTING PRESIDENT GRIFFO: Call
19 the roll.

20 (The Secretary called the roll.)

21 ACTING PRESIDENT GRIFFO: Senator
22 Hassell-Thompson to explain her vote.

23 SENATOR HASSELL-THOMPSON: Thank
24 you, Mr. President. Just very quickly.

25 I will be voting for this bill, but

1 I wanted to state for the record my concern
2 and disappointment that as a part of the
3 additional savings that OCA was asked to come
4 up with, a program for civil legal services
5 was cut 50 percent, or \$12.5 million.

6 I commend the Chief Judge for being
7 an advocate for civil legal services. And I
8 know he is deeply concerned with the prospect
9 of layoffs in an already strained court
10 system. However, I too must express my
11 disappointment that such deep cuts took place
12 in civil legal services even though I
13 understand the position that Judge Lippman
14 finds himself in.

15 Thank you, Mr. President.

16 ACTING PRESIDENT GRIFFO: How do
17 you vote, Senator Hassell-Thompson?

18 SENATOR HASSELL-THOMPSON: I said
19 in the affirmative, sir.

20 ACTING PRESIDENT GRIFFO: Senator
21 Hassell-Thompson to be recorded in the
22 affirmative.

23 Announce the results.

24 THE SECRETARY: In relation to
25 Calendar Number 296, those recorded in the

1 negative are Senators Adams, Diaz, Duane,
2 Parker and Perkins.

3 Ayes, 57. Nays, 5.

4 ACTING PRESIDENT GRIFFO: The
5 bill is passed.

6 Senator Libous.

7 SENATOR LIBOUS: Mr. President,
8 can we please take up Calendar 294.

9 ACTING PRESIDENT GRIFFO: The
10 Secretary will read.

11 THE SECRETARY: Calendar Number
12 294, Senate Print 2808D, Senate Budget Bill,
13 an act to amend the Education Law.

14 ACTING PRESIDENT GRIFFO: Read
15 the last section.

16 THE SECRETARY: Section 3. This
17 act shall take effecting immediately.

18 ACTING PRESIDENT GRIFFO: Call
19 the roll.

20 (The Secretary called the roll.)

21 ACTING PRESIDENT GRIFFO: Senator
22 Dilan to explain his vote.

23 SENATOR DILAN: I just want to
24 indicate that during the Finance Committee I
25 had concern with language in this bill as it

1 pertains to the MTA. Namely, that language is
2 on page 95, starting line 53 through 56, and
3 page 96, line 1 through 9, where it appears
4 that the MTA is taking a \$200 million cut.

5 However, members of the Majority
6 and members of the Majority staff and my staff
7 have also spoken to the MTA, and they assured
8 me that at the end of the day the MTA will
9 only wind up with the \$100 million cut that
10 was discussed at our table. And as a result
11 of maybe some additional revenues, that they
12 may actually have additional revenue of
13 \$45 million, maybe.

14 So I'm going to accept those
15 assurances and vote yes on this bill.

16 ACTING PRESIDENT GRIFFO: Senator
17 Dilan to be recorded in the affirmative.

18 Senator Kennedy to explain his
19 vote.

20 SENATOR KENNEDY: Yes, thank you,
21 Mr. President.

22 I will be voting against this bill.
23 I'm deeply disappointed this budget does not
24 include policy reforms necessary to spark the
25 economic growth in Western New York with the

1 UB 2020 plan.

2 I appreciate Governor Cuomo's
3 commitment to helping us rebuild the Western
4 New York economy, and I look forward to the
5 summit he'll host to discuss how we'll make
6 UB 2020 a reality. But this budget is a
7 budget of priorities. And the budget bill
8 that we are voting on right now does not
9 include UB 2020 as a priority of this Senate.

10 And UB 2020 is arguably the
11 number-one priority piece of legislation for
12 the people of Western New York that I
13 represent and that my colleagues across the
14 aisle represent. We have argued in favor of
15 this bill on both sides of this house, on both
16 sides of this chamber, out of Western
17 New York.

18 It is absolutely essential that
19 UB 2020 be enacted. I am extremely
20 disappointed that it is not a part of this
21 budget. And therefore I will be voting in the
22 negative.

