

1 NEW YORK STATE SENATE

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3
4 THE STENOGRAPHIC RECORD

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9 ALBANY, NEW YORK

10 March 27, 2013

11 12:10 a.m.

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13
14 REGULAR SESSION

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18 SENATOR DAVID J. VALESKY, Acting President

19 FRANCIS W. PATIENCE, Secretary

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

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

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

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

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

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

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

16 The Secretary will read.

17 THE SECRETARY: In Senate,
18 Tuesday, March 26th, the Senate met pursuant to
19 adjournment. The Journal of Monday, March 25th,
20 was read and approved. On motion, Senate
21 adjourned.

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

24 Presentation of petitions.

25 Messages from the Assembly.

1 Messages from the Governor.
2 Reports of standing committees.
3 Reports of select committees.
4 Communications and reports from
5 state officers.

6 Motions and resolutions.
7 Senator Libous.

8 SENATOR LIBOUS: Mr. President,
9 can we have the reading of the noncontroversial
10 calendar at this time.

11 ACTING PRESIDENT VALESKY: The
12 Secretary will read.

13 THE SECRETARY: Calendar Number
14 273, Senate Budget Bill, Senate Print 2600E, an
15 act making appropriations for the support of
16 government: STATE OPERATIONS BUDGET.

17 SENATOR GIANARIS: Lay it aside.

18 ACTING PRESIDENT VALESKY: The
19 bill is laid aside.

20 THE SECRETARY: Calendar Number
21 275, Senate Budget Bill, Senate Print 2603E, an
22 act making appropriations for the support of
23 government: AID TO LOCALITIES BUDGET.

24 SENATOR GIANARIS: Lay it aside.

25 ACTING PRESIDENT VALESKY: The

1 bill is laid aside.

2 THE SECRETARY: Calendar Number
3 277, Senate Budget Bill, Senate Print 2607D, an
4 act in relation to school district eligibility.

5 SENATOR GIANARIS: Lay it aside.

6 ACTING PRESIDENT VALESKY: The
7 bill is laid aside.

8 THE SECRETARY: Calendar Number
9 278, Senate Budget Bill, Senate Print 2609D, an
10 act to amend the Tax Law.

11 SENATOR GIANARIS: Lay it aside.

12 ACTING PRESIDENT VALESKY: The
13 bill is laid aside.

14 Senator Libous, that completes the
15 noncontroversial reading of the calendar.

16 SENATOR LIBOUS: Thank you,
17 Mr. President.

18 At this time I want to do the
19 controversial reading of the calendar, but I
20 want to go in a different order than what the
21 calendar suggests. So I would like to take up
22 the controversial reading of Calendar Number
23 277, please, at this time.

24 ACTING PRESIDENT VALESKY: The
25 Secretary will ring the bells and place Calendar

1 Number 277 before the Senate on its controversial
2 reading.

3 The Secretary will read.

4 THE SECRETARY: Calendar Number
5 277, Senate Budget Bill, Senate Print 2607D, an
6 act in relation to school district eligibility.

7 ACTING PRESIDENT VALESKY: Senator
8 Gianaris.

9 SENATOR GIANARIS: Mr. President, I
10 believe there's an amendment at the desk. I ask
11 that a reading of the amendment be waived and
12 that Senator Espaillat may be heard on the
13 amendment.

14 ACTING PRESIDENT VALESKY: Thank
15 you, Senator Gianaris.

16 There is an amendment at the desk.
17 I've reviewed the amendment and am ruling it out
18 of order, as it attempts to direct
19 appropriations. As such, it is an impermissible
20 substitution under Article 7 of the State
21 Constitution.

22 SENATOR GIANARIS: You said it
23 directs appropriations. I don't believe that
24 amendment directs appropriations. Is that your
25 ruling?

1 ACTING PRESIDENT VALESKY: Yeah,
2 that's the ruling.

3 SENATOR GIANARIS: I appeal from
4 the decision of the chair, and I ask that Senator
5 Espaillat be heard on that appeal in order to
6 explain the amendment.

7 ACTING PRESIDENT VALESKY: Senator
8 Espaillat to be heard on the appeal.

9 SENATOR ESPAILLAT: Thank you,
10 Mr. President.

11 My amendment to this budget bill is
12 germane for the following reasons. The amendment
13 deals with the same subject matter as the
14 underlying bill in the following respects.
15 First, both pieces of legislation seek to amend
16 the same body of law; namely, the Labor Law,
17 Section 652. Secondly, both bills would set
18 higher wages for workers and address the
19 statutory mechanism by which future increase to
20 the minimum wage could occur.

21 The amendment neither unreasonably
22 expands the object or subject of the underlying
23 bill, nor does it change the purpose, scope or
24 object of the original bill.

25 The purpose and scope of the bill,

1 if amended as I propose, will remain to increase
2 the minimum wage for New York State employees and
3 address future minimum wage increases. The bill
4 will continue to address both standard and tipped
5 employees in a separate but related statutory
6 scheme.

7 The amendment that I offer would
8 increase the minimum wage to \$9 on July 1, 2013,
9 which is sooner than in the bill currently under
10 consideration that increases the minimum wage to
11 \$9 on the last day, December 31st, of 2015.

12 The amendment would also, starting
13 in 2015, index the minimum wage to the rate of
14 inflation to ensure that lower-income workers are
15 no longer subject to the political whims of the
16 Legislature and to help ensure that workers are
17 able to support themselves and, in many
18 instances, their families.

19 The amendment I offer would also
20 address a glaring problem with the bill under
21 consideration. It would increase the minimum
22 wage for tipped workers to \$6.40 beginning on
23 July 1, 2013, up from the current \$5 per hour.
24 And that rate would also be indexed to inflation
25 starting in 2015.

1 Finally, the amendment I offer would
2 include a so-called nonpreemption clause which
3 would enable a locality to raise the minimum wage
4 within its borders at rates exceeding the state
5 rate.

6 These proposed changes are needed to
7 ensure that New York's minimum-wage workers are
8 treated fairly and with respect.

9 There are several reasons why we
10 should raise the minimum wage more quickly.
11 Nearly 1.5 million New Yorkers are affected by
12 the minimum wage. According to the National
13 Employment Law Project and the Fiscal Policy
14 Institute, this proposal will create
15 10,200 full-time jobs from new economic activity,
16 far more than the proposal on the floor today.
17 This proposal would also provide minimum-wage
18 workers with an additional \$6,760 in wages over
19 the next five years, or an additional \$1,352 per
20 year on average.

21 For anyone who thinks this proposal
22 is too bold, increasing the minimum wage to \$9 an
23 hour in 2013 is a 24 percent increase of the
24 minimum wage, lower than the minimum wage
25 increase of 39 percent in 2004 under then-Senate

1 Temporary President Joe Bruno. A 39 percent
2 increase today would provide a minimum wage of
3 \$10.10 per hour by 2016.

4 This proposal also treats tipped
5 workers fairly. Not only does this legislation
6 fail to increase minimum wage for tipped workers,
7 but it affirmatively prevents their minimum wage
8 from increasing automatically, which by law would
9 otherwise increase proportionately when the
10 Legislature or federal government increases the
11 underlying minimum wage.

12 Instead, this proposal calls for a
13 wage board which could be called at any time on
14 the preexisting law and leaves it to the wage
15 board to decide whether tipped workers are
16 included in any minimum-wage increase.

17 Fifteen percent, Mr. President, of
18 all minimum-wage workers are tipped workers,
19 which means that the minimum wage is particularly
20 relevant to this category of employees.
21 Seventy-two percent of tipped workers are women,
22 and 88 percent are over the age of 20. Failing
23 to increase the wage for tipped workers will
24 disproportionately hurt adult women.

25 Since 2000, the number of tipped

1 workers has increased by 15.5 percent, and
2 outpaced nontipped workers in job creation by
3 100 percent in 2012.

4 Failing to increase the minimum wage
5 for tipped workers takes money out of their
6 pockets. The tipped worker minimum wage
7 guarantees employees a base pay, and this failure
8 will force employees to make the difference with
9 the tips.

10 It is important to allow local
11 governments also to set minimum wages as they
12 choose. This proposal allows for local
13 municipalities to adopt a minimum wage without
14 conflicting with state law. According to the MIT
15 Living Wage Calculator, the living wage in Broome
16 County is \$8.85, while the living wage in Kings
17 County is \$12.75. Because of these discrepancies
18 in the cost of living throughout the state, a
19 nonpreemption clause will give municipalities
20 greater flexibility to adjust the minimum wage to
21 local circumstances.

22 While state law does not explicitly
23 print a municipality from adopting a higher
24 minimum wage, the Court of Appeals has ruled
25 against such efforts. A nonpreemption clause

1 would add clarity to the state's public policy
2 and fix this problem.

3 For the foregoing reasons, the
4 amendment I'm offering today is germane to the
5 budget bill currently under consideration.

6 ACTING PRESIDENT VALESKY: Thank
7 you, Senator Espaillat.

8 All those in favor of overruling the
9 ruling of the chair please raise your hand.

10 (Show of hands.)

11 ACTING PRESIDENT VALESKY: Announce
12 the results.

13 THE SECRETARY: Ayes, 26.

14 ACTING PRESIDENT VALESKY: The
15 ruling of the chair stands.

16 Senator Gianaris.

17 SENATOR GIANARIS: Mr. President, I
18 believe there's another amendment at the desk. I
19 ask that the reading of that amendment be waived
20 and that Senator Tkaczyk may be heard on that
21 amendment.

22 ACTING PRESIDENT VALESKY: Senator
23 Tkaczyk does have an amendment at the desk. I
24 have reviewed it and ruled it out of order as it
25 attempts to direct appropriations. As such, it

1 is an impermissible substitution under Article 7
2 of the New York State Constitution.

3 SENATOR GIANARIS: Mr. President, I
4 appeal the decision of the chair and I ask that
5 Senator Tkaczyk be heard on that appeal.

6 ACTING PRESIDENT VALESKY: Senator
7 Tkaczyk on the appeal.

8 SENATOR TKACZYK: Thank you,
9 Mr. President.

10 The amendment that I offer would
11 provide an additional \$253 million in foundation
12 school aid, an additional \$253 million in gap
13 elimination aid, and would include a phaseout of
14 the gap elimination adjustment.

15 Although this budget increased
16 funding for education, it does not sufficiently
17 address the drastic financial conditions many of
18 our schools are facing, particularly those in
19 low-wealth rural areas and small upstate cities.
20 The dire financial condition facing school
21 districts developed over many years, the result
22 of increased costs and mandates that outpace
23 state aid.

24 The problems were greatly
25 exacerbated three years ago with the

1 implementation of the gap elimination adjustment,
2 or GEA, which has cost our schools \$6.7 billion
3 over the last three years. When the GEA was
4 first proposed, it was intended to be a one-time
5 cut in school aid to help close New York State's
6 then \$10 billion budget deficit. Unfortunately,
7 the state has continued the GEA for the past
8 three years.

9 The \$6.7 billion in education aid
10 cuts caused by the GEA over that time have been
11 grossly inequitable, disproportionately hurting
12 upstate school districts with low wealth ratios
13 which received much larger cuts per pupil when
14 compared to high-wealth districts. To address
15 these inequities, the amendment I offered would
16 make both long and short-term funding changes,
17 starting with an increase in both Foundation Aid
18 and GEA restoration.

19 With regard to Foundation Aid, my
20 amendment would increase funding by \$253 million,
21 with high-needs rural school districts receiving
22 \$13.6 million in additional Foundation Aid,
23 average-needs school districts receiving
24 \$40.3 million, and high-needs urban and suburban
25 districts receiving an increase in Foundation Aid

1 of \$29.6 million.

2 Regionally, my amendment would
3 translate to a further increase of \$10 million to
4 the Central New York region, \$19.7 million to
5 Western New York, and \$21 million to the Hudson
6 Valley region.

7 My amendment would also increase GEA
8 restoration funding by \$253 million, with
9 high-needs rural districts receiving an
10 additional \$50 million, average-needs schools
11 receiving a restoration of \$189 million, and
12 high-needs urban and suburban districts receiving
13 an additional \$71 million for GEA restoration.
14 Regionally, that would result in an additional
15 \$53 million to the Capital Region, \$20 million to
16 the Mohawk Valley, and \$76 million to the
17 Hudson Valley.

18 Lastly and perhaps most importantly,
19 the amendment I offer follows the laudable
20 example set by my Republican colleagues in their
21 Senate budget resolution by calling for a
22 phaseout of the gap elimination adjustment.

23 ACTING PRESIDENT VALESKY: Thank
24 you, Senator Tkaczyk.

25 All those in favor of overruling the

1 ruling of the chair please say aye.

2 SENATOR GIANARIS: Show of hands,
3 please, Mr. President.

4 ACTING PRESIDENT VALESKY: Please
5 raise your hand.

6 (Show of hands.)

7 ACTING PRESIDENT VALESKY: Announce
8 the results.

9 THE SECRETARY: Ayes, 26.

10 ACTING PRESIDENT VALESKY: The
11 ruling of the chair stands.

12 On the bill, Senator Espaillat.

13 SENATOR ESPAILLAT: Thank you,
14 Mr. President.

15 Again, this bill falls very short of
16 the rest of the states across the country with
17 regard to the minimum wage. Currently, there are
18 19 states that have a minimum wage above \$7.25 --
19 I might add that New York State adopted a minimum
20 wage of \$7.15, and we were forced to go further
21 up by the federal minimum wage -- states like
22 California, at \$8, Nevada at \$8.25, Oregon at
23 \$8.95, Washington at \$9.19.

24 These states all have obviously a
25 much lower cost of living than New York State,

1 and yet they all currently have a higher minimum
2 wage.

3 And so to prolong the process and to
4 allow New York State to consider reaching the
5 minimum wage of \$9 in 2016 -- because the
6 expected day is the last day of 2015,
7 December 31st of 2015. To think that
8 working-class folks will get by at this level of
9 pay is a travesty.

