

1 NEW YORK STATE SENATE

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3  
4 THE STENOGRAPHIC RECORD

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9 ALBANY, NEW YORK

10 March 20, 2013

11 1:18 p.m.

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13  
14 REGULAR SESSION

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18 SENATOR DIANE J. SAVINO, Acting President

19 FRANCIS W. PATIENCE, Secretary

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

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

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

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

9 ACTING PRESIDENT SAVINO: In the  
10 absence of clergy, may we all bow our heads for  
11 a moment of silence.

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

14 ACTING PRESIDENT SAVINO: The  
15 reading of the Journal.

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

21 ACTING PRESIDENT SAVINO: Without  
22 objection, the Journal stands approved as read.

23 Presentation of petitions.

24 Messages from the Assembly.

25 Messages from the Governor.

1 Reports of standing committees.

2 Reports of select committees.

3 Communications and reports from  
4 state officers.

5 Motions and resolutions.

6 Senator Libous.

7 SENATOR LIBOUS: Madam President,  
8 at this time I would call an immediate meeting  
9 of the Finance Committee in Room 332 of the  
10 Capitol. There will be an immediate meeting of  
11 the Finance Committee in Room 332.

12 And we will stand at ease until the  
13 Finance Committee is completed.

14 ACTING PRESIDENT SAVINO: There  
15 will be an immediate meeting of the  
16 Finance Committee in Room 332 of the Capitol.

17 The Senate will stand at ease  
18 pending the return of the Finance Committee.

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

21 (Whereupon, the Senate reconvened  
22 at 1:46 p.m.)

23 ACTING PRESIDENT SAVINO: Senator  
24 Libous.

25 SENATOR LIBOUS: Thank you,

1 Madam President.

2 May we return to reports of  
3 standing committees. I believe there's a report  
4 of the Finance Committee at the desk.

5 ACTING PRESIDENT SAVINO: The  
6 Secretary will read.

7 THE SECRETARY: Senator  
8 DeFrancisco, from the Committee on Finance,  
9 reports the following nomination. As director  
10 of the New York Convention Center Operating  
11 Corporation, Mark Schienberg, of New York.

12 And Senator DeFrancisco reports  
13 direct to third reading Senate Print 2602A,  
14 Senate Budget Bill, an act making  
15 appropriations.

16 ACTING PRESIDENT SAVINO: Without  
17 objection, the bill will be reported directly to  
18 third reading.

19 Senator Libous.

20 SENATOR LIBOUS: I want to move to  
21 accept the report of the Finance Committee.

22 ACTING PRESIDENT SAVINO: On the  
23 motion to accept the report of the  
24 Finance Committee, all those in favor signify by  
25 saying aye.

1 (Response of "Aye.")

2 ACTING PRESIDENT SAVINO: Opposed,  
3 nay.

4 (No response.)

5 ACTING PRESIDENT SAVINO: The  
6 report is accepted.

7 Senator DeFrancisco on the  
8 nomination.

9 SENATOR DeFRANCISCO: Yes, I'd move  
10 the nomination of Mark Schienberg, of New York,  
11 as director of the New York Convention Center  
12 Operating Corporation.

13 He appeared before the Finance  
14 Committee, was clearly well qualified, and  
15 received a unanimous vote from the Finance  
16 Committee. And I proudly move his nomination.  
17 It's an outstanding selection by the Governor.

18 ACTING PRESIDENT SAVINO: Senator  
19 Libous on the nomination.

20 SENATOR LIBOUS: Thank you,  
21 Madam President. On the nomination.

22 I've had the privilege of knowing  
23 Mark for a number of years in his official  
24 capacity, and he certainly is an outstanding  
25 nominee and will do a great job in this role.

1 And he is very conscientious, he's very  
2 committed. And I will tell you that he's very  
3 tenacious when he needs to be, and that's a good  
4 thing.

5 So I think the Governor has again  
6 picked a great individual to serve in this  
7 capacity, and I want to second the nomination of  
8 someone who I have known for a number of years  
9 and I would call a friend and that I have worked  
10 with in a professional relationship.

11 ACTING PRESIDENT SAVINO: Senator  
12 Stavisky on the nomination.

13 SENATOR STAVISKY: Yes, thank you,  
14 Madam President.

15 I too have known Mark Schienberg for  
16 many, many years. In addition to being the  
17 president of the Greater New York Automobile  
18 Dealers Association -- they have a remarkable  
19 school on their premises. They train young  
20 people for jobs that exist. They have a  
21 placement record of over 90 percent. And when  
22 you visit the school, as I have done on many,  
23 many occasions, you see young people from  
24 literally all over the world learning in this  
25 center and going out and leading productive

1 lives.

2 And I commend the Governor for this  
3 nomination, and I congratulate Mark Schienberg  
4 and wish him many years of continued service to  
5 our state.