23 ACTING PRESIDENT GRIFFO: Senator
24 Kennedy to be recorded in the negative.

25 Senator Diaz to explain his vote.

1 SENATOR DIAZ: Just a few words,
2 Mr. President, to address myself of what my
3 colleague Senator Kennedy just said.

4 I am from downtown, from lower
5 New York, and UB 2020 supposed to be a remedy
6 to help the Western New York. Senator
7 Grisanti introduced this bill. And there was
8 a, you know, like big thing because we were --
9 first time we were going to help Western
10 New York. And now there is no UB 2020.

11 So Senator Grisanti, what happened?
12 No UB 2020. I'm voting no.

13 ACTING PRESIDENT GRIFFO: Senator
14 Diaz to be recorded in the negative.

15 Senator Hassell-Thompson to explain
16 her vote.

17 SENATOR HASSELL-THOMPSON: Thank
18 you, Mr. President.

19 Again, I think you've heard it
20 several times already tonight, but I must
21 reiterate that as someone who signed onto the
22 CFE lawsuit, it is incumbent upon me to
23 continue to vote against any budget that does
24 not keep good faith with that.

25 It also would not be in the

1 interests of my district to vote for a budget
2 that is going to cut \$8 million out of the
3 school budget for the City of Mount Vernon,
4 which is a high-needs district.

5 When I tried to leave this
6 afternoon -- many of you were able to duck out
7 the other way, you were diverted. But I
8 walked through the crowd. And I walked
9 through and I met a lady that I didn't know
10 but who knew me. And she said, "I'm trusting
11 you to vote no against this budget because
12 it's bad for us. This is my son. We're going
13 to stay here all night. And I want him to see
14 government and how it works."

15 And so I can't vote on behalf of
16 this budget, on behalf of that 7-year-old who
17 does not have instruments in his school, who
18 doesn't have enough textbooks in his
19 classroom, who doesn't have enough computers
20 for him to be able to learn.

21 And for us to stand fast and look
22 at the budget cuts that are going to affect
23 New York City, of which I also represent, is
24 not in my best interests and is certainly not
25 in the best interests of the people that I

1 serve.

2 Thank you, Mr. President.

3 ACTING PRESIDENT GRIFFO: Senator
4 Ruth Hassell-Thompson to be recorded in the
5 negative.

6 Senator Parker to explain his vote.

7 SENATOR PARKER: I get that
8 everybody wants to give the Governor a win.
9 And I don't mind the Governor having a win.
10 But the least you guys could have done is give
11 people a chance to speak on the bill. Real
12 basic.

13 I get we're in the minority. I
14 know my little vote doesn't mean anything. I
15 know the little votes of all the people who
16 are making a lot of noise tonight don't mean
17 anything to anybody. I get it. I get it.
18 Suck it up, go home, you don't get anything in
19 the budget, you got nothing.

20 But I'm not going -- you know, I've
21 come here because people elected me at least
22 to speak truth to power and to say that this
23 is not right. And I'm annoyed now because you
24 guys rushed this thing through so you can get
25 this thing -- I know everybody wants to get it

1 early, and I don't know why that's like such a
2 big deal. Nobody's going to get elected or
3 unelected, and nobody's going to hold on to
4 the majority or lose the majority or gain the
5 majority based on the floor debate on the
6 budget in 2011.

7 You guys could have gave us a
8 chance to talk on the bill. I mean, this what
9 we're doing right now is not correct. What
10 we're seeing happening right now with the
11 gallery being closed is not correct. What we
12 see with the police being walked around this
13 building as storm troopers is not correct.
14 This is the people's house. And as much as we
15 talk about we're here to represent people
16 tonight, we've denied people their voice.
17 That's why people are here angry. And that's
18 why I'm angry, because there's no reason for
19 this to happen in this manner.

20 Politics is a place where not just
21 what you do matters, but how you do it is
22 absolutely critical. And how dare us deny
23 people voice? How dare us? You guys have
24 been -- when I say you guys, all of us. We've
25 been pushing through B.S. on the people of

1 this state for hundreds of years without --
2 you know, without denying them basic access to
3 democratic rights.