10 In fact, at the federal level,
11 currently a bill sponsored by Senator Tom Harkin
12 and our very own Senators Gillibrand and Schumer
13 proposes to increase the minimum wage to \$8.20 in
14 three months after the bill, \$9.15 one year after
15 the bill, and \$10.10 two years after the bill is
16 enacted. Three years after that bill is enacted,
17 the minimum wage shall increase each year at the
18 rate of inflation.

19 In essence, they have an index,
20 which we don't propose in our current bill.
21 There is no indexing in our current bill being
22 discussed here tonight, and it will force us to
23 go back to this very thorny and difficult issue.

24 So tipped workers are also included
25 in this federal legislation, and eventually they

1 will go up to have a minimum wage of \$7.07.

2 So if we pass the minimum wage at
3 this level and we wait for three years to get to
4 \$9, in fact the federal government will again
5 force us to provide a higher minimum wage than
6 New York State is proposing. That's just clearly
7 unacceptable for the Empire State, if you may.
8 We should be leading the fight on making sure
9 that there's income fairness for many people.

10 And many of the folks that are
11 benefiting from the minimum age are tipped
12 workers and adult women. Fifty percent of the
13 people that will be impacted that are currently
14 benefiting from the minimum wage are tipped
15 workers.

16 So this particular bill that we're
17 taking up tonight cuts out 50 percent of the
18 workforce. It would only apply immediately to
19 the other 50 percent. And a wage board then will
20 have to consider the livelihood of tipped workers
21 and many of them who are adult women who would
22 not benefit directly from this bill.

23 I think that this is a bad bill. It
24 is filled with smoke and mirrors. It doesn't
25 accomplish what we set out to accomplish when we

1 started this legislative session to bring fair
2 wages to many New Yorkers who will simply make
3 just a little bit over a thousand dollars more a
4 year. They're not going to run away and go on a
5 Caribbean cruise with that kind of money. They
6 will go right to our local businesses and spend
7 their money there, and it will motivate the
8 economy.

9 So this is a bad piece of
10 legislation. It doesn't accomplish what we set
11 out to accomplish. And, Mr. President, I will be
12 voting in the negative.

13 ACTING PRESIDENT VALESKY: Thank
14 you, Senator Espaillat.

15 Senator Peralta on the bill.

16 SENATOR PERALTA: Thank you,
17 Mr. President.

18 Now, I understand that there are
19 some good things in every budget bill. And
20 looking at some of the education provisions like
21 funding for extended learning and a pathway to
22 resolve New York City's teacher evaluation
23 standoff, this bill is no exception.

24 Mr. President, but looking at this
25 bill as a whole, I can't help but be appalled by

1 both the process and the product. Just
2 yesterday, or maybe it was just two days ago,
3 members stood in this chamber praising a bill
4 that brought sunshine and transparency to session
5 and committee meetings. That's why I figure many
6 of my colleagues will be very supportive of
7 Senator Gipson's vampire bill.

8 But now we stand here in the dead of
9 night, hours away from sunshine in either
10 direction, considering a budget bill that seems
11 designed to shrink our middle class, grow the
12 ranks of the impoverished, and widen the gap
13 between the richest and the poorest.

14 Mr. President, that is the only way to explain a
15 minimum-wage bill bogged down by loopholes, bad
16 incentives, and giveaways to giant multinational
17 corporations. It is the only way to explain the
18 decision to treat immigrants -- who just want to
19 go to college, work hard and pay taxes -- like
20 pariahs.

21 Mr. President, we had the chance to
22 pass a strong minimum wage bill indexed to
23 inflation. Not only did we have the chance to do
24 it, but I believe that we had the votes to do
25 it. But instead we got this watered-down

1 version.

2 And the crown of arguments to that
3 state that, Well, this bill doesn't include a
4 training wage, a provision making it profitable
5 for organizations like Walmart to fire a
6 25-year-old single mom and replace her with a
7 teenager, only to fire that same teenager when
8 she turns 20. But instead of a training wage, we
9 got a corporate handout that incentivizes the
10 exact same thing but instead uses taxpayer
11 dollars to do it.

12 Mr. President, we're talking about
13 an uncapped, unrestricted tax credit that is
14 expected to cost between \$20 million to
15 \$40 million a year. Now, why throw money at a
16 policy that puts companies that pay more than the
17 bare minimum, that don't have constant turnover,
18 that don't fire workers as soon as they hit 20 at
19 a disadvantage. I guess what we got out of this
20 bill is a sign that reads "Sorry, but the middle
21 class is closed."

22 We also have a bill that abandons
23 tipped workers, a group that is three-quarters
24 women, many of whom are forced to live below the
25 poverty line and work in an industry where wage

1 theft is rampant. Mr. President, instead of
2 raising their wage proportionately, as has always
3 been done, it leaves them with a nonbinding
4 assurance that they may see their wage rise at
5 some future date.

6 What's worse, I'm told that this
7 version is a vast improvement on the original
8 Senate majority proposal. So in that spirit, I
9 guess I have to give my sincere thanks to
10 Governor Cuomo, to Speaker Silver, to Democratic
11 Leader Stewart-Cousins and all the dedicated
12 advocates who fought to keep this bill from doing
13 more harm than good.

14 But hey, at least we can say that we
15 raised the minimum wage, right? At least we can
16 say that. At least we can say that we took some
17 small step to help struggling families lift
18 themselves out of poverty, however imperfect.

19 But what we can really say to
20 another group of people who not only did nothing
21 wrong but did everything right? What can we say
22 to those Dreamers who have worked so hard only to
23 hit that glass ceiling, only to be told that all
24 their hopes and all their aspirations, all their
25 hard work mean nothing in the face of a fraction

1 of a decimal point in our budget?

2 Mr. President, what can we say to
3 those individuals when other states like Texas,
4 New Mexico and California offer state financial
5 aid to children of immigrants, but New York does
6 not? Should we tell them we're sorry but we
7 spent that money and more on a fire-working-moms
8 tax break? Should we tell them we care about
9 helping other teenagers get a job at McDonald's
10 but not about helping them become an electrical
11 engineer? Mr. President, what should we tell
12 them?

13 We could have done a minimum wage
14 right, but instead we settled for a quarter-loaf
15 riddled with worms. We could have changed the
16 lives of thousands by passing the DREAM Act, but
17 instead we told them that their dreams have no
18 meaning and we just don't care enough. We could
19 have grown our middle class, but instead we're
20 paying Walmart to fire people.

21 Mr. President, I will be voting no
22 and I urge all my colleagues to do the same.

23 Thank you.

24 ACTING PRESIDENT VALESKY: Thank
25 you, Senator Peralta.

1 Senator Stavisky on the legislation.

2 SENATOR STAVISKY: On the bill,
3 Mr. President.

4 There are a lot of good things, I
5 think, in this bill -- increases in base aid for
6 community colleges, the opportunity programs,
7 childcare, the higher ed -- I know much of that
8 is the Aid to Localities, but it's still part of
9 the same concept. And I think there are a lot of
10 good things in this bill.

11 Capital money for the colleges and
12 universities for SUNY and CUNY, that to me is
13 important. But as Senator Peralta and Senator
14 Espaillat and everybody else has said, the DREAM
15 Act is extremely important, particularly in my
16 district, where I represent a district which
17 has an Asian population of 53 percent. And
18 you're saying to these young people: No, we're
19 not going to make the benefits of higher
20 education available to you. We're saying to them
21 that Jimmy Fallon's tax credit is more important
22 than your getting a job, your using the ability
23 to use TAP and other opportunity programs at SUNY
24 and CUNY.

25 These are young people who are going

1 to pay back society with increased earning
2 capacity. They're going to stimulate the economy
3 when they graduate. They're going to have a
4 better job that will pay them more money, and
5 they in turn will be paying more in taxes. And
6 what are they going to be doing with the extra
7 money? They're not going to shelter their income
8 in the Cayman Islands, they're going to purchase
9 goods and services in the community. To say to
10 these young people "We're not open for
11 immigrants" to me is a travesty.

12 However, weighing the good with the
13 bad, I intend to vote for this bill and hope that
14 we will take care of the DREAM Act, which is
15 really going to come in at something like
16 \$17 million to \$25 million in terms of
17 expenditure. Hopefully we will take care of that
18 in the days and weeks to come.

19 Thank you, Mr. President.

20 ACTING PRESIDENT VALESKY: Thank
21 you, Senator Stavisky.

22 Senator Sanders on the bill.

23 SENATOR SANDERS: Thank you,
24 Mr. President, on the bill.

25 Well, it's close to 1 o'clock in the

1 morning and it appears that the vampires that my
2 colleague was speaking about not only have been
3 out, but they have sucked the blood out of the
4 \$9 minimum wage.

5 (Laughter.)

6 SENATOR SANDERS: I wish that we
7 could find some way of dealing with it. I don't
8 know if garlic is appropriate in this hall. But
9 if it was, I think that we could use it.

10 When I think of this stutter step
11 that we're taking on the minimum wage, when I
12 think of how we're going to start and stop and
13 start again and then stop and finally get to \$9,
14 I am almost amused thinking of my neighbors who
15 will go to the stores and they will say, Well, I
16 need to buy some things but I can pay you some
17 now, some a year from now, some two years from
18 now. And I sadly know the answer that they will
19 be given if they attempt this. Security will be
20 called for, and they will be escorted out.

21 People cannot wait for us to get to
22 that place of a minimum wage, and we should not
23 have done this. We should have done it right the
24 first time. Not the second or the third or
25 whatever time it is. We should have indexed this

1 so that we would not have to return to this issue
2 again. Stores won't wait, and neither will our
3 neighbors.

4 One of the best ways that everyone
5 in here knows to stimulate the economy is to give
6 money to people who will spend it. There's no
7 other group that needs to spend their money more
8 than this group that needs to have their wages
9 increased.

10 But that's not the only problem that
11 I see in this budget. I'm looking at education,
12 and I'm aware that approximately 37 percent of
13 all of the public school children in the State of
14 New York are in New York City, and yet New York
15 City is going to experience a \$240 million loss
16 in this budget for things that the children have
17 nothing to do with. That is outrageous, and we
18 should do something about it.

19 It's good that I'm hearing that an
20 understanding is going to be reached that this
21 will be a one-time thing, that we won't go
22 through this every year. But it's still folly --
23 indeed, madness -- that even one year's worth of
24 money for the children is being diverted to other
25 places. Children cannot wait. Their education

1 cannot wait, and yet we have.

2 And yet we don't stop there, we have
3 to find more innocents to punish. How about the
4 DREAM Act, where we find some folks who have had
5 absolutely nothing to do with a situation they
6 find themselves in, but we say that they are
7 going to be responsible and we're not going to
8 act on the DREAM Act.

9 So as a matter of simple justice, I
10 can't vote on this budget. And I'm encouraging
11 everybody that (A) we shouldn't vote on it, but
12 (B) my friends, in the future can we just take
13 the time, maybe if we truly work together we can
14 do it right.

15 Thank you very much, Mr. President.

16 ACTING PRESIDENT VALESKY: Thank
17 you, Senator Sanders.

18 Senator Kennedy on the bill.

19 SENATOR KENNEDY: Thank you,
20 Mr. President.

21 I've been listening intently to my
22 colleagues in my Democratic Conference, and I
23 agree with them wholeheartedly. It's been nine
24 years since the minimum wage was increased last,
25 and nine years before that. I've been listening

1 intently because we voted tonight on a hostile
2 amendment to increase the minimum wage to \$9 an
3 hour, plus indexing. That hostile amendment
4 failed.

5 I rise today because Western
6 New York's working families can't afford to wait
7 any longer for our state to raise the minimum
8 wage. Buffalo suffers from an unfortunately high
9 poverty rate, and too many families are living in
10 poverty and living with stagnant wages. It's
11 left 46 percent of Buffalo children living in
12 poverty. Many people work full-time, and many
13 people are working multiple jobs, yet their
14 families still grapple with poverty because
15 they're only paid the minimum wage.

16 At the current wage floor, an
17 individual who works 40 hours a week only makes
18 \$290 a week before taxes. That's about \$15,000 a
19 year. You can't make ends meet with that kind of
20 a wage. In a family of three, living on that
21 wage today is living below the federal poverty
22 line. That's unacceptable anywhere. It's
23 especially unacceptable here in New York State,
24 the Empire State.

25 And that's why we must pass an

1 increase in the minimum wage that reflects our
2 state's respect for hard work. This bill before
3 us raises the minimum wage. It doesn't
4 immediately raise the wage to the fairer
5 \$9-an-hour level. And we still need to link the
6 minimum wage to the Consumer Price Index so
7 working families' wages can keep pace with the
8 rising cost of living.

9 But it does raise the minimum wage,
10 and that is something that cannot be ignored.
11 This wage increase will positively impact
12 thousands of Western New Yorkers and their
13 families, thousands of working families across
14 New York State. It will mean a slightly larger
15 paycheck and a chance to live a little more
16 comfortably. It will boost economic activity.
17 As we all know, minimum-wage earners recirculate
18 their income right back into the economy,
19 purchasing necessities at local small
20 businesses.

21 Working families will be able to put
22 more and healthier foods on the table, students
23 will have a chance to save a little more to pay
24 for their college educations, seniors working
25 minimum-wage jobs will have a little more to

1 cover the high cost of medications and housing.

2 This is not a perfect bill, but it
3 is a positive step forward. And while I and 31
4 of my colleagues in this conference would like to
5 see a minimum wage increased to \$9 an hour with
6 consumer price indexing, a majority in this
7 conference, a message from the Assembly to do the
8 same, this is a positive step forward, despite
9 our efforts to do more.