6 Thank you, Madam President.

7 ACTING PRESIDENT SAVINO: Are there  
8 any other Senators wishing to be heard on the  
9 nomination?

10 Seeing none, the question is on the  
11 nomination of Mark Schienberg as director of the  
12 New York Convention Center Operating  
13 Corporation. All those in favor signify by  
14 saying aye.

15 (Response of "Aye.")

16 ACTING PRESIDENT SAVINO: Opposed,  
17 nay.

18 (Response of "Nay.")

19 ACTING PRESIDENT SAVINO: The ayes  
20 have it. Mark Schienberg is hereby confirmed as  
21 director of the New York Convention Center  
22 Operating Corporation.

23 Senator Libous.

24 Is he here in the room? Oh, I'm  
25 sorry, I didn't see him. Congratulations.

1 (Applause.)

2 ACTING PRESIDENT SAVINO: Normally  
3 he would be sitting in the front row.

4 I did not see you, Mr. Schienberg.

5 SENATOR LIBOUS: He's a shy kind of  
6 guy, that's why he's sitting in the back.

7 (Laughter.)

8 SENATOR LIBOUS: Thank you,  
9 Madam President.

10 I would ask at this time that we  
11 take up the reading of the noncontroversial  
12 calendar.

13 ACTING PRESIDENT SAVINO: The  
14 Secretary will read.

15 THE SECRETARY: Calendar Number  
16 187, by Senator Fuschillo, Senate Print 749, an  
17 act to amend the Penal Law.

18 ACTING PRESIDENT SAVINO: Read the  
19 last section.

20 THE SECRETARY: Section 6. This  
21 act shall take effect on the first of November.

22 ACTING PRESIDENT SAVINO: Call the  
23 roll.

24 (The Secretary called the roll.)

25 ACTING PRESIDENT SAVINO: Announce



1 the results.

2 THE SECRETARY: Ayes, 62. Nays, 1.

3 Senator Montgomery recorded in the negative.

4 ACTING PRESIDENT SAVINO: The bill  
5 is passed.

6 THE SECRETARY: Calendar Number  
7 188, by Senator Martins, Senate Print 988, an act  
8 to amend the Penal Law.

9 ACTING PRESIDENT SAVINO: Read the  
10 last section.

11 THE SECRETARY: Section 3. This  
12 act shall take effect on September 1, 2013.

13 ACTING PRESIDENT SAVINO: Call the  
14 roll.

15 (The Secretary called the roll.)

16 ACTING PRESIDENT SAVINO: Announce  
17 the results.

18 THE SECRETARY: In relation to  
19 Calendar Number 188: Ayes, 61. Nays, 2.  
20 Senators Dilan and Montgomery recorded in the  
21 negative.

22 ACTING PRESIDENT SAVINO: The bill  
23 is passed.

24 THE SECRETARY: Calendar Number  
25 190, by Senator Skelos, Senate Print 1388, an act

1 to amend the Penal Law.

2 ACTING PRESIDENT SAVINO: Read the  
3 last section.

4 THE SECRETARY: Section 2. This  
5 act shall take effect on the first of November.

6 ACTING PRESIDENT SAVINO: Call the  
7 roll.

8 (The Secretary called the roll.)

9 ACTING PRESIDENT SAVINO: Announce  
10 the results.

11 THE SECRETARY: Ayes, 59. Nays,  
12 4. Senators Hoylman, Montgomery, Perkins and  
13 Squadron recorded in the negative.

14 ACTING PRESIDENT SAVINO: The bill  
15 is passed.

16 THE SECRETARY: Calendar Number  
17 191, by Senator Flanagan, Senate Print 1455, an  
18 act to amend the Penal Law.

19 ACTING PRESIDENT SAVINO: Read the  
20 last section.

21 THE SECRETARY: Section 2. This  
22 act shall take effect on the 90th day.

23 ACTING PRESIDENT SAVINO: Call the  
24 roll.

25 (The Secretary called the roll.)

1                   ACTING PRESIDENT SAVINO:   Announce  
2   the results.

3                   THE SECRETARY:    Ayes, 62.   Nays, 1.  
4   Senator Montgomery recorded in the negative.

5                   ACTING PRESIDENT SAVINO:   The bill  
6   is passed.

7                   THE SECRETARY:    Calendar Number  
8   192, by Senator Skelos, Senate Print 1459, an act  
9   to amend the Penal Law.

10                  ACTING PRESIDENT SAVINO:   Read the  
11   last section.

12                  THE SECRETARY:    Section 2.   This  
13   act shall take effect on the first of November.

14                  ACTING PRESIDENT SAVINO:   Call the  
15   roll.

16                         (The Secretary called the roll.)

17                  ACTING PRESIDENT SAVINO:   Senator  
18   Hassell-Thompson to explain her vote.

19                  SENATOR HASSELL-THOMPSON:   In the  
20   past, if you look at the record, you'll see that  
21   this is a vote that I've normally taken in the  
22   affirmative.