4 And so what we're doing here
5 tonight is a disgrace and I'm ashamed to be
6 part of this body. I'm voting no,
7 Mr. President, because -- not just because
8 this budget is bad and it's bad for my
9 community, but this process is horrible.

10 I have more to say, but I know I'm
11 only limited to two minutes. And my only
12 regret is I only have two minutes to speak on
13 behalf of not just the people of my district
14 but everybody who's being disenfranchised and
15 people who will be put out on the street
16 because of this vote.

17 I vote no.

18 ACTING PRESIDENT GRIFFO: Senator
19 Parker to be recorded in the negative.

20 Senator Grisanti to explain his
21 vote.

22 SENATOR GRISTANTI: I'm going to
23 vote yes on this bill.

24 And one thing that I want to say to
25 my friends across the aisle who doubt UB 2020,

1 if you want to have and sit there and denounce
2 the commitment of your own Governor, who has
3 stated five times in a press conference that
4 there will be a summit in Buffalo -- you don't
5 have to attend. That's fine. If you want to
6 doubt what happened here in this Senate of a
7 55-to-1 vote, that's fine.

8 But what I didn't see is I didn't
9 see the Democrats on that side talking to
10 their Democratic friends in the Assembly to
11 push that bill forward, as I was doing not
12 only with the Republicans but meeting with
13 Debra Glick and other members.

14 This bill is not dead. This bill
15 has moved faster in the last 90 days than it
16 has in three years. When the Democrats were
17 in the majority, the bill couldn't even pass.
18 I've been here 90 days and this bill has gone
19 further than ever.

20 It is not dead. We have talked to
21 the Governor. We have commitments. There's a
22 summit. If you want to use it for political
23 gain, that's fine. But I've talked to the
24 people at UB 2020 about this bill, I've talked
25 to the tradespeople and they are ecstatic as

1 to where UB 2020 lays at this point in time.

2 So if you want to have shame and
3 shoot me down for UB 2020, go ahead. We'll
4 see what happens at the end of session. But
5 UB 2020 is not dead, it's alive. I know it's
6 important to Western New York. But I'm not a
7 one-issue person. There are other things in
8 bill -- restoring funding to Roswell Park --
9 that the Senate did on this side, no help from
10 the Assembly, no help from the Governor.

11 Restoration of basically Darwin
12 Martin House, Olmsted Park Highway, Hoyt Lake
13 projects, restoring funding to education.
14 These are things we did on this side. And I
15 appreciate what the Senate did, but don't
16 doubt my word. UB 2020 is not dead. It's
17 alive and well.

18 I will be voting in the
19 affirmative.

20 ACTING PRESIDENT GRIFFO: Senator
21 Grisanti to be recorded in the affirmative.

22 Senator Stavisky to explain her
23 vote.

24 SENATOR STAVISKY: Yes,
25 Mr. President, I'd like to correct the Senator

1 on the other side of the aisle that when I
2 chaired the Committee on Higher Education in
3 2009, with the help of Senator Maziarz and
4 Senator Stachowski and a whole host -- Senator
5 Volker -- that bill passed this house. You
6 are mistaken. You are wrong.

7 I vote aye.

8 ACTING PRESIDENT GRIFFO: Senator
9 Stavisky votes in the affirmative.

10 Senator Adams to explain his vote.

11 SENATOR ADAMS: Did you hear them
12 tonight? Did you hear them? They're staying
13 over tonight. They're staying over. They're
14 going to sleep in the rafters tonight.

15 And I don't care -- don't tell me
16 about rules, because you all don't follow
17 rules. I got my pillow and my blanket. I'm
18 going to join them. I'm going to sleep with
19 them tonight. Because when people get so
20 angry, they don't drop bombs, they don't fight
21 wars, they use their voices. I'm going to
22 sleep on that hard slab up there with them.

23 What we did tonight was wrong.
24 They all participated. When Strahan tackled
25 to get his last sack, there was an asterisk

1 next to it. You know that? Because it was
2 cheating. So we're going to beat the clock.
3 You rushed it through, you didn't allow us to
4 debate it, you didn't allow us to argue it,
5 all for one reason only, because we've got to
6 beat the clock.