10 It's a long overdue increase in the
11 minimum wage that will allow hardworking New
12 Yorkers to hold their heads up high after 40, 50,
13 60 hours of work in a week and return home to
14 their loved ones with a larger paycheck they need
15 to keep a roof over their heads and food on the
16 table and, yes, dignity. Our state must reward
17 hard work, and this raise in the minimum wage is
18 progress. But we also understand that there's
19 much more work to be done.

20 I'll be voting aye on this bill,
21 Mr. President. Thank you.

22 ACTING PRESIDENT VALESKY: Thank
23 you, Senator Kennedy.

24 Senator Parker on the bill.

25 SENATOR PARKER: Thank you,

1 Mr. President.

2 There's so much in this bill, which
3 means there's so much wrong with this bill,
4 unfortunately. This was an opportunity for us to
5 actually do some good things in the state. I
6 want to cover kind of three areas -- four areas,
7 actually. Some of it was covered by some of my
8 colleagues, so I'll try to keep it brief.

9 In 2004, I guess, was the first time
10 I voted no on the entire budget. And it was
11 based on the issue of the Campaign for Fiscal
12 Equity lawsuit. And I think I might have been
13 the only one I think in the chamber at that time
14 who voted against the entire budget. But I felt
15 like it was the least I could do.

16 I went to public schools my whole
17 life, P.S. 193, I went to Hudde Junior High
18 School, I went to Midwood High School. And, you
19 know, I don't come from rich parents. My father
20 worked for the Transit Authority, my mother was a
21 clerk at Brooklyn College for a number of years,
22 and worked hard like many -- the same story that
23 I'm sure many people here have.

24 But it seems that as we negotiate
25 these budgets, we forget where we've come from.

1 We forget those humble beginnings. We forget
2 that our parents were Dreamers once, our
3 grandparents were Dreamers. We forget that we
4 come from schools that were underfunded. We
5 forget that we come from working-class households
6 that were overtaxed. And so even though we come
7 out and we want to talk about, you know, we're
8 not taxing anybody, we have this 18-a assessment
9 that's nestled in the budget that continues for
10 another three years instead of ending this year.

11 We voted last year on teacher
12 evaluations, and all of us agreed that it was an
13 important thing to do and we all agreed that we
14 should work on getting there, and so we did
15 that. And the adults couldn't figure out how to
16 make it work. And because the adults couldn't
17 figure out how to make it work, we should not be
18 punishing children. It's just simply wrong. To
19 not restore the \$250 million cut from New York
20 City public schools because adults can't get it
21 right is not the right way to go.

22 We also need to make sure that we
23 live up to the promise of the Campaign for Fiscal
24 Equity lawsuit. And it doesn't just impact
25 New York City, it impacts the entire state. That

1 was one of the decisions that we decided to make,
2 to make sure that we gave that money out, that it
3 would help high-need districts from Buffalo to
4 Bath, from Brooklyn to Brookhaven.

5 And we should continue to keep our
6 promise to educate every child even in high-needs
7 school districts. We don't do that in this
8 budget.

9 Some of you know that before I
10 actually came and got elected to the Legislature,
11 I worked for H. Carl McCall, who was the first
12 African-American elected statewide in New York.
13 He was the State Comptroller at the time and is
14 now the chair of SUNY. And Carl was fond of
15 saying that education wasn't simply a door for
16 opportunity, it was actually the sledgehammer to
17 break down the door of opportunity.

18 With education, you can do
19 anything. Education is literally the basis of
20 the future success of all of our children. Why
21 jeopardize that now because adults can't get it
22 together?

23 We could do better in this budget,
24 and we must do better. Many of my colleagues
25 have spoken more eloquently than I have -- than I

1 could, frankly, on the DREAM Act. I represent a
2 district that is very largely immigrant, and I
3 would be remiss if I left this chamber without
4 speaking to how important it would be to pass
5 this and just to show immigrants that in this
6 state that is dependent on immigration -- I mean,
7 we would have lost -- do you know how many
8 Congressional seats we would have lost if it
9 wasn't for the increase of immigrants to the
10 shores of New York?

11 This state is primarily an
12 agricultural state. I know that we're the
13 second-largest producers of apples in the entire
14 country, after Washington State. We're like
15 number three in terms of dairy products in this
16 state. We're the second-largest maple producer
17 after Vermont. We're number four in terms of hog
18 products. You know, in the top three or four in
19 terms of sweet corn and onions.

20 And a lot of those products are
21 actually harvested by immigrants. But we're
22 unwilling to give the children of immigrants the
23 opportunity to get an education here in this
24 state. We could do better. Failure to pass the
25 DREAM Act tonight is failing New York's most

1 important core value, which is opportunity for
2 everyone. And I think we should stand up for
3 opportunity for everyone and pass the DREAM Act.

4 I mentioned earlier the 18-a
5 assessment. It was supposed to phase out this
6 year, right? But we have it now in this budget
7 going over three years. Let's be very clear, the
8 18-a assessment is a regressive tax. When you
9 vote for this bill, you are voting to raise taxes
10 of your constituents.

11 It should be phased down and it
12 should be lowered to its pre-2009 amount and
13 restored to its historic use. The worst part of
14 this tax is not even just that you're collecting
15 it, you're not even using it for what it was
16 actually initially instigated for. We started
17 this tax to actually fund the Public Service
18 Commission so that we can hear rate cases to make
19 sure that ratepayers were in fact not getting
20 cheated by utilities.

21 But we've perverted that. We've
22 raised the tax, made them pay it, and we're
23 taking the money and we're putting it into the
24 General Fund. Not the right way to do taxes.
25 And then we're going to walk around and say we've

1 got to raise taxes. It's not the right thing to
2 do.

3 Lastly, and certainly not least, is
4 the increase in the minimum wage. Frankly, \$9 is
5 a little conservative for my taste. Senator
6 Espaillat, I've got an \$11.15 bill, very proud of
7 it. I think we really ought to have two bills
8 that happen. We really ought to be looking at a
9 statewide bill. Right? Maybe \$11.15 is a little
10 high. But it is based on numbers. Frank Mauro
11 and the Fiscal Policy Institute have done a study
12 and indicated that had we continued to raise the
13 cost of living on -- or what we refer to as
14 indexing. Had we given a cost-of-living index on
15 the minimum wage since 1970, right now we'd be at
16 \$11.15.

17 So maybe that's too rich for your
18 blood. We certainly ought to be doing \$9 for the
19 rest of the state, and we ought to be doing
20 something close to the \$10 or \$10.50 for New York
21 City at a minimum. If you tell me that \$9 is
22 appropriate for Utah and Mississippi and
23 North Dakota and Montana, you can't tell me that
24 \$8.75 in December is appropriate for the
25 Empire State. Eight dollars, that's right.

1 We're not even talking about \$8.75, right, we're
2 talking about \$8 in December, \$8.75 the following
3 December.

4 We are failing, as we sit here right
5 now, failing working families in the State of
6 New York. The price of living is going up and
7 the chance of living is going down. And so I
8 urge my colleagues to rethink this bill. Let's
9 pull it from the floor, let's make a couple of
10 adjustments to it, let's bring it back. I would
11 love to vote for an increase. But this is not
12 the right one. This is a perversion of the trust
13 that our working families have sent us here for,
14 which is to protect them and to help them. And
15 to do a phase-in over three years that will
16 create an obsolete standard of living, you know,
17 is certainly not the way.

18 Mr. President, I vote no.

19 ACTING PRESIDENT VALESKY: Thank
20 you, Senator Parker.

21 Senator Tkaczyk on the bill.

22 SENATOR TKACZYK: Thank you,
23 Mr. President. Would the sponsor yield to a
24 question?

25 ACTING PRESIDENT VALESKY: Senator

1 DeFrancisco, do you yield to a question?

2 SENATOR DeFRANCISCO: Yes.

3 ACTING PRESIDENT VALESKY: The
4 sponsor yields.

5 SENATOR TKACZYK: Thank you,
6 Mr. President.

7 On the education portion of the
8 budget, one of the issues our school districts
9 have faced is the fact that some of them are
10 actually facing educational insolvency. I'd like
11 to ask the sponsor how he would define
12 educational insolvency.

13 SENATOR DeFRANCISCO: Educational
14 insolvency is when kids leave high school and
15 can't read and write. Education insolvency is
16 when children do not perform and schools do not
17 perform. That's education insolvency. The
18 financial issue is part of it, but there's more
19 to it than that.

20 But what I'd like to do is refer
21 these questions to the expert in education, our
22 own John Flanagan. And he can give you a more
23 specific answer, if you don't mind. Thank you.

24 ACTING PRESIDENT VALESKY: Senator
25 Tkaczyk, do you wish Senator Flanagan yield for a

1 a question?

2 SENATOR TKACZYK: Would Senator
3 Flanagan yield to a question?

4 ACTING PRESIDENT VALESKY: Senator
5 Flanagan, do you yield?

6 SENATOR FLANAGAN: Yes.

7 ACTING PRESIDENT VALESKY: Senator
8 Flanagan yields.

9 SENATOR TKACZYK: So my question
10 is, how would you define educational insolvency?

11 SENATOR FLANAGAN: I'm going to
12 agree with Senator DeFrancisco.

13 (Laughter.)

14 SENATOR TKACZYK: Okay. So would
15 Senator Flanagan yield to another question.

16 SENATOR FLANAGAN: Yes.

17 ACTING PRESIDENT VALESKY: Senator
18 Flanagan continues to yield.

19 SENATOR TKACZYK: Just so that I
20 understand, your definition of educational
21 insolvency means when someone graduates high
22 school they can't read or write?

23 SENATOR FLANAGAN: No, I think it's
24 multifaceted and goes beyond, as Senator
25 DeFrancisco said.

1 If you go back -- I'm now in my
2 third year chairing the Education Committee. One
3 of the first meetings I had was with Deputy
4 Commissioner King, who is now Commissioner King.
5 And we talked about insolvency, in a fiscal
6 sense, in an educational sense, and in a legal
7 sense.

8 And everybody in the chamber knows
9 that school districts under the law cannot go
10 legally insolvent.

11 You can have a further discussion
12 about financial insolvency, and there will be a
13 whole wide variety of opinions as to how one
14 would define that: Lack of accessibility, lack
15 of opportunity, having curtailed programs, having
16 disparate impacts across districts in various
17 parts of the state.

18 And then you can have a whole debate
19 about educational insolvency. I know one of the
20 areas where Senator LaValle and Senator
21 DeFrancisco have been very outspoken is in the
22 area of remediation. There's money in this
23 budget for when students get into community
24 colleges in particular to help fix some of the
25 problems that were not righted through the

1 elementary and secondary process.

2 In my opinion, the single most
3 important way to avoid any of these problems is
4 to make sure that public education in the State
5 of New York is properly funded.

6 SENATOR TKACZYK: Would the sponsor
7 yield to a further question.

8 ACTING PRESIDENT VALESKY: Senator
9 Flanagan, do you yield?

10 SENATOR FLANAGAN: Yes.

11 SENATOR TKACZYK: As a former
12 school board member, one of the things we had to
13 tackle on our school board was how do we define a
14 successful student. And one of the barometers we
15 used was the children at our school district can
16 get to college. If they apply to colleges, they
17 get accepted.

18 One of the barometers I would
19 suggest -- and I wanted to know if you agree with
20 this -- is that one of the things that we could
21 use to define educational insolvency is if our
22 children are not able to apply to college or be
23 accepted at a college of their choosing because
24 they don't have the educational programming at
25 their high school to be competitive. Would you

1 agree with that?

2 SENATOR FLANAGAN: I would agree in
3 part. But I don't think it's simply enough to
4 talk about the actions of the Legislature and
5 what we may do in the context of the budget. We
6 should not forget that the Commissioner and the
7 Board of Regents set educational policy here in
8 the State of New York.

9 And a lot of what you're talking
10 about, accessibility and opportunity, starts with
11 the message that they deliver. We're really the
12 financing arm, when you get right down to it.
13 They're more of the policy arm.

14 So in terms of things that are being
15 advocated, Senator Young has been very outspoken
16 about regional high schools. I've talked about
17 broadband accessibility, making computers more
18 accessible all across the state, particularly in
19 rural communities, which you should certainly
20 know about. Then you have concepts like distance
21 learning, providing opportunities that may not be
22 there originally or ones that are starting to go
23 away.

24 So it's with an eye on what's going
25 on right now, but we have advanced, as the Senate

1 Majority, a number of proposals frankly within
2 this budget as well that would have addressed
3 some of the points that you're raising. And the
4 Assembly and the Executive, and the Assembly in
5 particular, just rejected it. Regional high
6 schools is probably the most glaring example.

7 SENATOR TKACZYK: Thank you.

8 Would the Senator continue to yield.

9 ACTING PRESIDENT VALESKY: Senator
10 Flanagan?

11 SENATOR FLANAGAN: Yes.

12 ACTING PRESIDENT VALESKY: Senator
13 Flanagan yields.

14 SENATOR TKACZYK: I don't disagree
15 that there are some good things in this budget.
16 I'm happy to see the increases in education
17 foundation aid and the GEA. But I keep coming
18 back to the reason why schools are facing
19 educational insolvency is the lack of money to
20 have adequate programming.

21 My question now is if there is
22 still, in the budget, \$15 million for bullet aid,
23 how is that bullet aid distributed?

24 SENATOR FLANAGAN: That bullet aid
25 is distributed pursuant to an agreement with the

1 Majority Leader, I believe. The details of that
2 are not in the context of this bill or -- I'm not
3 sure which one it's in. But yes, there is a pot
4 of money.

5 SENATOR TKACZYK: I believe it's in
6 this bill.

7 Would the Senator continue to yield
8 to a question?

9 SENATOR FLANAGAN: Yes.

10 ACTING PRESIDENT VALESKY: Senator
11 Flanagan yields.

12 SENATOR TKACZYK: Through you,
13 Mr. President, do you think the bullet aid should
14 be for the most part sent to those school
15 districts that are facing educational insolvency?