23                         But in viewing certain aspects of  
24   this bill, it seems to reduce judicial discretion  
25   and also impugns on the rights of potential

1 inmates, and so therefore I will be voting no.

2 ACTING PRESIDENT SAVINO: Senator  
3 Hassell-Thompson will be recorded in the  
4 negative.

5 Announce the results.

6 THE SECRETARY: Ayes, 61. Nays,  
7 2. Senators Hassell-Thompson and Montgomery  
8 recorded in the negative.

9 ACTING PRESIDENT SAVINO: The bill  
10 is passed.

11 THE SECRETARY: Calendar Number  
12 196, by Senator Robach, Senate Print 2510, an act  
13 to amend the Penal Law.

14 ACTING PRESIDENT SAVINO: Read the  
15 last section.

16 THE SECRETARY: Section 5. This  
17 act shall take effect on the first of November.

18 ACTING PRESIDENT SAVINO: Call the  
19 roll.

20 (The Secretary called the roll.)

21 ACTING PRESIDENT SAVINO: Announce  
22 the results.

23 THE SECRETARY: Ayes, 62. Nays,  
24 1. Senator Montgomery recorded in the negative.

25 ACTING PRESIDENT SAVINO: The bill

1 is passed.

2 THE SECRETARY: Calendar Number  
3 202, by Senator Skelos, Senate Print 1391, an act  
4 to amend the Correction Law.

5 ACTING PRESIDENT SAVINO: Read the  
6 last section.

7 THE SECRETARY: Section 7. This  
8 act shall take effect immediately.

9 ACTING PRESIDENT SAVINO: Call the  
10 roll.

11 (The Secretary called the roll.)

12 ACTING PRESIDENT SAVINO: Announce  
13 the results.

14 THE SECRETARY: In relation to  
15 Calendar Number 202, those recorded in the  
16 negative are Senators Dilan, Montgomery, Perkins,  
17 Rivera and Sanders.

18 Ayes, 58. Nays, 5.

19 ACTING PRESIDENT SAVINO: The bill  
20 is passed.

21 Senator Libous, that completes the  
22 reading of the noncontroversial calendar.

23 SENATOR LIBOUS: Thank you,  
24 Madam President.

25 At this time could we go to the

1 noncontroversial reading of Supplemental Calendar  
2 22A, please.

3 ACTING PRESIDENT SAVINO: The  
4 Secretary will read.

5 THE SECRETARY: Calendar Number  
6 264, Senate Budget Bill, Senate Print 2602A, an  
7 act making appropriations.

8 ACTING PRESIDENT SAVINO: Read the  
9 last section.

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

12 SENATOR GIANARIS: Lay it aside.

13 ACTING PRESIDENT SAVINO: The bill  
14 is laid aside.

15 Senator Libous, that completes the  
16 reading of the noncontroversial supplemental  
17 calendar.

18 SENATOR LIBOUS: Thank you,  
19 Madam President. At this time could we take up  
20 the controversial reading of Supplemental  
21 Calendar 22A.

22 ACTING PRESIDENT SAVINO: The  
23 Secretary will ring the bell and ask the members  
24 to please return to the chamber for the  
25 controversial calendar.

1           The Secretary will read.

2           THE SECRETARY:   Calendar Number  
3   264, Senate Budget Bill, Senate Print 2602A, an  
4   act making appropriations.

5           SENATOR KRUEGER:   Explanation.

6           ACTING PRESIDENT SAVINO:   Senator  
7   DeFrancisco, an explanation has been requested by  
8   Senator Krueger.

9           SENATOR DeFRANCISCO:   Yes. This is  
10   the annual debt service bill that's before us  
11   right now. And to give you a quick summary, this  
12   debt service appropriation bill would meet all  
13   existing legal requirements for payment of debt  
14   service of the state during this coming fiscal  
15   year.

16           The bill contains a total  
17   appropriation authority of \$9.1 billion for the  
18   payment of interest and principal on general  
19   obligation bonds, personal income tax and other  
20   revenue bonds, and contractual and lease  
21   obligation payments, representing an increase of  
22   \$172.7 million, or 1.9 percent, over available  
23   appropriations from last fiscal year's budget.

24           Appropriation authority would pay  
25   debt service on \$54.8 billion of outstanding

1 bonds, including \$5 billion expected to be issued  
2 throughout this coming fiscal year. The total  
3 cash expenditures for debt service are estimated  
4 at \$6.18 billion, a decrease of \$18.9 million --  
5 or 0.3 percent -- from the estimated last fiscal  
6 year spending. And that is a reduction largely  
7 due to refinancing at more favorable interest  
8 rates.

9                   The bill includes an appropriation  
10 of \$53 million for the new sales tax revenue bond  
11 program. One percent of the state's 4 percent  
12 sales tax will be deposited in the new state tax  
13 revenue bond tax fund to pay the debt service on  
14 bonds. Any funds in excess of the debt service  
15 payments will be transferred back to the  
16 General Fund. There are no bonds projected to be  
17 issued under this program for this coming fiscal  
18 year.