7 So I'm going to sleep with those
8 children, those college students, those people
9 who are losing their homes, those people who
10 are concerned, those people who are being
11 locked out. I'm going to lay down on that
12 concrete with them and I'm going to stay with
13 them throughout the entire night. Because
14 what we did to them during this budget cycle,
15 it was wrong.

16 And I'm uncharacteristically calm
17 by saying it. We were wrong. And we should
18 be ashamed of ourselves as Democrats. Don't
19 tell me I'm voting for a bill because I like
20 something in the bill. This is wrong. What
21 happened during this cycle is wrong.

22 I'm voting nay.

23 ACTING PRESIDENT GRIFFO: Senator
24 Adams to be recorded in the negative.

25 Senator Gallivan to explain his

1 vote.

2 SENATOR GALLIVAN: Thank you,
3 Mr. President.

4 My colleagues, both the product and
5 process of this budget are a testament of the
6 leadership provided by the Governor and the
7 bipartisan recognition in the Legislature that
8 business as usual in state government has
9 become unsustainable and unacceptable.

10 It took years of shortsighted
11 governance to deliver New York into its
12 current condition, but tonight marks the first
13 step down a new path. This budget eliminates
14 our current deficit, markedly improves the
15 state's outlook for the next fiscal year,
16 consolidates and eliminates inefficient
17 bureaucracy, and encourages private-sector job
18 growth, particularly in Western New York, the
19 district I represent.

20 One year's budget will not erase
21 decades of poor fiscal management, but this
22 year's budget agreement, the manner in which
23 it was reached, signifies there's just cause
24 to be optimistic in New York's future. The
25 Legislature and the Governor were able to work

1 together with a sense of common purpose to
2 make the difficult but responsible choices to
3 ensure New York's future is brighter today
4 than it was before.

5 I vote in the affirmative.

6 ACTING PRESIDENT GRIFFO: Senator
7 Gallivan to be recorded in the affirmative.

8 Maziarz to explain his vote.

9 SENATOR MAZIARZ: Thank you very
10 much, Mr. President.

11 I rise not to make a similar
12 announcement that Senator Adams made, but just
13 to reference very briefly UB 2020.

14 There are aspects of UB 2020 in
15 this budget. There's a lot of differences
16 between what the UB 2020, Senator Stavisky,
17 that was passed in 2009 and the UB 2020 bill
18 that was sponsored by Senator Grisanti.
19 Obviously that bill, I think, had almost 20
20 members in opposition. This one had but one.

21 There is a great deal of
22 satisfaction with the support of the Governor.
23 That is different. We didn't have that
24 before. The Buffalo News editorial board is
25 satisfied with the direction that we are going

1 in. Funding to implement UB 2020 is contained
2 in this budget. I think it's a lot further
3 ahead than it's ever been before.

4 Thank you, Mr. President. It
5 should be permanent, by the way.

6 ACTING PRESIDENT GRIFFO: Senator
7 Maziarz to be recorded in the affirmative.

8 Senator Martins to explain his
9 vote.

10 SENATOR MARTINS: Thank you,
11 Mr. President.

12 You know, one of the priorities
13 that we had through this budget process was to
14 remember that there are people out there that
15 are in real need throughout New York State and
16 to try and reach a balance between the needs
17 of those people -- our constituents, our
18 residents, our neighbors, our friends, our
19 family -- that are in need throughout New York
20 State but at the same time remember those
21 people who have simply been taxed to the
22 breaking point and have been enduring more and
23 more taxes. We are the highest-taxed state in
24 the entire country.

25 And we made one commitment to them,

1 we would balance those two interests. And I
2 have heard time and time again the need for us
3 to focus on the needs of those people who are
4 most in interest. And I agree with you, that
5 is our commitment, all of our commitment. You
6 do not balance a budget on the backs of those
7 people who are most in need.

8 But at the same time, we have an
9 equal commitment to those people who have
10 continuously reached into their pockets and
11 paid, time and again, more and more taxes. We
12 have a commitment to both.

13 I believe that this budget
14 addresses both needs. I believe that you do
15 not just continue to spend more and more money
16 in the hopes that you get a better result.
17 And I believe that we have met not only our
18 commitment to those people who are most in
19 need but to the taxpayers of this state
20 because we have finally restored fiscal order
21 to New York State, and that's why I'm voting
22 in the affirmative.