16 SENATOR FLANAGAN: Well, I think
17 the bullet aid should be distributed to school
18 districts that find themselves in difficult
19 financial situations, if you want to
20 differentiate between financial insolvency and
21 educational insolvency.

22 But no matter what time you come up
23 with a budget or what year you come up with a
24 budget, even when it's well-intentioned -- and I
25 think this is a very strong educational

1 product -- no matter how you do it, there's
2 always a few people that somehow seem to fall
3 through the cracks.

4 And what we've tried to do in large
5 part is help plug holes. And I can pick out
6 districts right in my own county of Suffolk, some
7 that came out on the shorter end of the stick
8 this year. And if people were asking me about
9 bullet aid, that would be an area that I would be
10 looking at. And frankly, I would be no different
11 than any one of my colleagues, because as
12 everyone got the school runs today, people look
13 and they go, Okay, good, bad, not so good, this
14 is where we have a problem. And that is after
15 coming up with 10 different tiers on ways to
16 improve on what the Governor advanced to us.

17 So it's not -- again, there's a
18 whole litany of factors that need to be
19 considered.

20 SENATOR TKACZYK: Thank you,
21 Mr. President and Senator Flanagan.

22 On the bill.

23 ACTING PRESIDENT VALESKY: Senator
24 Tkaczyk on the bill.

25 SENATOR TKACZYK: I'm very happy

1 with some of the additional funding in this
2 bill. With the inclusion of my hostile
3 amendment, it would have been better, because we
4 would have been able to eliminate the gap
5 elimination adjustment and revamp the school aid
6 formula in its entirety. But as it's drafted, we
7 do add \$176 million for the gap elimination aid
8 and \$196 million to the school aid formula.

9 But as you describe, there is
10 changes. We don't really know how that is
11 impacting all of the school districts since we
12 just got the runs a couple of hours ago. It
13 really needs to be looked at and talked to the
14 schools to see how they're being impacted by
15 that. And I would certainly urge the Republican
16 Majority, when they do disburse the bullet aid,
17 that they focus that aid on schools that have
18 needs, either they're facing educational
19 insolvency or have financial issues.

20 But there are some other -- some of
21 the other good things in the bill, that it does
22 restore high tax aid to 2008-2009 levels. And
23 there is relief in the form of a mandate relief
24 in that internal audits are no longer expected
25 for schools that are below 1500 in size.

1 Collectively, these will help. But
2 I am still worried. I am worried that the damage
3 our schools have seen over the last three years
4 is not going to be made up in this one budget
5 bill.

6 I'll give you an example of the
7 Fonda-Fultonville School District. It serves
8 almost half of Montgomery County. There are
9 1400 kids. It's a K-through-12 school. They've
10 been cutting staff and programs over the past
11 three years. At the end of last year they had to
12 pay out over a million dollars in catastrophic
13 healthcare costs, which forced them to make
14 midyear budget cuts of over \$500,000. They had a
15 pool; it's been closed years ago. They only have
16 a few AP classes.

17 There wasn't much to cut. What they
18 cut, they eliminated their business program and
19 they laid off their school psychologist. I have
20 a problem with that. Their school sports teams
21 rely on their bus drivers and coaches who
22 volunteer their time. The unions have also
23 agreed to concessions of almost \$500,000.

24 This budget may help them stop
25 cutting and keep the pink slips in the

1 superintendent's office this year. But if we
2 want to make long-term structural changes, we
3 need to do things like committing to eliminating
4 the gap elimination adjustment so that we can
5 stabilize funding to rural and small city
6 schools.

7 I will be voting aye on this bill,
8 but I sincerely hope that we are not done
9 continuing to work together to improve financial
10 conditions and educational opportunities for all
11 of our children.

12 Thank you, Mr. President.

13 ACTING PRESIDENT GRIFFO: Thank
14 you, Senator Tkaczyk.

15 Senator Latimer.

16 SENATOR LATIMER: Thank you,
17 Mr. President. On the bill.

18 ACTING PRESIDENT GRIFFO: Senator
19 Latimer on the bill.

20 SENATOR LATIMER: This bill is a
21 good example -- we touched on it before; I'm not
22 the only person that's shared this thought --
23 that the way we do our budgets in New York State
24 really requires a significant overhaul. Whether
25 that overhaul is going to happen or not is very

1 problematic, because I certainly understand the
2 system to know that it benefits certain things
3 happening.

4 But a bill like this takes so
5 many disparate issues that are not all
6 necessarily budgetary, and putting them in one
7 lump sum like this makes it very, very difficult
8 for individuals as well as legislators to deal
9 with each of these policy issues the way they
10 should be dealt with, which is individually, on
11 the merits of each of those issues.

12 This is very much like one of those
13 gift baskets that you either receive or give at
14 Christmastime, and inside is a bottle of wine,
15 there's a can of nuts, there's some cookies,
16 there's some fruit. And when you open up the
17 gift basket, you like the wine, you don't like
18 the peanut brittle, you like the shortbread
19 cookies but you don't like the kumquats. But you
20 have to either take the whole basket or send it
21 back to your aunt and say "Sorry, I didn't really
22 like this basket."

23 In this basket of this bill are
24 things, and a number of us have said it before,
25 that are good public policy statements. I

1 mentioned a couple of days ago I was concerned
2 about the Governor's Moreland Commission
3 recommendations. They're in this bill, and it's
4 a very good step in that direction.

5 In this bill, as others have
6 mentioned other different areas, in this bill is
7 pension smoothing, which is very controversial.
8 But the City of Yonkers wants the opportunity
9 to use pension smoothing, so the City of Yonkers
10 needs a bill like this to pass for them to have
11 that option. Those schools that were affected by
12 the loss of high tax aid will be benefited by
13 this.

14 But my colleagues and I have spoken
15 passionately about the minimum wage, and that the
16 minimum-wage issue is also in this bill and is
17 distasteful to those of us -- which include the
18 Governor, whose original proposal was \$8.75, and
19 the Assembly, all of which wanted a very
20 different product than what we had at the end.
21 Perhaps CSI Albany on one of the future episodes
22 will cover what happened here.

23 And as many of us do when we don't
24 really know what's going on, we read Liz Benjamin
25 and we read the different blogs, and perhaps the

1 blogs will tell us what happened, how we started
2 out in one place and ended up in another place.

3 I do want to talk on one topic that
4 was not addressed in this bill. And I recognize
5 my friend Senator Flanagan has been outspoken on
6 this topic. And if it's not going to be in the
7 bill, it still bears being heard in a public
8 domain. And that's the plight of the 853
9 schools. These schools serve over 15,000 of
10 New York's most needy and vulnerable students.
11 And those programs and the financing of that has
12 been frozen for four years by the Department of
13 Budget.

14 Now, that problem creates a
15 difficulty for these schools which this budget,
16 this bill and this budget does not address.
17 We're going to have to deal with them down the
18 line. These schools are unable to access private
19 credit. They're dealing with very low if any
20 reserves. And they don't have the geographic
21 constituency that we have with our geographic
22 school districts where there's a group of parents
23 and a group of individuals that care deeply about
24 it.

25 So I would say this is now

1 unfinished business for those of us who care. We
2 understand it's not a broad-based constituency.
3 But it is something that, while omitted in this
4 budget, has to be addressed going forward.

5 I intend to vote for this bill,
6 knowing that I find the minimum-wage provisions
7 unacceptable, knowing that the APPR arrangements
8 as relates not only to the New York City district
9 but to other districts that didn't get the
10 headlines -- like Harrison, that I represent, and
11 two other districts around the state -- were not
12 dealt with, I think, appropriately or fairly.

13 But I think the real story -- and
14 not that I expect it to be addressed today or
15 tomorrow or a year from now or even a decade from
16 now -- the way we do these budgets, putting
17 desperate issues together, is a disservice to
18 democracy.

19 ACTING PRESIDENT GRIFFO: Senator
20 Hoylman.

21 SENATOR HOYLMAN: Thank you,
22 Mr. President. Would the sponsor yield to a
23 question?

24 ACTING PRESIDENT GRIFFO: Would you
25 like Senator Flanagan to yield --

1 SENATOR HOYLMAN: Yes, please.

2 ACTING PRESIDENT GRIFFO: -- on

3 education?

4 Senator Flanagan.

5 SENATOR FLANAGAN: Yes.

6 SENATOR HOYLMAN: Oh, I -- I'm
7 sorry. I don't know which Senator would be best,
8 but -- I asked for the sponsor, but --

9 ACTING PRESIDENT GRIFFO: They both
10 stand ready.

11 SENATOR HOYLMAN: They both stand
12 ready, okay. I guess the question then, sir, to
13 either, is if you've evaluated the fiscal impact
14 on New York City of the requirement in this bill
15 to expand bus service to private school students
16 who attend classes after 4:00 p.m.

17 ACTING PRESIDENT GRIFFO: Senator
18 Flanagan.

19 SENATOR FLANAGAN: Yes. There have
20 been extensive discussions on this subject. And
21 it's not the only area of nonpublic schools that
22 are involved in the budget. There's increases
23 for mandated-services aid and things like that.

24 Essentially the agreement that has
25 been worked out would provide additional

1 opportunities, provide additional flexibility.
2 It has incentives for potential cost savings and
3 for now, in this year and this budget, would
4 ultimately provide a cap so that if there were an
5 expansive growth in the program, that we would be
6 able to get that in more detail. And I believe
7 the number is \$5.6 million.

8 SENATOR HOYLMAN: Would the Senator
9 continue to yield.

10 SENATOR FLANAGAN: Yes.

11 ACTING PRESIDENT GRIFFO: The
12 Senator yields.

13 SENATOR HOYLMAN: So in future
14 years, sir, are there estimations of what the
15 expanded bus service will cost the City of
16 New York beyond the \$5 million?

17 SENATOR FLANAGAN: No. Because
18 part of this started last year. There was an
19 understanding of what it may be. And now we've
20 moved ahead incrementally.

21 I think it's an enhancement on what
22 was started last year. I think it addresses
23 issues of safety involving children all across
24 the City of New York. And I can't theorize as to
25 what that number will be until we have further

1 implementation of what's now going to be in this
2 budget.

3 SENATOR HOYLMAN: Would the Senator
4 continue to yield.

5 SENATOR FLANAGAN: Yes.

6 ACTING PRESIDENT GRIFFO: The
7 Senator yields.

8 SENATOR HOYLMAN: Are you aware,
9 sir, that representatives from the city's
10 Department of Education have estimated costs
11 upwards of \$100 million or more in future years?

12 SENATOR FLANAGAN: I have actually
13 heard numbers as high as \$300 million, neither of
14 which I believe. I think it is mere conjecture
15 on their part.

16 There have been extensive
17 discussions amongst all the various parties and
18 the staff. My colleagues, I've spoken to Senator
19 Golden, Senator Lanza, Senator Felder. I
20 don't -- let's put it this way. I don't believe
21 those numbers are accurate, even at the extreme,
22 or at the \$100 million.

23 But the value of what we've done is
24 provide additional funding with a cap. So if for
25 some reason things go askew and all of a sudden

1 there's some exponential growth, that can be
2 adjusted. But I have not seen anything that
3 would detail for me or for you or for anyone,
4 frankly, in this Legislature where the
5 \$100 million is.

6 SENATOR HOYLMAN: On the bill, sir.

7 ACTING PRESIDENT GRIFFO: Senator
8 Hoylman on the bill.

9 SENATOR HOYLMAN: Mr. President, I
10 think it is the height, the height of fiscal
11 irresponsibility that this unfunded mandate has
12 not been thoroughly examined -- clearly, as my
13 colleague has stated, especially in these very
14 difficult economic and fiscal times for New York
15 City's 1.1 million school students. We've heard
16 from my colleagues New York City is already
17 facing \$240 million in cuts and maybe upwards of
18 \$1 billion in five years --

19 ACTING PRESIDENT GRIFFO: Senator
20 Flanagan, why do you rise?

21 SENATOR HOYLMAN: If I may finish,
22 I'm happy to take a question.

23 ACTING PRESIDENT GRIFFO: Senator
24 Hoylman, I'm recognizing the member who has
25 risen.

1 Senator Flanagan, why do you rise?

2 SENATOR FLANAGAN: You'll yield to
3 a question when you're finished?

4 SENATOR HOYLMAN: Yes, sir.

5 ACTING PRESIDENT GRIFFO: Senator
6 Hoylman, you may continue.

7 SENATOR HOYLMAN: So in addition to
8 the \$240 million and \$1 billion in five years
9 from the teacher evaluation fiasco, we also have
10 lost in New York City our AIM funding, that's
11 \$300 million annually, and \$260 million in Race
12 to the Top funds.

13 The fact that an arrangement which
14 has not been thoroughly examined which we do not
15 know the upper limits, in a chamber that prides
16 itself in fiscal austerity and close examination
17 of numbers, I think, Mr. President, is
18 appalling.

19 And for that reason I will oppose
20 this bill.

21 ACTING PRESIDENT GRIFFO: Senator
22 Flanagan.

23 SENATOR FLANAGAN: Thank you.

24 I actually have a two-part question,
25 based on what you just said. Are you aware that

1 the money that we're providing is aidable through
2 the transportation formula so it is not an
3 unfunded mandate? It's not completely funded,
4 but it's certainly not unfunded. That's the
5 whole point of the money coming from the State of
6 New York, to mitigate what the cost may be for
7 the City of New York. I just want to make sure
8 that you're aware of that.

9 SENATOR GIANARIS: Mr. President,
10 if I could, just a point of order.

11 ACTING PRESIDENT GRIFFO: Senator
12 Gianaris, I'm going to do two things. Senator
13 Gianaris, please.

14 Senator Hoylman, you do yield,
15 correct? Senator Hoylman. Senator Hoylman.
16 Senator Hoylman, you do yield, correct?

17 SENATOR HOYLMAN: Yes.

18 ACTING PRESIDENT GRIFFO: And then
19 I'm going to remind the members to please direct
20 their questions and answers through the chair.