19                   There's other specifics about other  
20 bonding programs such as the State University  
21 Dormitory Authority that I'd be happy to answer  
22 questions on, but that's basically what the bill  
23 provides.

24                   ACTING PRESIDENT SAVINO:     Senator  
25 Krueger.



1                   SENATOR KRUEGER:    Thank you.  If  
2   through you the sponsor would please yield to  
3   some questions.

4                   ACTING PRESIDENT SAVINO:    Senator  
5   DeFrancisco, do you yield?

6                   SENATOR DeFRANCISCO:    Yes.

7                   ACTING PRESIDENT SAVINO:    The  
8   sponsor yields.

9                   SENATOR KRUEGER:    I appreciated the  
10   explanation.  We actually went through a number  
11   of my questions already, through your  
12   explanation, with some of the round total numbers  
13   that this debt bill impacts.

14                   Can you tell me what kind of debt is  
15   covered under this bill?  Does it include debt  
16   service payments due on the so-called off-budget  
17   debt, such as the tobacco bonds debt issued in  
18   2003 and 2004?

19                   SENATOR DeFRANCISCO:    No, it does  
20   not include that.

21                   SENATOR KRUEGER:    Do you know why  
22   it doesn't include that off-budget debt?

23                   SENATOR DeFRANCISCO:    It's a  
24   contingent obligation.  It's not an existing  
25   legal required debt payment.

1           SENATOR KRUEGER:   And do we have  
2 contingency appropriations within this bill in  
3 the event the state needs to step in and ensure  
4 this off-budget debt is adequately serviced?

5           SENATOR DeFRANCISCO:   There is.

6           SENATOR KRUEGER:   How much is the  
7 cash basis or noncash basis of the contingency  
8 appropriation?

9           SENATOR DeFRANCISCO:   My trusty  
10 assistant is looking for that exact number. I  
11 knew it at one time, but I forgot it.

12                   (Laughter.)

13           SENATOR KRUEGER:   That's okay, I  
14 forgot it too.

15           SENATOR DeFRANCISCO:   \$254 million.

16           SENATOR KRUEGER:   Is the  
17 contingency appropriation within this bill?

18           SENATOR DeFRANCISCO:   Yes, it is.

19           SENATOR KRUEGER:   Thank you.

20                   Through you, Ms. President, if the  
21 sponsor would continue to yield.

22           ACTING PRESIDENT SAVINO:   Senator  
23 DeFrancisco, do you continue to yield?

24           SENATOR DeFRANCISCO:   I do.

25           SENATOR KRUEGER:   I usually say

1 "Madam President." I think I like  
2 "Ms. President." I think I'm going with that  
3 one. Thank you.

4 Sorry, to continue. What would you  
5 say the total amount of off-budget debt  
6 outstanding is for the state right now? And how  
7 much is expected to be issued in the upcoming  
8 state fiscal year, and for what purposes?

9 SENATOR DeFRANCISCO: There are no  
10 other contingent obligations. Nor are there any  
11 expected to be added in this budget.

12 SENATOR KRUEGER: Through you,  
13 Ms. President, if the sponsor would continue to  
14 yield.

15 ACTING PRESIDENT SAVINO: Senator  
16 DeFrancisco.

17 SENATOR DeFRANCISCO: Yes, I do.

18 ACTING PRESIDENT SAVINO: He  
19 continues to yield.

20 SENATOR KRUEGER: So we're not  
21 including in the discussions or within this debt  
22 service budget bill the off-budget debt of  
23 \$2.69 billion of tobacco securitization,  
24 \$2.2 billion in STARC/MAC refinancing,  
25 \$5.31 billion in building aid revenue bonds, or

1     \$368 million in prior-year school aid claims,  
2     totaling \$10.56 billion? That's not being  
3     treated as off-budget debt in these discussions?

4                 SENATOR DeFRANCISCO:     It is not  
5     included in this bill, correct.

6                 SENATOR KRUEGER:     Through you,  
7     Ms. President, if the sponsor would continue to  
8     yield.

9                 ACTING PRESIDENT SAVINO:     Senator  
10    DeFrancisco, do you continue to yield?

11                SENATOR DeFRANCISCO:     Yes, I will.

12                SENATOR KRUEGER:     Thank you.

13                What would be the share of public  
14    authority debt in total state-supported debt that  
15    is outstanding, and do we know if that has  
16    increased or decreased compared to last year and  
17    by how much?

18                SENATOR DeFRANCISCO:     We do know  
19    that. And I'm trying to recall, at this moment,  
20    what that is. I will have it in a moment. It's  
21    coming. It's coming.

22                (Laughter.)

23                SENATOR DeFRANCISCO:     We're going  
24    to have to get that information momentarily. But  
25    if you have another, I'll try the next one.