23 ACTING PRESIDENT GRIFFO: Senator
24 Martins votes in the affirmative.

25 Announce the results.

1 THE SECRETARY: In relation to
2 Calendar Number 294, those recorded in the
3 negative are Senators Adams, Diaz, Duane,
4 Espaillat, Hassell-Thompson, Kennedy,
5 L. Krueger, Parker, Peralta, Perkins, Rivera,
6 Smith and Stewart-Cousins.

7 Ayes, 49. Nays, 13.

8 ACTING PRESIDENT GRIFFO: The
9 bill is passed.

10 Senator DeFrancisco.

11 SENATOR DeFRANCISCO: Yes, I just
12 want to stand and thank everyone who has been
13 involved in this budget process, especially
14 staff, who have worked tirelessly to get the
15 product together so that we can vote in an
16 orderly fashion.

17 And I also want to thank members of
18 both sides of the aisle and, as far as for the
19 Minority, Senator Liz Krueger. She was always
20 prepared, always asked good questions, and
21 always cordial. And that's the way that this
22 process should work. And hopefully it will
23 work like this in the future in all future
24 years as well.

25 Thank you.

1 ACTING PRESIDENT GRIFFO: Thank
2 you, Senator DeFrancisco.

3 Senator Sampson.

4 SENATOR SAMPSON: Thank you very
5 much Mr. President.

6 Before I speak, I would just like
7 all of my colleagues to take a moment and
8 really congratulate our staffs for doing a
9 phenomenal job these last couple of days to
10 make sure they had all the information and got
11 the work done. So we need to give them a
12 round of applause, my colleagues.

13 (Applause.)

14 SENATOR SAMPSON: They want a
15 raise, yeah. Senator Skelos, they want a
16 raise.

17 First of all, I want to say when
18 you look at New York State, it's at a
19 crossroads. Governor Cuomo deserves credit
20 for his leadership to bring us to an on-time
21 budget but most of all restore New York's
22 standing as the Empire State.

23 Meeting a deadline may not seem
24 like much of an accomplishment outside of
25 Albany. Every day you have workers across

1 this state do it because that's what they do.
2 They go to work, do their job, go home and
3 enjoy their family.

4 But an on-time budget, my
5 colleagues, is important because it gives
6 New Yorkers a reason to begin to trust their
7 leaders enough to follow them towards a
8 brighter future.

9 Was this a tough budget? Is this
10 tough times? And we made tough choices. I am
11 supporting this budget, but I cast my vote
12 with eyes wide open to the choices we are
13 making and the political impact on
14 middle-class families and working poor.
15 History will judge us all by those choices, by
16 whether we stood up to ease the burden on
17 middle-class families or sat back while they
18 continued to carry the sole burden of the
19 shared sacrifices needed to solve these fiscal
20 crisis.

21 The severity of these economic
22 challenges facing New York demand a new
23 direction, a new beginning. And Governor
24 Cuomo is leading us in that direction.

25 We were sent here to make the tough

1 choices, to solve the tough problems, and
2 above all never forget our districts. The
3 budget did not raise taxes. But I wish it did
4 not give a tax break to what I call the true
5 millionaires, 70,000 people who are making
6 over a million dollars, at a time when we have
7 3 million schoolchildren facing these deep
8 cuts at this time.

9 We were successful in making some
10 educational restorations. And I want to
11 commend Senator Andrea Stewart-Cousins for
12 helping rectify the unfair treatment Yonkers
13 received. But I fear the educational
14 restorations don't go far enough. Sacrificing
15 the promise of tomorrow by delaying the
16 fulfillment of the promise of the Campaign for
17 Fiscal Equity is incorrect. Allowing critical
18 programs such as art, music, athletics,
19 language arts means that our children will
20 only read about the Renaissance and not
21 experience the Renaissance.

22 We cut spending, we consolidated
23 agencies to deliver a government that works
24 better, costs less, and even restored vital
25 funding for human services like Title 20 to

1 our seniors and also summer youth employment.
2 And our children will commend us for that.
3 But I wish we had done more to cut with care,
4 to balance the budget in line with our values,
5 protecting our most vulnerable citizens.