21 Senator Gianaris.

22 SENATOR GIANARIS: That was my
23 point as well. Thank you, Mr. President.

24 SENATOR FLANAGAN: Mr. President, I
25 had directed my question through the chair

1 previously and waited till the Senator finished
2 before posing it.

3 So, Senator Hoylman, do you agree
4 that this is transportation-aidable?

5 SENATOR HOYLMAN: Mr. President, I
6 agree that there is some aid for New York City in
7 this scheme. I do, though -- would like to ask
8 my colleague a question if he will yield.

9 ACTING PRESIDENT GRIFFO: Senator
10 Hoylman, let's continue right now. You had
11 yielded to Senator Flanagan. So if you'll answer
12 the questions. And, Senator Flanagan, will you
13 yield to Senator Hoylman then?

14 SENATOR FLANAGAN: Yes. I had said
15 I had a two-part question.

16 The second part -- and I realize
17 this has created a tremendous amount of
18 consternation. I will tell you exactly what is
19 my understanding on the APPR as it relates to the
20 City of New York. And trust me, there have been
21 tons of discussions, public and private.

22 I don't believe there's any question
23 that the money for 2012-2013, \$240 million, is
24 gone. In this budget, today, going forward, that
25 money is in the base for the City of New York.

1 So while I appreciate what you're
2 saying about the cumulative loss, I
3 believe that's inaccurate and that the city would
4 be protected, and that money is built into the
5 base in this budget and going forward. Do you
6 agree?

7 ACTING PRESIDENT GRIFFO: Senator
8 Hoylman.

9 SENATOR HOYLMAN: I will say that
10 the mandate, which could be called unfunded,
11 could be called partially funded, is something
12 with an upper limit that the Senator has admitted
13 he does not know the extent of.

14 And I would also like to ask the
15 Senator if he would agree that the transportation
16 fund will not cover New York City's cost
17 100 percent for the private bus service.

18 ACTING PRESIDENT GRIFFO: Senator
19 Hoylman, are you asking Senator Flanagan to now
20 yield?

21 SENATOR HOYLMAN: Yes, sir.

22 ACTING PRESIDENT GRIFFO: Senator
23 Flanagan, do you yield?

24 SENATOR FLANAGAN: Yes.

25 ACTING PRESIDENT GRIFFO: And I

1 would ask, again, I would remind the members to
2 please direct through the chair.

3 Senator Flanagan.

4 SENATOR FLANAGAN: Mr. President, I
5 believe I understand your question correctly.
6 You had suggested that this was an unfunded
7 mandate. I differentiated to say that it is a
8 funded mandate, not in its entirety. And that's
9 part of the point. I said there was a
10 \$5.6 million appropriation and that would offset
11 some of the costs that would be incurred by the
12 City of New York.

13 I don't represent to you at all that
14 it's fully funded. But certainly, at the same
15 time, it is not unfunded. There is money
16 appropriated to the city to address some of their
17 concerns.

18 And I'm not sure I heard you on the
19 point about the \$240 million. Are you aware that
20 that is now back in the base for the City of
21 New York on top of the \$363 million that the city
22 is getting as a result of this budget?

23 ACTING PRESIDENT GRIFFO: Senator
24 Hoylman.

25 SENATOR HOYLMAN: Mr. President, I

1 acknowledge that there has been discussions about
2 New York City receiving some of that money back
3 in the budget. We on the Democratic aisle have
4 not seen evidence of that.

5 And also I would also point out that
6 \$5 million with an expense budget for providing
7 public transportation to private students, public
8 transportation for private students, could cost
9 upwards of \$100 million. That, sir, is a drop in
10 the bucket.

11 ACTING PRESIDENT GRIFFO: Thank
12 you, Senator Flanagan. Thank you, Senator
13 Hoylman.

14 Senator Krueger.

15 SENATOR KRUEGER: Would Senator
16 Hoylman yield to a question, please.

17 ACTING PRESIDENT GRIFFO: Senator
18 Hoylman, do you yield to a question from Senator
19 Krueger?

20 SENATOR HOYLMAN: Yes.

21 ACTING PRESIDENT GRIFFO: Senator
22 Krueger.

23 SENATOR KRUEGER: Thank you.

24 Would Senator Hoylman be concerned
25 if the City of New York had two different systems

1 of transportation for school students, so that
2 for one set of school students there would be
3 this new underfunded mandate requiring school
4 buses, 4 o'clock, 5 o'clock, to pick up students
5 at their schools and take them within 600 feet of
6 their homes, and yet a second system of
7 transportation for the rest of the school
8 students that did not offer the same? Would that
9 be a concern to him?

10 ACTING PRESIDENT GRIFFO: Senator
11 Hoylman.

12 SENATOR HOYLMAN: I would be
13 alarmed, aghast, but, based on what I've seen,
14 not terribly surprised.

15 (Laughter.)

16 SENATOR KRUEGER: Thank you. Thank
17 you.

18 ACTING PRESIDENT GRIFFO: Thank
19 you, Senator Krueger.

20 Thank you, Senator Hoylman.

21 Senator Marchione.

22 SENATOR MARCHIONE: Mr. President,
23 I rise to discuss this bill.

24 ACTING PRESIDENT GRIFFO: Senator
25 Marchione on the bill.

1 SENATOR MARCHIONE: Thank you.

2 First I would like to extend my
3 personal thanks to Leader Skelos for his
4 leadership throughout this budget process.
5 Leader Skelos and Leader Klein have done a
6 tremendous job in leading our conference with the
7 other leaders as they advocate for our
8 priorities, and thank you.

9 As we've heard this evening, this is
10 not an easy process to make these negotiations.
11 And evidently no one really is -- the budget is
12 not perfect for any one of us in this room. But,
13 Dean, I do want to thank you for your efforts,
14 your leadership, and your guidance.

15 I would also like to recognize and
16 thank the work of the outstanding Senate Finance
17 Committee, led by Finance Secretary Rob Mujica.
18 You know, these men and women have logged
19 countless hours, late nights and weekends,
20 working hard on the budget. As someone new to
21 the process, I've been very impressed at the work
22 ethic, the dedication of Rob and his staff.
23 Charlie Vaas on Senate Finance has been so
24 responsive and helpful, and I am truly grateful.

25 I know that my colleagues share my

1 appreciation and recognition of all of the
2 professionalism of Rob and all of the men and
3 women on our hardworking Senate Finance staff.
4 We all thank you.

5 On the bill. Relative to minimum
6 wage, I respect the opinion of my colleagues who
7 have stood up and said we're not going far
8 enough, but I don't agree with you. Minimum wage
9 is a difficult subject and depending on where you
10 are in the State of New York and who you're
11 listening to, whether it's the Business Council,
12 Unshackle, or just any one of us in this room.

13 You know, the minimum wage at \$7.25,
14 if it had been indexed, would be at \$7.92.
15 Coming at \$8 in January of 2014 is truly being
16 indexed. It's not going to be something that
17 we're all going to agree on.

18 And I think that's what the
19 negotiation process is all about. I didn't want
20 to look at a minimum wage increase at all, but we
21 have. And as difficult as it is, I think we have
22 made great progress.

23 Relative to 18-a, I've listened to
24 some of our colleagues state that it's a tax
25 increase. I don't know if you remember, but it

1 was the Republican Conference and some of the IDA
2 who stood up in public forum and said we didn't
3 want to increase the taxes, we thought they
4 should expire immediately. But the budget came
5 down from the Governor with a five-year
6 sentence.

7 The negotiated process, again, is
8 not perfect where we would want to be. It says
9 three more years. But you know it goes down
10 every year. And the businesses and the people,
11 whether they're rich or they're poor, are going
12 to see relief from what we've done.

13 ACTING PRESIDENT GRIFFO: Senator
14 Marchione, excuse me.

15 Can I have some order in the
16 chamber, please. Please.

17 Senator Marchione, you may continue.

18 SENATOR MARCHIONE: Thank you.

19 We're going to see some relief in
20 what we've done. So I believe although neither
21 side is thrilled about what's occurred, the
22 negotiated process through the budget has
23 continued.

24 Next I'd like to discuss the SAFE
25 Act, which is also part of this bill, which I'll

1 call my kumquat.

2 (Laughter.)

3 SENATOR MARCHIONE: And I will tell
4 you that I am going to be voting in favor of this
5 bill even though the SAFE Act is part of it. If
6 I felt that voting for this bill would somehow,
7 some way, weaken the legal challenge of the
8 Second Amendment advocates against the SAFE Act,
9 I would be voting against it.

10 Earlier today I spoke with Tom King,
11 head of New York State Rifle and Pistol
12 Association, and Tom has assured me that this
13 amendment will not affect their legal challenge.
14 The amendments that are in this bill don't go
15 nearly far enough. This law, in my opinion,
16 needs to be repealed.

17 Nearly 128,000 people, the vast
18 majority of them New Yorkers, have signed my
19 online petition in opposition of this gun control
20 law. Seventeen Senators have voted no.
21 Fifty-one counties out of 62 have passed
22 resolutions in opposition of the SAFE Act.
23 Fifty-one county sheriffs have spoken out and
24 been opposed to the SAFE Act. I believe that
25 such strong, principled and unified opposition

1 sends a crystal-clear message that the new law
2 was the wrong policy.

3 The effort to preserve, protect and
4 defend the Constitution and the Second Amendment
5 rights of all New Yorkers continues. Going
6 forward, Second Amendment supporters need to
7 widen our focus on programs and policies such as
8 the one from DCJS that pits neighbor against
9 neighbor and New Yorker against New Yorker. We
10 need to stop these bad policies and programs, and
11 we must continue standing strong by standing for
12 our freedoms.

13 Thank you, Mr. President.

14 ACTING PRESIDENT GRIFFO: Senator
15 Grisanti.

16 SENATOR GRISANTI: Thank you,
17 Mr. President. Just a few comments on the bill.

18 First of all, I want to acknowledge
19 Senator Ball for actually having legislation in
20 this particular bill that, for those of you that
21 may have glossed over it, has to do with the
22 Veterans Cemetery, which would actually be the
23 first one in the State of New York. So I give
24 you a lot of credit for actually pushing this
25 forward.

1 Secondly, even though he's only been
2 chair of the Education Committee for three years,
3 we don't have to apologize to anybody for the
4 increases we've been giving for education year
5 after year, for the downplay of the gap
6 elimination adjustment, and for the numerous
7 programs that's happening -- prekindergarten
8 program, extended learning time, community
9 schools, early high school programs. You know,
10 workforce training, job opportunities. There are
11 a ton of things in this bill that are going to
12 help disadvantaged youth and other youth move
13 forward.

14 And with regard to the minimum wage,
15 I'm totally against the minimum wage if it didn't
16 have what we actually put in the budget. The
17 minimum wage was last increased in 2009, not
18 seven or eight years ago as was mentioned
19 previously.

20 And if anybody looked at the two
21 dozen studies that were done, when the minimum
22 wage was increased the last two times it
23 disemployed, disemployed ages 16 to 24 because
24 the businesses could not go ahead and keep people
25 full-time. They took their full-timers that were

1 20, 21 years old and cut them down to
2 part-timers. On top of that, you have us at a
3 competitive disadvantage with our neighboring
4 states. So that's why you can't go ahead and
5 vote for the minimum wage.

6 Now you can, because it's an
7 incremental, slow increase and we give tax
8 credits for businesses so they keep the
9 employees, not being disemployed, as over two
10 dozen studies have shown.

11 And last but not least, what else is
12 in there is the chargebacks for the colleges,
13 which is very important in my district.

14 And also with regards to the DREAM
15 Act, ladies and gentlemen, before I got here, TAP
16 was cut for graduate students that are here
17 legally or came here through the proper
18 channels. TAP was cut for graduate students. So
19 before you talk about the DREAM Act, you need to
20 restore TAP for the graduate students so they can
21 continue on, those students that were here
22 legally and that came here through the proper
23 channels such as naturalization.

24 With that said, Mr. President, I
25 vote aye.

1 ACTING PRESIDENT GRIFFO: Senator
2 Krueger for the second time.

3 (Laughter.)

4 SENATOR KRUEGER: Thank you,
5 Mr. President. And happily the rules of the
6 Senate allow you to stand up and speak multiple
7 times on the same bill.

8 ACTING PRESIDENT GRIFFO: This is
9 the second and last time, Senator Krueger. You
10 may continue.

11 SENATOR KRUEGER: Well, I have to
12 make sure I get everything in, then,
13 Mr. President. Will the sponsor --

14 (Laughter.)

15 ACTING PRESIDENT GRIFFO: I'm most
16 certain you will.

17 (Laughter.)

18 SENATOR KRUEGER: First, I like to
19 thank Senator Marchione for saying "kumquat" on
20 the floor of the Senate. It is the first time I
21 have heard that fruit referenced in the 11 years
22 I have been here. So thank you very much. Oh,
23 excuse me, George Latimer and then Senator
24 Marchione.

25 Would the sponsor -- I think in this

1 case Senator DeFrancisco as sponsor -- please
2 yield to a question.

3 ACTING PRESIDENT GRIFFO: Does
4 Senator DeFrancisco yield?

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: He does.

7 SENATOR KRUEGER: Thank you.

8 There is a section of this bill --
9 and we're calling this bill ELFA: Education,
10 Labor and Family Assistance. My colleague George
11 Latimer referenced, you know, a fruit basket. I
12 would argue it's the kitchen sink.

13 But Section HH, sweeps and
14 transfers, which was originally Part M of the
15 PPGG language bill, which we did already -- and
16 it would be more logical if this section was in
17 there, but it's here, so I have to ask about it
18 here.

19 So there is a sweep that transfers
20 \$20 million from a dedicated revenue fund for
21 transit to the state's general debt service
22 fund. Aren't sweeps from dedicated transit funds
23 prohibited by the lockbox law that we passed in
24 this chamber and became law in 2011? So how are
25 we sweeping from a lockbox?