1           SENATOR KRUEGER:   Certainly.

2           Through you, Ms. President, if the  
3 sponsor will continue to yield.

4           SENATOR DeFRANCISCO:   Yes.

5           SENATOR KRUEGER:   Thank you.

6           So about two months ago the State  
7 Comptroller issued a report entitled "Debt Impact  
8 Study:  An Analysis of New York State's Debt  
9 Burden."  Are you familiar with that report?

10          SENATOR DeFRANCISCO:   Yes.  Not  
11 intimately, but familiar.

12          SENATOR KRUEGER:   Through you,  
13 Madam President.  In the report the Comptroller  
14 argues that in 2012, New York State debt burden  
15 is among the highest in the nation, with a debt  
16 per capita of \$3,253, which is nearly three times  
17 the median of all states, ranking New York State  
18 the second among its peers.

19          Is there anything in this bill which  
20 would lower the excessive debt burden?  And if  
21 not, is there something we could have done in  
22 this bill about that situation?

23          SENATOR DeFRANCISCO:   Well, I agree  
24 with you that there's an excessive debt burden,  
25 because in the past we have spent too much.  And

1 I think what's happening now is we're reversing  
2 that direction under the Governor's leadership  
3 and the leaders of both houses.

4 And as far as what's being done to  
5 try to reduce the debt burden, I mentioned one  
6 earlier; that was refinancing at much more  
7 favorable interest rates. And more importantly,  
8 not incurring excess debt in the future,  
9 including in this budget. And we're only  
10 incurring debt that's necessary for ongoing  
11 construction projects that are necessary.

12 So as I mentioned before, also the  
13 total cash expenditures for debt service is  
14 actually going down this year, which is also a  
15 positive sign, and that's the direction that we  
16 are going. It will take some time. But if we  
17 continue this path, we will be in much better  
18 shape in future years.

19 SENATOR KRUEGER: Through you,  
20 Ms. President --

21 SENATOR DeFRANCISCO: Excuse me. I  
22 have an answer to your other question, if you  
23 could repeat the question.

24 SENATOR KRUEGER: Certainly, yes.  
25 What would be the share of public authority debt

1 in total state-supported debt outstanding through  
2 this budget bill, and has it increased or  
3 decreased compared to last year and by how much?

4 SENATOR DeFRANCISCO: Okay. Excuse  
5 me, I was mistaken, I do not have the answer  
6 yet. But it's coming.

7 SENATOR KRUEGER: Returning to the  
8 logic of my questions, thank you. Through you,  
9 Ms. President, if the sponsor will continue to  
10 yield.

11 ACTING PRESIDENT SAVINO: Senator  
12 DeFrancisco, do you continue to yield?

13 SENATOR DeFRANCISCO: I will  
14 continue as long as she has questions. Within  
15 reason.

16 (Laughter.)

17 SENATOR KRUEGER: The sponsor  
18 already touched on the new sales tax revenue bond  
19 program in his explanation of the bill, and  
20 there's also a new self-supported SUNY dorm  
21 credit. And in fact, both of those are new kinds  
22 of borrowing that are off-budget or what we often  
23 call back-door borrowing.

24 And the good news is it doesn't show  
25 up as increased debt to the state on-budget

1 because it's not included in this bill each  
2 year. But the bad news is it actually does  
3 increase borrowing by the state without going to  
4 the voters for approval or the Legislature for  
5 approval.

6                   So the questions are, one, how much  
7 do we expect to increase our debt this year  
8 off-budget because of the creation of a new sales  
9 tax return bond credit, which would of course be  
10 guaranteed by the sales tax collection by the  
11 state, and how much are we expecting to take on  
12 as new debt under the new creation of a quote,  
13 unquote, self-supporting SUNY dorms credit which  
14 would also be off-budget or, quote, unquote, back  
15 door? Do we know how much new debt we'll take on  
16 in the coming year under those two created  
17 programs?

18                   SENATOR DeFRANCISCO: In created  
19 category number one, zero. In created category  
20 number two, about a billion. Approximately a  
21 billion.

22                   SENATOR KRUEGER: Through you,  
23 Ms. President. According to the Comptroller's  
24 report, DOB expects approximately \$1 billion in  
25 debt will be issued under the new sales tax



1 revenue bond program. Is there something  
2 specific in this bill that shows that that's not  
3 the case? Because I think you just answered  
4 zero.

5 SENATOR DeFRANCISCO: You asked  
6 about new --

7 SENATOR KRUEGER: Sales tax revenue  
8 bond program.

9 SENATOR DeFRANCISCO: For this  
10 year?

11 SENATOR KRUEGER: For the coming  
12 fiscal year.

13 SENATOR DeFRANCISCO: It's zero  
14 this coming fiscal year. I am not familiar with  
15 what you're referring to, but that's our answer.  
16 My collective answer with my assistant's.