6 There were significant restorations
7 to CUNY and SUNY critical to building the
8 well-educated workforce that we desperately
9 need especially during these economic times.
10 But I wish we had included UB 2020 to build a
11 stronger university system and a stronger
12 economy for Western New York.

13 Senator Grisanti, I love your
14 passion and I agree with your passion. And I
15 trust your word. Working along with my
16 colleague Senator Kennedy and the rest of our
17 colleagues from Western New York, I believe it
18 will become a reality.

19 As I said, this was a hard vote for
20 me, a hard vote especially in my district.
21 But these are hard choices facing New York,
22 that they had to be made to put us on the
23 right track. My colleagues, the only reason I
24 voted this way is because I trust and I have
25 faith in the Governor that these choices that

1 we are making today will put us on the road to
2 fiscal prosperity.

3 As I vote for this budget, I hope
4 the spirit of bipartisanship that we have
5 experienced these last couple of days will
6 continue and our promises will be kept. My
7 conference is here; we made hard choices in
8 supporting parts of this budget that goes,
9 some of us, against our grain. But we knew we
10 had to make tough choices.

11 Senator Skelos, I commend you for
12 your leadership, I commend all my colleagues
13 for their leadership for getting us to this
14 point. But now I'm asking that you join us in
15 making equally hard choices as we move
16 forward.

17 I'm asking that you work with all
18 of us and pass the extension of the rent
19 regulation laws to prevent a disaster, what I
20 call a tenant tax for 2.5 million people not
21 only in New York City but in Nassau County,
22 Rockland County and in Westchester.

23 I'm asking you also to work
24 together so we can reach an agreement -- we
25 talk about property tax, but at the same time

1 we need mandate relief, especially to help
2 those middle-class families.

3 I'm asking that you work with all
4 of us to pass an ethics package that restores
5 faith in the Legislature and gives New Yorkers
6 a reason to believe in a New York where
7 anything is possible. We made the first step
8 tonight by passing an on-time budget. The
9 next step is ethics reform.

10 And I'm asking that you work with
11 us to keep the promise that 54 out of 62 of us
12 made that we pass a nonpartisan redistricting
13 bill to make sure that politics are out of the
14 way of drawing our electoral lines.

15 And I'm asking -- and I'm glad
16 Senator Diaz is not here tonight -- that you
17 partner with all of us to end the inequality
18 same-sex couples face by bringing marriage
19 equality to the floor.

20 Now that this budget is complete,
21 we have the time, we have the responsibility
22 to work on this in a bipartisan manner. I say
23 to my colleagues: Is this ambitious? Yes, it
24 is. Is this impossible? I say no. Is it
25 essential? I say absolutely yes.

1 So, my colleagues, we're on the
2 right track. Let's continue to be on the
3 right track to make sure that New York State
4 is on the road to being the Empire State, on
5 the road to fiscal prosperity, but most of all
6 investing in one of the most precious
7 commodities that we have, and that is our
8 children.

9 So once again, thank you,
10 Mr. President. And thank you, all my
11 colleagues. Now tomorrow is the time we get
12 back to work. Thank you very much,
13 Mr. President.

14 ACTING PRESIDENT GRIFFO: Thank
15 you, Senator Sampson.

16 Senator Skelos.

17 SENATOR SKELOS: Thank you very
18 much, Mr. President.

19 And I'm delighted that this chamber
20 has passed not only an on-time budget but an
21 early budget. And I'm hopeful that the
22 Assembly Democrats will be able to accomplish
23 the same thing that we have accomplished so
24 that we do have an early budget.

25 You know, this is a responsible

1 budget that has met the goals of our
2 conference: Cut spending, reduce taxes, and
3 empowering the private sector to create jobs.
4 Many of you in this chamber, especially those
5 within the Republican Conference, have heard
6 me say this on more than numerous occasions.
7 And in fact, when we were sitting on that side
8 of the aisle, I think you heard me say it on
9 more than numerous occasions. And I think
10 that's why we are now on this side of the
11 aisle.