1 SENATOR DeFRANCISCO: You want to
2 know why, what it's for?

3 SENATOR KRUEGER: I want to know
4 how. How are we doing it?

5 ACTING PRESIDENT GRIFFO: Senator
6 Krueger, members, please direct through the
7 chair.

8 SENATOR KRUEGER: Oh, excuse me.
9 I'm sorry, Mr. President. Through you, I'd like
10 to know how and why both.

11 SENATOR DeFRANCISCO: Okay. "How"
12 is that we put it in a budget bill. And we're
13 going to vote on a budget bill, and that's how
14 it's done.

15 "Why," because the state issued
16 bonds on behalf of the MTA and this money is
17 being used to pay those bonds so that people
18 outside of my district can continue riding the
19 trains.

20 SENATOR KRUEGER: Through you,
21 Mr. President, if the sponsor would continue to
22 yield.

23 SENATOR DeFRANCISCO: Yes.

24 ACTING PRESIDENT GRIFFO: The
25 sponsor yields.

1 SENATOR KRUEGER: So I believe the
2 sponsor's answer was because we put it in the
3 budget bill.

4 But, again, just citing the lockbox
5 bill we passed less than two years ago, we're
6 supposed to have a fiscal emergency declaration
7 announced to the public in order to take money
8 out of that lockbox. Is there a fiscal emergency
9 announcement I missed either in this bill or
10 somewhere else?

11 SENATOR DeFRANCISCO: No. You
12 didn't miss anything other than the fact that
13 it's not a lockbox. This \$20 million was taken
14 from another part of the budget, but it was not a
15 budget that was subject to the lockbox
16 provisions.

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

20 SENATOR DeFRANCISCO: Yes.

21 ACTING PRESIDENT GRIFFO: The
22 sponsor yields.

23 SENATOR KRUEGER: So for me to try
24 to make sure I understand, we are sweeping
25 \$20 million from the -- let me make sure I have

1 it right -- the MMTOA account and moving it to
2 the general debt service fund. But the lockbox
3 law we passed in 2011 isn't supposed to apply to
4 the MMTOA?

5 SENATOR DeFRANCISCO: That is
6 correct.

7 SENATOR KRUEGER: I want to thank
8 the sponsor.

9 SENATOR DeFRANCISCO: You're very
10 welcome.

11 SENATOR KRUEGER: On the bill,
12 Mr. President.

13 ACTING PRESIDENT GRIFFO: Senator
14 Krueger on the bill.

15 SENATOR KRUEGER: Thank you. I
16 don't actually think I agree with the sponsor on
17 that issue, but we can revisit that after the
18 bill, since it is 1:30 in the morning.

19 And again, I guess there's a reason
20 we are doing this bill at 1:30 in the morning. I
21 guess following my colleague Senator Gipson, you
22 know, the vampire theory, it's better to pass
23 bills that have absolutely nothing to do with
24 what they're supposed to deal with at 1:30 in the
25 morning because how many people are looking.

1 Clearly, for those who don't follow
2 budget process and our desperate need to change
3 our budget process, this bill looks the way it
4 does because even if it's not the last bill we
5 will be doing tonight, clearly it was the last
6 bill that went to the printer this year. And so
7 anything and everything that had fallen off the
8 table or been put on the table at the last
9 minute, or somebody held their breath till the
10 last possible day for printing, got thrown into
11 this kitchen sink bill, Mr. President.

12 So I just want to highlight that
13 there are so many different things in here that
14 you could say hooray or you could say, oh, my
15 goodness, what are they doing at 1:30 at night.

16 So people have talked about the
17 education funds, and there's some good news and
18 some bad news in the education funds. And
19 actually if it was just a school funding bill, I
20 might even be able to vote for it. But it's not,
21 because it also is creating all these changes in
22 labor laws.

23 My colleagues have talked about
24 minimum wage. They have argued pro and con: It
25 doesn't go far enough, it goes too far. It

1 shouldn't be indexed because we're in a
2 low-inflation-rate period and it really wouldn't
3 help -- except you have to understand indexing is
4 conceptually something you do over the long
5 haul.

6 And if we had indexed minimum wage
7 correctly all these years, at least according to
8 Senator Gillibrand, our New York State Senator,
9 we would be at close to \$10.50 already. And
10 she's arguing and urging her U.S. Senate to move
11 a national bill for minimum wage, indexed, \$10.50
12 to start. And I support her in that. But I know
13 we could do that here as well. Perhaps not as
14 far as fast, but surely we could be doing \$9 with
15 indexing. And we're not.

16 And we do some scary things, but
17 I'll talk about that when we get to the revenue
18 side, the next revenue bill, or whenever we do
19 the revenue bill, because we do some additionally
20 scary things to the minimum wage in that bill.

21 And then you might say we've done
22 some okay things with OCFS in here. We've even
23 thrown in an antifraud program for STAR, which I
24 personally like. I suspect a number of my
25 colleagues don't. But I certainly don't want

1 people cheating on their taxes. We need every
2 tax dollars to provide the services we are
3 supposed to serve.

4 And I am disappointed and yet not
5 surprised that yet again my colleagues in the
6 Senate decided that they needed to throw the
7 Tenant Protection Unit funding out of the Housing
8 agency -- even though it mostly applies,
9 99 percent, to the City of New York, it's
10 actually funded by the City of New York rather
11 than through the state, to ensure a fundamental
12 consumer protection for almost a million people
13 living in rent-stabilized housing who, up until a
14 year ago, barely had any access to a government
15 agency to cross-check violations, represent basic
16 consumer protections for them, or do anything to
17 some horrendous violators in the system.

18 And so it's a shame on a
19 \$142 billion budget that we would actually argue
20 against \$5.8 million to ensure a Tenant
21 Protection Unit where we're not even really
22 spending our own money, we just don't like it on
23 principle. And so I'm very disturbed that they
24 cut the funding out of this budget for that.

25 Then we have an unemployment

1 insurance reform system which several of my
2 colleagues already tweeted tonight: Hooray,
3 we're doing unemployment insurance reform and
4 workers' comp reform and saving businesses a
5 billion dollars. I actually don't know if the
6 number is a billion dollars, I just was reading
7 somebody's tweet.

8 But I do know when you do a system
9 for change in the unemployment benefits in
10 New York State, which already pays the lowest
11 rate of unemployment insurance in the region, and
12 you declare victory because between now and 2018
13 the payment per week will go up a whopping \$45,
14 so a \$5 increase per year until 2018, I don't
15 really see that as much of a reform.

16 Now, the good-news part of it is we
17 will help pay back our federal obligations
18 because we borrowed a lot of money from the
19 federal government. So we'll pay it back more
20 quickly, and that's good news. Although if we
21 had done the right reforms multiple years ago, we
22 never would have found ourselves in this
23 situation.

24 And ironically, if you look at the
25 fine print, you will start to understand that

1 some workers, the lowest-wage part-time workers
2 already likely living in poverty, are the ones
3 who are going to get dropped out of the
4 unemployment system. And I don't really see that
5 as much of a reform to be particularly proud of.
6 So that's a problem for me.

7 Now, the pension smoothing, as one
8 of my colleagues explained, is controversial.
9 It's not as bad an idea as it started out. It's
10 still a bad idea. Although it's local option, so
11 I hope the localities realize they shouldn't be
12 taking bad options for themselves.

13 Then you get into all these really
14 interesting sections where you also say what is
15 it doing in a bill that's called Education, Labor
16 and Family Assistance? So we have a labor piece
17 agreement for gambling casinos, which we're not
18 doing in this budget, but I actually think the
19 labor piece idea is a great idea. But we never
20 dealt with the casinos at all, so it's a little
21 confusing why we're dealing with just this
22 section.

23 And then we have a Moreland
24 Commission set of recommendations which, by the
25 way, I like. But they used to be in the TED

1 bill, where we were dealing with energy, not in
2 the ELFA bill. Again, very confusing at 1:40 in
3 the morning.

4 Then there's a section on repowering
5 power generation facilities. That also, not
6 clear why it's in ELFA. We are talking about
7 changing VLT rules. Again, why in ELFA?

8 And then we get to all these new
9 bonding authorizations for capital projects.
10 Now, one would think those would have gone into
11 the capital projects appropriation bill. We did
12 that one. And yet within this bill we're dealing
13 with law involving the retention of a football
14 stadium. I think that's the Bills stadium, if
15 I'm right. Is that right? Yes, the Bills
16 stadium.

17 Bottle bill sections. Sales revenue
18 bond tax fund, sales tax revenue bond financing
19 program. State storm recovery capital fund.
20 Changing education law involving bonding.
21 Authorizing issuers for the Dormitory Authority
22 and other authorities. A lot of bonding. A lot
23 of changes in the law allowing different kinds of
24 bonding. It's just a little weird to me that
25 it's in ELFA, because that's probably where the

1 public would be looking for information about
2 back-door borrowing by the State of New York and
3 the skyrocketing cost of debt for the State of
4 New York.

5 So you can find something you like,
6 you can find things you really don't like. You
7 can make the argument half the things in this
8 bill shouldn't even be in this bill. Which
9 leaves me deciding that there's enough in here
10 not to like to vote no.

11 Thank you, Mr. President.

12 ACTING PRESIDENT GRIFFO: Senator
13 Nozzolio.

14 SENATOR NOZZOLIO: Thank you,
15 Mr. President. On the bill.

16 ACTING PRESIDENT GRIFFO: Senator
17 Nozzolio on the bill.

18 SENATOR NOZZOLIO: Mr. President,
19 my colleagues, there are many things, as pointed
20 out tonight, that we disagree over, many issues
21 that one side of the aisle doesn't see the same
22 way as the other side of the aisle.

23 But there's one thing that's
24 undeniable, one thing that we all agree about,
25 and that's the fact that we would not be here

1 participating in this democratic process if it
2 were not for the sacrifices of our nation's
3 veterans.

4 I stand and rise to congratulate
5 Senator Greg Ball for the leadership he's
6 displayed in establishing for New York State what
7 42 other states have already established. But in
8 New York, for a variety of reasons, we had not
9 participated up to this moment in the
10 establishment of a state-run veterans cemetery
11 system. Now we will be joining those 42 other
12 states. Now we will have the opportunity to work
13 in partnership with the federal government to
14 establish and honor those veterans who deserve
15 such recognition.

16 On the eastern shore of Seneca Lake,
17 in the heart of Finger Lakes region, we have
18 established on a place of hallowed ground, where
19 over 750,000 sailors trained to participate in
20 the battles of World War II, and since then over
21 250,000 airmen trained in preparation for
22 defending our nation. Over a million sailors and
23 airmen at this base trained to protect American
24 interests, to protect our nation, to fight
25 against the despots who tried to destroy our

1 democratic way of life.

2 Mr. President, Sampson is a location
3 now of a veterans cemetery, one that we
4 established in conjunction with federal
5 regulations. We have put in motion the
6 opportunity because we could no longer wait for
7 New York State to act, that local veterans in the
8 Finger Lakes region and all across the state have
9 supported the establishment of a veterans
10 cemetery on this hallowed place where these
11 sailors and airmen trained and made many
12 sacrifices in all wars, beginning in World War II
13 through the current conflicts in Afghanistan.

14 Mr. President, when someone asks you
15 or any member of this house where are heroes,
16 they only need to go to those veterans cemeteries
17 across our state. Those heroes who are buried
18 there sacrificed much -- in some cases, their
19 lives, to defend freedom, to defend our freedom.

20 Thank you, Senator Ball, for your
21 leadership on this very important subject. And
22 thank you, my colleagues, for supporting this
23 legislation as we move forward to establish
24 veterans cemeteries all across New York State and
25 allow cemeteries like Sampson to participate in

1 this very worthwhile program that over
2 42 states are now going to be participating in.

3 Mr. President, thank you for the
4 opportunity to discuss this important issue, and
5 I certainly look to supporting this excellent
6 legislation.

7 ACTING PRESIDENT GRIFFO: Thank
8 you, Senator Nozzolio.

9 Senator Ball.

10 SENATOR BALL: I would just like to
11 take a moment to -- for those members here who
12 served with me in the Assembly -- Tom, you were
13 there; right? So you know I was a little bit of
14 a pain over in the Assembly.

15 (Laughter.)

16 SENATOR BALL: Yeah, little bit of
17 a pain. And I still am a pain. But I have to
18 thank my colleagues because instead of being a
19 pain in public and in session in the Assembly,
20 I'm just a pain in conference.

21 And on the veterans cemetery, I know
22 that I've been a pain. But to our leader, to
23 Dean, to Senators Nozzolio and Little and others
24 that have fought for this for many years, and to
25 each and every one, I thank you. We lose over a

1 thousand World War II veterans every single day,
2 and we all have veterans in our district who I
3 know come to each and every one of you, and I
4 know to me, and say: "Greg, I'm getting older,
5 and I would like to be buried in a veterans
6 cemetery." And now in New York State we are so
7 much closer to that cause.

8 So thank you for putting up with
9 me. And it's been an absolute pleasure. And,
10 Dean, thank you very much. God bless you.

11 ACTING PRESIDENT GRIFFO: Senator
12 Ranzenhofer.

13 SENATOR RANZENHOFER: Thank you.

14 Those very humble and heartfelt
15 remarks are very hard to follow. But just a
16 couple of remarks, Mr. President.

17 During my first couple of years
18 here, no matter how you felt about the budget, we
19 were here into the months of July and August.
20 And one of the things I just want to say is that
21 through the collective leadership throughout the
22 Senate and the Assembly, for the third year in a
23 row we're going to show New York that we can pass
24 a budget on time.

25 Whether you believe it's a

1 grapefruit or a kumquat really doesn't matter.
2 The point is that there have been a lot of
3 discussions, a lot of deliberation, and everybody
4 has had the opportunity to participate through
5 conference committees and discussions within your
6 own conferences.