17 SENATOR KRUEGER: So it would be  
18 the \$1 billion under the SUNY dorm's credit but  
19 you believe not any cost under the sales tax  
20 revenue bond program, leading me to believe you  
21 think we are creating a program but not going to  
22 use it in the coming year?

23 SENATOR DeFRANCISCO: Correct.

24 SENATOR KRUEGER: Through you,  
25 Ms. President, if the sponsor would continue to

1 yield.

2                   ACTING PRESIDENT SAVINO:    Senator  
3 DeFrancisco, do you continue to yield?

4                   SENATOR DeFRANCISCO:    Yes.

5                   ACTING PRESIDENT SAVINO:    The  
6 sponsor yields.

7                   SENATOR KRUEGER:    In the Senate  
8 one-house budget resolution that this house  
9 passed last week on 3/11, you excluded or denied  
10 over a billion dollars in the Governor's proposed  
11 capital project spending, some of which would  
12 have been paid for in cash and some using the  
13 Workers' Comp Board \$2 billion reserve money.

14                           How much in proposed capital  
15 projects under your majority resolution was  
16 expected to be bonded, and what debt service  
17 impact would come from the resolution we passed  
18 here last week?

19                   SENATOR DeFRANCISCO:    Well, I don't  
20 know the breakdown, but I can tell you that that  
21 one-house budget is now academic in view of the  
22 fact that we are very close to closing out the  
23 budget for this coming year, the actual budget,  
24 the final budget.

25                           And I can't -- I don't know the

1 latest numbers, but that was our position in the  
2 one-house budget. But it's not going to be in  
3 the final budget, that breakdown.

4 SENATOR KRUEGER: Through you,  
5 Ms. President.

6 ACTING PRESIDENT SAVINO: Senator  
7 DeFrancisco, do you continue to yield?

8 SENATOR DeFRANCISCO: Yes.

9 ACTING PRESIDENT SAVINO: The  
10 Senator yields.

11 SENATOR KRUEGER: So just to  
12 confirm, none of the proposals within the  
13 resolution of 3/11/2013 are going to be included  
14 in the final budget as you understand it?

15 SENATOR DeFRANCISCO: No, that's  
16 not what I said. It's academic with the  
17 breakdown between how that was going to be paid  
18 because there's been extensive discussions about  
19 this very topic, and they are ongoing. And I  
20 couldn't honestly tell you what's in and what's  
21 out at this point in time.

22 SENATOR KRUEGER: Through you,  
23 Ms. President, if the sponsor would continue to  
24 yield.

25 SENATOR DeFRANCISCO: Yes.

1                   ACTING PRESIDENT SAVINO:    Senator  
2 DeFrancisco yields.

3                   SENATOR KRUEGER:    So my  
4 understanding is there might be something, but we  
5 don't know any of the details, so we don't know  
6 what they would cost or what would be involved in  
7 bonding for them?

8                   SENATOR DeFRANCISCO:   That's what I  
9 said. But we no doubt will have a further  
10 discussion when the budget bills are on the  
11 floor, and you'll be able to review them for  
12 three days and be able to frame the questions as  
13 to actually what's in the budget. And I'll be  
14 happy to try to answer it then.

15                  SENATOR KRUEGER:    Through you,  
16 Madam President, Ms. President, if the sponsor  
17 would continue to yield.

18                  SENATOR DeFRANCISCO:   Yes.

19                  SENATOR KRUEGER:    Thank you.

20                               What would be the reason anyone  
21 would not vote yes on this budget bill?

22                  SENATOR DeFRANCISCO:   I don't think  
23 there's any reason whatsoever. That's why I'm  
24 proposing it. We need to pay our debt. The debt  
25 is fixed, and we know what our debt is

1 approximately going to be for next year. And we  
2 would not want to impair our rating, our  
3 financial ratings by all the financial services  
4 by not paying our debt. So I don't see a  
5 reason.

6 I see a reason why in budgets this  
7 year and in future budgets we should spend less  
8 to pay down our debt. But as far as the debt  
9 that's actually due and payable, I see no reason  
10 why we should not vote yes as opposed to  
11 impairing the financial condition of the state  
12 with the rating agencies.

13 SENATOR KRUEGER: Through you,  
14 Madam President, on the bill.

15 ACTING PRESIDENT SAVINO: Senator  
16 Krueger on the bill.

17 SENATOR KRUEGER: I want to thank  
18 my esteemed colleague for his answers to most of  
19 my questions. Some are still outstanding, but we  
20 can find out later.

21 I did want to go through these  
22 numbers because I think it's critically important  
23 for the people of New York to understand what an  
24 enormous amount of debt we have and that we have  
25 a variety of ways that we make policy decisions

1 in this house as to how much debt we're going to  
2 take on, what the obligations of each individual  
3 New Yorker are to that debt, and the fact that  
4 what we have been doing over the years is moving  
5 more and more of our debt off-budget, and so it's  
6 not even defined as debt when we deal with the  
7 annual bill that we are dealing with now.