12 But what I do want to thank is
13 Senator John DeFrancisco, chair of the Finance
14 Committee, who has done just a great job in
15 debating the bills that have come before this
16 chamber. John, I congratulate you on a great
17 job.

18 (Applause.)

19 SENATOR SKELOS: Senator Krueger,
20 we thank you for your spirited debate. I
21 think it is totally appropriate and what
22 should occur in this chamber when Republicans
23 and Democrats gather and exchange ideas. So I
24 congratulate you also on this spirited debate,
25 and certainly all of us in this chamber for

1 participating in this great duty that we have
2 in putting a budget together.

3 I want to thank Robert Mujica,
4 secretary of the Finance Committee, and Diane
5 Burman, our counsel. And all the members, the
6 Senate, the Assembly, staff, Republican side,
7 Democrat side, everybody did work together to
8 make this day possible.

9 I'm also pleased that we partnered
10 with Governor Cuomo, who really did set the
11 right tone and worked with both Democrats and
12 Republicans to get a sound budget in place.

13 And, Senator Sampson, I thank you
14 for your cooperation and certainly your
15 leadership in accomplishing what is very
16 difficult choices for all of us in this
17 chamber.

18 I also want to thank the Speaker
19 for his cooperation, all of us who
20 participated in the joint conference
21 committees. It worked. We talked about the
22 Budget Reform Act of 2007. You probably heard
23 me say it so many times last year. Well, we
24 followed the law this year, and we have an
25 early budget. So it shows if you follow the

1 law, it works, and you can have an on-time
2 budget.

3 You know, in the past unfortunately
4 New York leaders have shouted past each other
5 and have left critical challenges unmet. This
6 budget, which has charted a new course and has
7 made Albany functional -- and yes, Senator
8 Diaz, I'm delighted to say it's functional and
9 accountable to the people. And I believe that
10 we will continue on that course.

11 Today we have enacted in this
12 chamber, at least, the first early budget
13 since 1983. And because of the hard work of
14 all the Senators in this chamber, I think we
15 should all be very proud of that.

16 As we move forward, we are
17 committed to passing a responsible ethics
18 reform bill. We are prepared to pass mandate
19 relief, which is critically necessary for all
20 local levels of government. I'm very proud
21 that our conference was able to restore
22 millions and millions of dollars that would
23 have been cost-shifted to local governments.
24 I'm proud of our conference that we've done
25 that.

1 And as we move forward, we have to
2 deal with pension relief and other issues that
3 are critically important not just to this
4 chamber but for the people of the State of New
5 York.

6 And finally, jobs. It's about
7 jobs. I believe we've set the right tone now
8 with the business community that they see this
9 chamber, the Assembly means business, the
10 Governor in particular. No new taxes. You
11 can't tax your way into prosperity. You can't
12 tax your way out of economic problems. You
13 have to cut spending in a responsible way.
14 We've done that. We've sent the message to
15 the business community that we want you to
16 stay here, we want you to invest here, we want
17 you to grow here and we want you to create
18 jobs here.

19 And yes, we will, as Governor Cuomo
20 indicated, finally have a UB 2020 plan before
21 this session is over. The Governor has
22 guaranteed it, and I believe that when the
23 Governor guarantees something, it will occur.

24 So again, I thank all of my
25 colleagues here. I look forward to seeing you

1 tomorrow.

2 And if I may, is there any other
3 further business to come before the Senate?

4 ACTING PRESIDENT GRIFFO: There
5 is no further business before the Senate,
6 Senator Skelos.

7 SENATOR SKELOS: Senator Libous,
8 am I doing this okay?

9 SENATOR LIBOUS: Keep going.
10 Eleven a.m. tomorrow.

11 SENATOR SKELOS: I move that we
12 stand adjourned until 11:00 a.m. Thursday,
13 March 31st, 11:00 a.m. And there will be a
14 Republican conference at 10:30.

15 ACTING PRESIDENT GRIFFO: There
16 will be a Republican conference at 10:30
17 tomorrow.

18 On motion, the Senate stands
19 adjourned until Thursday, 11:00 a.m.,
20 March 31st. Senate is adjourned.

21 (Applause.)

22 (Whereupon, at 11:50 p.m., the
23 Senate adjourned.)
24
25