7 And no matter what decision that you
8 make in life -- who you marry, what school you go
9 to -- there are always pros and cons. And this
10 budget is no different than any tough decision
11 that we have to make in life. There are good
12 parts of the budget and there are parts you don't
13 like as much.

14 But one of the things I just want to
15 talk about is just a couple of priorities for me
16 and the district that I represent. When I first
17 came here, we fought against the energy tax. And
18 this was an opportunity to this year do away with
19 the energy tax.

20 Is it as quick as I would have
21 personally liked? No. Is it as dramatic in the
22 first year as I would have liked? No. But at
23 the end of the day I can report to the residents
24 of the 61st District, both the homeowners and the
25 businesses, that for the first time in a number

1 of years we have started the process of
2 eliminating that energy tax, which is going to
3 help homeowners.

4 Another point which I want to talk
5 about is the gap elimination funding. And
6 whether or not it's done quickly enough or not
7 quickly enough, the bottom line is that at the
8 end of the day we are making progress towards
9 getting rid of that gap elimination funding. And
10 that's not only important for something that's
11 very important to all of us, which is educating
12 our students, but this has the added effect
13 because back at home a lot of the school
14 districts are talking about, well, this is then
15 going to affect property taxes.

16 And by doing what we are doing here
17 collectively, we are, in addition to the property
18 tax cap, holding down property taxes at home,
19 because we have added funds to the gap
20 elimination adjustment, which is very, very
21 important.

22 And just one other minor point which
23 I want to touch on which is not a minor point to
24 the residents of my district. Initially there
25 was a Moreland Commission recommendation that

1 applied to all companies throughout the state
2 which would have been devastating to many
3 employees in my particular district. Cooler and
4 smarter heads prevailed and said, well, this
5 doesn't make sense. A one-size-fits-all doesn't
6 make sense for the entire state. And we were
7 able to craft legislation which made sense in the
8 areas where it's going to be implemented and made
9 sense in the areas where it's not going to be
10 implemented.

11 So I just want to close by thanking
12 my colleagues again. You know, this looks like a
13 process which -- again, you know, I appreciate
14 the debate, I appreciate the other opinions, I
15 appreciate that this budget is not a perfect
16 result. But at the end of the day, it's a good
17 result. It's a good result for New Yorkers.
18 Whether you're living at the tip of Long Island,
19 whether you're living in the 61st District, at
20 the end of the day, on balance, it helps
21 families, it helps businesses, and it shows
22 New Yorkers that we're able to get our work done
23 on time just like they have to do every day.

24 Thank you, Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 Larkin.

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

4 I don't want to belabor the evening,
5 because I'm getting close to time to be on that
6 dollar, you know. But I want to thank my
7 colleagues for what they've said on this bill.

8 John Flanagan, you're a hero in my
9 district and I hope the rest of the state,
10 because John Flanagan told you what really is
11 going on, the real score. And I hear some of you
12 arguing about it. Go talk to the Governor.
13 After his name it says "D." After the Assembly
14 leader it says "D."

15 But getting back to the couple of
16 issues that I'm deeply concerned about. I've had
17 the privilege of working with Senator Ball on the
18 cemeteries. We've gone to Washington, we've gone
19 to New York, we've gone to cemeteries around.

20 Some of you, it doesn't really hit
21 you. It does me. Two years ago when I went to a
22 reunion on the 1st Cav Division, there were four
23 out of our battalion. When I go to the reunion
24 in September, I have been told that I'm the only
25 one left out of that battalion of 1280 people.

1 These people don't want to get
2 buried in a cemetery 100 miles away, they want to
3 get buried in a cemetery where they can go. John
4 Bonacic and I have been very, very fortunate in
5 putting a cemetery in Orange County. With a lot
6 of help, we've put benches in there for reading
7 time where they can just take time to think about
8 the loved ones that are buried there.

9 But the federal government is
10 saying, Here's some money, New York, get off
11 your -- and do it. What's said here in this
12 bill, how we should do it, how it will come
13 about, how will funds. Again, I ask you to think
14 about your grandfather, your uncle, your
15 nurses -- your mother or sister who was a nurse
16 and killed. Think about it.

17 Bring it all the way up to today.
18 Seven hundred Americans are dying every day that
19 were World War II combat veterans. Bring it
20 closer to home: 192 American female officers
21 have been killed in Iraq and Afghanistan, 591
22 severely injured. Case -- how bad? How long?
23 Just think about it.

24 Yes, I carry my military service on
25 my shoulder because I had the opportunity as a

1 young lieutenant from South Troy, New York, to
2 command an all-black company in Korea. It wasn't
3 called African-American. But they're dying. And
4 that blood is the same on you as them.

5 And I challenge you to support
6 Senator Ball and the leader who's given us the
7 blessing to go ahead with it. It's very
8 important. It's something that you can't get
9 away from. Take a look at your newspapers. Here
10 in Albany it shows you someone with the flag and
11 tells you about his service to his country, or
12 her service to the country.

13 So a bill in front of us that
14 covers, encompasses a lot of things. As many
15 people on this side of the aisle have said,
16 there's nothing perfect. I remember the two
17 years we were in the minority, and I remember the
18 12 years I was in the minority -- Michael was
19 with us, John was with us. We were in the
20 Assembly. We never even got to discuss like you
21 folks do on this side today.

22 So let's sit back and maybe instead
23 of finding all the fault, think back and say, you
24 know, maybe I'm a little at fault. I never went
25 across and asked Senator Flanagan, I never went

1 across and asked Senator Ball, never asked Kenny
2 LaValle. Think about it. You're at fault too
3 just to sit here, 1:55 in the morning a.m., and
4 say all of these things.

5 Think about -- go through your notes
6 and say how often did you walk across the aisle
7 or go from the Capitol to the LOB or LOB to the
8 Capitol and say "I don't understand, can you
9 explain to me." Just look at the State Insurance
10 Fund that's in there that Jim Seward's doing.

11 Let's do a little more cooperate and
12 graduate. And don't forget those who made this
13 the best damn country in the world.

14 ACTING PRESIDENT GRIFFO: Senator
15 Martins.

16 SENATOR MARTINS: Thank you,
17 Mr. President.

18 You know, there's a lot of good
19 things in this bill, and I will be voting aye in
20 support of this bill.

21 I think it's important that we
22 clarify a couple of things. There's a billion
23 dollars in additional aid to education.

24 ACTING PRESIDENT GRIFFO: Can I
25 have order in the house, please.

1 Senator Martins.

2 SENATOR MARTINS: Thank you.

3 There's an additional billion
4 dollars that's going to help each and every one
5 of our school districts. In my district, those
6 districts that are most in need, the highest-need
7 districts, including districts that have
8 87 percent free and reduced lunch, are getting
9 more. And it should be that way. This budget
10 addresses the needs of our local school districts
11 in ways that frankly I haven't seen in my time
12 here. And it's a testament to the hard work of
13 everybody who put this budget together.

14 And is it perfect? No. But it's
15 the product of compromise. And I think if you
16 look through this bill and you look for
17 perfection, you're not going to find it. You're
18 going to find a product that was arrived at
19 because we're willing to compromise, which is
20 also important.

21 It's a big state. We have
22 19 million people who live in this state, and I
23 can guarantee you that people who live in Buffalo
24 and people who live in my own district in
25 Nassau County don't necessarily see things eye to

1 eye. I can also guarantee you that people who
2 live in my district and people who live in
3 Senator Addabbo's district, who are only a few
4 miles away, may not necessarily see things eye to
5 eye as well.

6 But it's through this process that
7 we're able to reach compromise. And it's through
8 this process that we kept a budget limited to
9 2 percent increase in spending and we're able to
10 provide the kinds of things that we're talking
11 about today.

12 There was a comment made about
13 pension smoothing a few minutes ago, and I think
14 it's important that we comment on that, at least
15 that I do, because I find it important that we do
16 provide opportunities for our local
17 governments -- our villages, our towns, our
18 counties and our school districts -- to be able
19 to avail themselves of relief where they need
20 it.

21 And for those of us who understand
22 what it's like to run a local municipality and
23 where our pressure points are, this portion of
24 our budget that deals with pension reform is
25 every bit as important to our local

1 municipalities as that increase in aid that I
2 just mentioned.

3 The ability of our municipalities to
4 find relief from these pensions that are
5 strangling their ability to meet the
6 responsibilities not only to our taxpayers and to
7 their residents, but also to our children that
8 they're educating, this portion of our bill that
9 deals with pension smoothing is extraordinarily
10 important, especially now as we understand the
11 pressure that pension costs are placing on our
12 local municipalities.

13 And it's an option. It's an option
14 that we give, it's a tool that we provide for our
15 local communities. And it should be.

16 So for those who look at it perhaps
17 as something less desirable, I would suggest that
18 perhaps we should trust our local communities --
19 our villages, our towns, our counties, our school
20 boards -- to make the right decisions for
21 themselves, to understand that as pension costs
22 go up, they will also come down, and they need
23 relief today.

24 So for the City of Yonkers, for the
25 Village of Mineola, for our school districts,

1 they need relief today. And they'll provide that
2 relief and they'll find that relief through this
3 bill, but they'll also find that relief when
4 those pension costs come down and they're able to
5 address those costs without penalizing those
6 students who are going to school today. Because
7 those students who are in our schools should not
8 be without simply because they happen to be going
9 to school at a time when our pension costs are at
10 the highest that they've ever been.

11 So yes, this pension-smoothing
12 portion of this bill is important. It's very
13 important to all of our school districts. It's
14 very important to all of our municipalities. It
15 makes a difference, it will make a difference in
16 the bottom line, and it will make a difference in
17 our ability to continue to provide quality
18 education to our kids.

19 So, Mr. President, I'll be voting
20 aye. But I want to congratulate the Governor and
21 I certainly want to congratulate the leadership
22 of our chamber and certainly Senator Skelos for
23 his leadership on this issue. This option, when
24 it comes to pension smoothing, provides options
25 for our local communities, and that's where we

1 should be.

2 Thank you very much.

3 ACTING PRESIDENT GRIFFO: Senator
4 LaValle.

5 SENATOR LaVALLE: Thank you,
6 Mr. President. Very briefly.

7 But I did want to take a few minutes
8 to talk about what we did for community colleges,
9 critically important for every member. And
10 whether you are in the City of New York or from
11 Montauk to Niagara Falls, we have done, I
12 believe, an excellent job.

13 We've increased base aid for the
14 second year in a row, \$150 per FTE. One of the
15 things that came up in Senator DeFrancisco's
16 hearing last year and again this year was
17 remediation, where we're spending \$70 million at
18 our community colleges to have remediation
19 programs. And we're not sure, after spending
20 \$70 million, whether we're getting students on
21 course and out the door to get a degree or a
22 certificate program.

23 We established here a program called
24 GAP, Graduation, Achievement and Placement.
25 That's our remediation program for the State

1 University. City University has also a program,
2 ASAP, which is an excellent program. But we put
3 money in the budget to ensure that our
4 localities are covered. And also a work training
5 program, to make sure that our community colleges
6 have programs to get students into either
7 certificate programs or degree programs that will
8 ensure that they have a job at the end of their
9 education.

10 And lastly, Senator Grisanti had
11 mentioned contract courses that have been a very
12 perplexing problem. We have codified the
13 recommendations that were made in the SUNY/CUNY
14 report to our Higher Education Committees and to
15 the Legislature.

16 I will be voting in favor of this
17 budget. Thank you.

18 ACTING PRESIDENT GRIFFO: Senator
19 Rivera.

20 SENATOR RIVERA: Thank you,
21 Mr. President. I will be brief.

22 While I can certainly support
23 Senator Larkin, Senator Zeldin, Senator Ball and
24 certainly Senator Nozzolio on the particular part
25 of the bill that they pointed out as far as

1 veterans cemeteries are concerned, I have to
2 agree wholeheartedly with my colleague Senator
3 Latimer. And I have to say that we are looking
4 at a bag full of kumquats, ladies and gentlemen.

5 Let's make sure we take stock here.
6 I'll talk briefly at the end about minimum wage
7 and the DREAM Act, but most of my colleagues have
8 made a lot of these points, so I'll just repeat
9 them all again.

10 The 18-a assessment is not taken
11 away. Something that has not been mentioned,
12 this would be the bill that would include money
13 for SUNY Downstate. It's not in there. The
14 unemployment insurance that Senator Krueger
15 pointed out.

16 There's another thing that has not
17 been mentioned, speed cameras, that were included
18 in the Assembly one-house and were not included
19 in this bill. The sweep of \$20 million that was
20 mentioned before. The lack of TPU funding. The
21 minimum wage, well, that's -- that is the biggest
22 kumquat of all, ladies and gentlemen. It is a
23 bad, bad deal. Not only does it have no
24 indexing, it goes up to \$9 an hour a few years
25 from now when it will be irrelevant. It does not

1 include tipped workers. It doesn't have
2 indexing. We're going to have this political
3 battle a few years from now because we're not
4 putting indexing in there.

5 And far as the DREAM Act, and I just
6 need to reiterate this, it is very simple. Those
7 of us that support the DREAM Act believe that any
8 person that has been successful in our
9 educational system should have access to our
10 higher educational system regardless of their
11 immigration status. Maybe \$26 million is what it
12 would cost in a budget of \$142 billion or
13 140-something. That is ridiculous. It is
14 something that should be included here.

15 So for all of those reasons, it is a
16 bag full of kumquats. And, ladies and gentlemen,
17 I do not like kumquats. I will be voting in the
18 negative on this bill.

19 ACTING PRESIDENT GRIFFO: Senator
20 Flanagan.

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

23 Having listened to a number of the
24 comments from our colleagues, I just want to
25 comment overall on the education budget. And I

1 want to thank Leader Skelos and Leader Klein for
2 their advocacy.