8           The state has moral and legal  
9 obligations for that money in a variety of  
10 different ways. We all hope very much none of  
11 those bonds go belly up, so to speak, because  
12 then we would discover we had all kinds of  
13 obligations. But it is critical to understand  
14 that when the state takes on new debt, all  
15 19.5 million New Yorkers are on the hook for that  
16 debt.

17           And I personally think debt is a  
18 good thing to take on for important capital and  
19 infrastructure. The State of New York would not  
20 be the great State of New York if not for our  
21 capital investment in our infrastructure -- if we  
22 didn't have roads, if we didn't have mass  
23 transit, if we didn't have school buildings, if  
24 we didn't have universities. But it's also very  
25 important to know that year after year, the state

1 continues to move more of its debt borrowing  
2 what's called off-budget, behind the scenes,  
3 without the taxpayers of New York State having a  
4 say in it or actually the Legislature having a  
5 say in it.

6                   Because yes, we will vote yes today  
7 on this bill; I certainly hope we will all vote  
8 yes today. But I wanted to make sure we all know  
9 that we are creating two new sources of borrowing  
10 for bonds that will be off-budget that will not  
11 come back to us to ask about or review or  
12 challenge or question.

13                   And that even today there's a  
14 disagreement, although I'm not going to tell you  
15 my colleague is wrong. My understanding was we  
16 were creating the sales tax bonds so that we  
17 could borrow a billion dollars this year and the  
18 potential for borrowing more and more each  
19 year -- but, again, it being off the books, off  
20 the budget, and continuing to grow the level of  
21 debt we have without a broader discussion. And I  
22 think the broader discussion is critical that we  
23 have that and we have that in the context of a  
24 budget.

25                   But I also agree with my colleague I

1     can't find any justification for anyone to vote  
2     no on this bill, even if there's some questions  
3     about new models about being put into this.  
4     Why? Because we do, year in and year out, take  
5     on debt, make fiduciary obligations to  
6     bondholders that the State of New York will pay  
7     our bills.

8                     So at the same time as I have  
9     concerns about how we're doing it and I believe  
10    we should ask more questions -- and I don't  
11    actually think it's a good idea to keep moving  
12    more and more of the models for borrowing money  
13    and spending it off budget, out of public view  
14    and out of legislative control -- I can't imagine  
15    voting no and saying we're not going to make good  
16    on our debts, we the State of New York refuse to  
17    pay our bills.

18                    Just for the record, there was a  
19    time in this house several years ago where  
20    several of my colleagues on the other side of the  
21    aisle did decide to vote no on this bill. And I  
22    was astounded then. And I'm very glad to hear my  
23    colleague John DeFrancisco say today "Of course  
24    people would vote yes on this bill." Just a  
25    reminder, not everybody always figured that out.



1                   So I certainly urge a yes vote  
2 today, Ms. President. Thank you very much.

3                   ACTING PRESIDENT SAVINO: Senator  
4 Krueger will be recorded in the affirmative on  
5 the bill.

6                   Are there any other members wishing  
7 to speak on the bill?

8                   Seeing none, debate is closed.

9                   The Secretary will ring the bells  
10 and ask all members to please return to the  
11 chamber for the vote.

12                  Read the last section.

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

15                  ACTING PRESIDENT SAVINO: Call the  
16 roll.

17                  (The Secretary called the roll.)

18                  ACTING PRESIDENT SAVINO: Senator  
19 Espaillat to explain his vote.

20                  SENATOR ESPAILLAT: Thank you,  
21 Madam President.

22                  This debt service appropriations  
23 bill totals \$9.47 billion. And it addresses our  
24 obligations, our debt-service obligations as a  
25 state. And this is the beginning of the budget

1 process. As we do this bill, our partners in the  
2 other chambers prepare to leave Albany -- and God  
3 knows whether we will be here tomorrow, through  
4 the week, or we will be back sometime later.

5 But this is the beginning of the  
6 budget process. And this has been a very  
7 contentious process where important issues and  
8 obligations that we have with members of the  
9 state have not been addressed.

10 One of those obligations that we  
11 have I think are young people, students in  
12 particular, who often their families go deep into  
13 debt because they have to pay their student  
14 loans. And often many of them cannot attend  
15 college because they are Dreamers, they are  
16 undocumented students. And that has not been  
17 addressed, nor has it been part of the discussion  
18 or the discourse during this budget process that  
19 begins today.

20 The other issue is that of the  
21 minimum wage. And today we read the Times Union  
22 editorial speak about that minimum wage and call  
23 it a very weak if not dismal potential  
24 agreement. And I suppose that that is part of  
25 the reason why maybe our partners in the other

1 side are leaving early.

2 But that also addresses our  
3 obligations as a state. And I am prepared to  
4 vote down on these budget issues unless these two  
5 very fundamental obligations that we have with  
6 New Yorkers are addressed in this upcoming  
7 process.

8 So I will be voting in the negative,  
9 Madam President.

10 ACTING PRESIDENT SAVINO: Senator  
11 Espaillat will be recorded in the negative.

12 Senator Diaz to explain his vote.

13 SENATOR DIAZ: Thank you,  
14 Madam President.

15 I'm also joining my colleague  
16 Senator Espaillat. Last year I remember that I  
17 asked my fellow Hispanic Senators to vote no  
18 because the Governor refuses to include the DREAM  
19 Act, rejecting to help our students. I was not  
20 heard that time.

21 Today again I'm asking my fellow  
22 Hispanic Senators that we should please start  
23 voting no until Governor Cuomo decides to listen  
24 to the cries of our community. We cannot  
25 tolerate Governor Cuomo using our community only

1 when he needs our votes and refusing to hear our  
2 cries.

3 And that's what I'm voting no. And  
4 I'm prepared to vote no on every single piece of  
5 budget during this year as I did last year.

6 Thank you, Madam President.

7 ACTING PRESIDENT SAVINO: Senator  
8 Diaz to be recorded in the negative.

9 Are there any other members wishing  
10 to explain their vote?

11 Senator Rivera.

12 SENATOR RIVERA: Thank you,  
13 Madam President.

14 All of our colleagues here know that  
15 there are many different bills that we'll be  
16 voting on in this process, and certainly some  
17 will be more contentious than others. I believe  
18 that we have to take into account exactly what it  
19 is that we have in front of us and whether we  
20 should be voting for or against it based on the  
21 merits of that particular bill.

22 While I agree with both of my  
23 colleagues that the DREAM Act is certainly  
24 something we should include in conversations,  
25 whether it's in the budget or in other

1 legislative matters, I think that at this point,  
2 in this particular bill, it is a bill that we  
3 have to do. It is a bill that is important and  
4 that will help us address something that the  
5 state has a responsibility to do.

6 I believe that we should all be  
7 voting in the affirmative on this particular  
8 bill. It is a separate issue. As the other ones  
9 that we will be dealing with, I'm sure that we  
10 will have many conversations about many issues in  
11 the next couple of days.

12 As it relates to this one, Madam  
13 President, I'll be voting in the affirmative  
14 because, again, I believe it is the  
15 responsibility of all of us in the state to pay  
16 our debts. Thank you, Madam President.

17 ACTING PRESIDENT SAVINO: Senator  
18 Rivera will be recorded in the affirmative.

19 Senator Latimer to explain his vote.

20 SENATOR LATIMER: I rise to support  
21 this bill.

22 As has already been said, this is  
23 one of many budget bills that we're going to be  
24 dealing with, and each of them are going to rise  
25 and fall on the merit of the bill. I think the

1 case has been made that this is a reasonable  
2 public policy. There are some areas that Senator  
3 Krueger has brought out as being things to watch  
4 for the future but worthy of support.

5           What I would say, though, is that we  
6 have a practice in New York State that we ought  
7 to reconsider, and that is putting nonessential  
8 budgetary issues in the middle of a budget  
9 document. The bill that we have before us deals  
10 with debt service. That's what it should deal  
11 with, that's what it does deal with.

12           Other budget bills that will follow  
13 will include a variety of other issues. And I  
14 think we would be wise to pull those issues out  
15 of the budget and deal with them on their own  
16 merits, have a policy debate about those issues  
17 that some of my colleagues have raised -- things  
18 like minimum wage and other issues that deserve  
19 their own standalone debate separate and distinct  
20 from a budgetary discussion.

21           So I thank you for the opportunity.  
22 I will vote in favor of this bill.

23           ACTING PRESIDENT SAVINO: Senator  
24 Latimer to be recorded in the affirmative.

25           Are there any other members wishing

1 to explain their vote?

2 Seeing none, announce the results.

3 THE SECRETARY: In relation to  
4 Calendar Number 264, those recorded in the  
5 negative are Senators Diaz, Espaillat and Parker.

6 Ayes, 60. Nays, 3.

7 ACTING PRESIDENT SAVINO: The bill  
8 is passed.

9 Senator Libous.

10 SENATOR LIBOUS: Madam President,  
11 is there any further business at the desk?

12 ACTING PRESIDENT SAVINO: There is  
13 no further business at the desk, Senator Libous.

14 SENATOR LIBOUS: Madam President, I  
15 have one announcement before we adjourn.

16 There will be an immediate  
17 Republican conference immediately in Room 332,  
18 immediately in Room 332, Republican conference.

19 There being no further business  
20 before the house, I move we adjourn until  
21 Thursday, March 21st, at 11:00 a.m.

22 ACTING PRESIDENT SAVINO: There  
23 will be an immediate meeting of the Republican  
24 Conference in Room 332.

25 There being no further business, on

1 motion, the Senate stands adjourned until

2 Thursday, March 21st, at 11:00 a.m.

3 (Whereupon, at 2:28 p.m., the Senate  
4 adjourned.)

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