3 You know, if you look where we
4 started, the Governor gave us a good template.
5 And he deserves credit for putting more money
6 into education. Based on what we did last year,
7 if the Governor had followed the law we would
8 have been starting out about \$200 million less
9 than where we were when he came out with his
10 budget. So he in a positive way overlooked what
11 we did last year, put more money on the table,
12 put up a pot of about \$200 million that everyone
13 knew we were going to do something with. So
14 where he started gave us a very good opportunity
15 to move ahead in a positive way.

16 I think two basic things stick in my
17 mind. No matter what community you live in, no
18 matter what your level of income, your education,
19 parents want the same thing, every corner, every
20 community in this state. They want access and
21 opportunity for their child to have a quality
22 public education.

23 I believe with this budget that we
24 are investing in public education and that we are
25 properly funding, within the fiscal constraints

1 that we have to, education in the State of
2 New York. We should not have to apologize for
3 the amount of money that's in this budget. Last
4 year, \$750 million, about a billion dollars this
5 year. We are making very strong progress.

6 And frankly, everybody who has
7 talked about different parts of this budget, the
8 education part of this budget, last year and this
9 year, has the highest and largest growth compared
10 to everyone. So we should all be proud of the
11 fact that there is more money on the table.

12 There are a couple of things. All
13 of our colleagues talked about the gap
14 elimination adjustment. The Senate advocated for
15 the elimination of that in three years. And
16 frankly, we didn't have partners the way we
17 needed to with the Assembly and the Executive.
18 But we put it out there, it's something our
19 members strongly believe in.

20 We reduced that by over half a
21 billion dollars. That's very strong progress.
22 High tax aid. People used to think about that as
23 a downstate phenomenon. It affects 48 counties,
24 over 300 districts. The way the Governor
25 structured it was adverse to the interests of

1 many communities up in Senator Seward's area,
2 Senator Little, Senator Young, Senator Maziarz,
3 Senator Farley. We fixed that.

4 We did a number of good things.
5 Reject the 4201 school cost shift; that was
6 \$16 million to those schools. Fourteen million
7 dollars for teacher centers. Senator Farley,
8 \$4 million for libraries. Those are all very
9 positive things that are contained within this
10 budget.

11 Can you pick certain things apart?
12 Would someone want to change the gap elimination
13 adjustment? Yes. Do I believe we put good money
14 in for nonpublic schools? Do I support that for
15 the safety of all kids, no matter what type of
16 school you attend? I very strongly support that,
17 and I think many of my colleagues do.

18 So the way I think we should be
19 viewing this is as a very positive step forward
20 and how do we continue to build on this. We are
21 going to have to talk about regional high
22 schools, distance learning, technology and
23 computers for kids in all communities across the
24 State of New York, but that's going to be part of
25 where we go. So no one should feel badly about

1 what we've advocated for. In terms of public
2 education in the State of New York,
3 \$21.128 billion. That is a lot of money, and
4 that is a very strong investment in kids in every
5 part of the State of New York.

6 Thank you.

7 ACTING PRESIDENT GRIFFO: Thank
8 you, Senator Flanagan.

9 Senator Savino.

10 SENATOR SAVINO: Thank you,
11 Mr. President.

12 Unlike some of you who seem to get
13 livelier as the night goes on, I am not a person
14 who likes to be up this late. Senator Gipson, I
15 too hate being out at this time of the night.
16 But of course what we're doing here is critically
17 important.

18 This is the ninth time that I've had
19 the opportunity as a member of this body to vote
20 on a budget, and I will tell you I have never, in
21 the nine years I've been here, voted on a perfect
22 budget. None of them have been perfect --
23 whether you guys were in charge, whether we were
24 in charge, whether a conglomeration of us were in
25 charge, we have never had a perfect budget.

1 Yes, budgets are a product of
2 disparate issues, Senator Latimer. This budget
3 certainly is the same thing. But it's important
4 and it's necessary because we are a disparate
5 state of varied interests. It is what joins us
6 all together. We are forced then to support
7 issues that are not necessarily as important to
8 ourselves but to each other. That's how this
9 state runs.

10 You know, this is a state that,
11 while those of us downstate like to think the
12 economic engine is Wall Street, it is not. It's
13 agriculture. Those of you upstate don't
14 understand our way of living downstate. And it's
15 only by forcing us to deal with issues that seem
16 to be disparate of nature but in the same package
17 that we're able to move the state forward.

18 There's a lot of good in this bill,
19 in the ELFA bill. There's a lot of good things.
20 You've heard some people talk about the increased
21 education. Is it enough? Never enough. You've
22 heard people talk about an issue that has taken
23 several years to finally get dealt with. Is it
24 perfect? No. But it is finally we are doing
25 unemployment insurance reform. Raising the wage

1 and indexing it there, but also finding a way to
2 deal with the trust fund and making sure that we
3 have a solvent fund going forward into the
4 future.

5 We're continuing in our efforts to
6 deal with workers' compensation reform. Started
7 it a few years ago, we're not done yet, and we're
8 going to continue to work on it.

9 But I remember an issue that I got
10 involved in, oh, 15 years ago, long before I ever
11 thought of becoming a member of this body. In
12 1998 I was a caseworker working for the city. I
13 was very active, I went to work for my union.
14 And one of my assignments working for the union
15 was to attend a meeting of a new organization
16 that was just starting, the Working Families
17 Party. I don't know whether that was a
18 punishment or an assignment at the time.

19 But I went to the first meeting and,
20 joining with other unions and other
21 organizations, we formed the Working Families
22 Party. We got a ballot line that year and the
23 next year began what became a six-year campaign
24 to raise the minimum wage in New York State. Six
25 years it took to get that bill to this floor.

1 And in July of 2004 the New York
2 State Legislature, the Senate and the Assembly,
3 passed a bill to raise the wage in New York State
4 to \$6 an hour, which would go into effect January
5 of 2005, \$6.76 in 2006, \$7.15 in 2007.

6 I actually went back and I looked at
7 the floor debate on the day the bill was passed.
8 And then, after the Governor vetoed it, I was
9 here in this chamber as a Senator-elect as I
10 watched the Senate override the Governor's veto,
11 and I've looked up the comments on the floor that
12 day. And nobody talked then about the importance
13 of indexing. Everybody was very proud of the
14 fact that we had passed a minimum wage, we tiered
15 it, it was going to phase in over a few years,
16 and that workers were going to get a raise.

17 So I was somewhat perplexed by the
18 demand that we had to do it by indexing this
19 time. And while indexing is certainly something
20 we should, you know, try and achieve someday, it
21 is not necessarily the panacea that people think
22 it is. According to the Congressional Budget
23 Office economic outlook report which was put out
24 in February of 2013, if we had started indexing
25 the last time the minimum wage went up in 2009

1 when the federal government finally did it, and
2 we started at \$7.25, we would not reach \$9 an
3 hour until January 2020.

4 Now, it's very hard to predict the
5 future of the CPI. But according to the
6 Congressional Budget Office, we wouldn't get to
7 \$9 an hour until January 2020. Well, under the
8 minimum wage that we're passing, while it may not
9 be perfect and I always think workers deserve
10 more, we're going to get to \$9 an hour by the end
11 of 2015, long before indexing would get us
12 there.

13 Quite frankly, ladies and gentlemen,
14 indexing is better for the business community
15 than it is for workers. And the best reason why
16 is it gets people like us out of the business of
17 tinkering with the wage floor. We stopped trying
18 to politic on it. In fact, the best way for
19 workers to get a decent wage is the old-fashioned
20 way, by belonging to a union and getting in at
21 the bargaining table.

22 But in the meantime, we're going to
23 take a step forward tonight and we're going to
24 pass an increase in the minimum wage. Is it
25 perfect? No. Is it enough? Never. It never

1 will be. But it's certainly more than workers
2 get now, and it's not nearly as much as they
3 deserve.

4 We're going to do a lot of good
5 things in this budget, but we're never going to
6 do enough for working people, in my opinion. But
7 together, bringing together our disparate
8 interests, our disparate opinions, we're going to
9 come out with a product that helps working people
10 across this state, whether it's local governments
11 dealing with their rising pension costs, whether
12 it's local school districts dealing with their
13 education costs, whether it's workers being able
14 to achieve a little bit more, earn a little bit
15 more and spend it in their local economy.

16 That's what we're supposed to do
17 here, setting aside our differences, finding
18 common ground, building consensus and doing the
19 right thing for the people of the State of
20 New York.

21 Thank you, Mr. President.

22 ACTING PRESIDENT GRIFFO: Hearing
23 and seeing no other Senator who wishes to be
24 heard, debate is closed.

25 The Secretary will ring the bell.

1 Read the last section.

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

4 ACTING PRESIDENT GRIFFO: Call the
5 roll.

6 (The Secretary called the roll.)

7 ACTING PRESIDENT GRIFFO: Senator
8 Carlucci to explain his vote.

9 SENATOR CARLUCCI: Thank you,
10 Mr. President. To explain my vote.

11 I'll be voting in the affirmative,
12 and I want to thank my colleagues for doing the
13 same.

14 Tonight we're taking a bold step.
15 Right now we've heard a lot of talk. Right now
16 the minimum wage in New York State is \$7.25 an
17 hour. That means if you work 40 hours a week,
18 you're making \$290 a week. If you work 52 weeks
19 a year, 40 hours a week, you don't take an hour
20 off, that's \$15,080 before taxes. So I want to
21 thank my colleagues tonight for taking the bold
22 step to make sure that we raise the floor, that
23 we lift people out of poverty, working people out
24 of poverty.

25 Another bold step in this budget

1 bill is to put money into people's pockets.
2 Right now in the Hudson Valley we have some of
3 the highest utility rates in the nation. By
4 taking this bold step of phasing out
5 Assessment 18-a, we're improving the quality of
6 life of people in the Hudson Valley and around
7 New York State by putting more money in their
8 pockets and increasing our opportunities to do
9 business and attract businesses to grow in
10 New York State.

11 In addition, we're doing one of the
12 most important things we can do and fulfill our
13 commitment to provide an excellent education to
14 our children. And we're doing that tonight by
15 increasing education to our public schools by
16 over a billion dollars.

17 So, Mr. President, I'll be voting in
18 the affirmative and I thank my colleagues for
19 doing the same. Thank you, Mr. President.

20 ACTING PRESIDENT GRIFFO: Senator
21 Carlucci to be recorded in the affirmative.

22 Senator Squadron to explain his
23 vote.

24 Again, a remainder, we're on the
25 two-minute rule.

1 Senator Squadron.

2 SENATOR SQUADRON: Thank you,
3 Mr. President, in less than five minutes.

4 (Laughter.)

5 SENATOR SQUADRON: We have a moral
6 obligation to those who work to make a better
7 life for themselves, and even their work does not
8 lift them out of poverty. We had an
9 opportunity -- the President of the United
10 States, representing a nation where the cost of
11 living is significantly lower than it is in large
12 parts of our state, called for a \$9 minimum wage
13 with indexing.

14 We have a Governor who called for an
15 \$8.75 minimum wage this year. We are not
16 delivering that promise to workers this year. We
17 are not delivering that promise to workers next
18 year. We are not delivering the promise of an
19 increasing minimum wage that increases with the
20 cost of living to workers at any point.

21 It is hard to vote against any
22 budget bill because of all of the things that are
23 in it, but we must stand up and say this minimum
24 wage is not the one that the workers of our
25 state, of New York City and Buffalo and Syracuse

1 and Rochester and every county deserve. So we
2 must stand up and say no to this bill, yes to the
3 amendment that Senator Espaillat put forward at
4 the beginning. I was proud to vote yes on that.

5 I wish we would have had a chance to
6 vote on the DREAM Act. I wish we would have had
7 a chance to vote on indexing. I wish we would
8 have had a chance to vote on the minimum wage the
9 President of the United States has put forward.
10 We don't have that opportunity. So I sadly need
11 to vote no tonight.

12 Thank you, Mr. President.

13 ACTING PRESIDENT GRIFFO: Senator
14 Squadron to be recorded in the negative.

15 Senator Gipson to explain his vote.

16 SENATOR GIPSON: Thank you,
17 Mr. President.

18 I will be voting yes on this bill,
19 but I do want to take this opportunity to say
20 that I am really disappointed that this bill does
21 not significantly address property tax relief.
22 It is something that is critical to the people in
23 my district as well as most New Yorkers. That's
24 important because the way that school taxes are
25 funded in many parts of the state are through

1 property taxes, and it is creating great
2 inequality in our school system.

3 I am disappointed that this bill did
4 not go far enough in addressing that, and I am
5 hoping that in future sessions that my colleagues
6 will look at my Equity in Education bill which
7 would drastically change the way that we fund
8 education. It would make our school system
9 better, and I believe it would save all of our
10 property owners a great deal of money in taxes.

11 I also, of course, have to note that
12 it's almost 2:30 in the morning. I appreciate my
13 colleague's comparison using a fruit as a
14 metaphor, but I'm going to stick with vampires.
15 This is a vampire bill; we should be doing this
16 in the light of day.

17 Thank you.

18 ACTING PRESIDENT GRIFFO: Thank
19 you, Count Gipson.

20 (Laughter.)

21 ACTING PRESIDENT GRIFFO: Announce
22 the results.

23 THE SECRETARY: In relation to
24 Calendar Number 277, those recorded in the
25 negative are Senators Dilan, Espaillat, Hoylman,

1 Krueger, Parker, Peralta, Perkins, Rivera,
2 Sampson, Sanders, Serrano, and Squadron. Also
3 Senator Montgomery.

4 Ayes, 47. Nays, 13.

5 ACTING PRESIDENT GRIFFO: The bill
6 is passed.

7 Senator Libous.

8 SENATOR LIBOUS: Thank you,
9 Mr. President.

10 At this time could we take up, on
11 the controversial calendar, Number 275, please.

12 ACTING PRESIDENT GRIFFO: The
13 Secretary will read Calendar Number 275.

14 THE SECRETARY: Calendar Number
15 275, Senate Budget Bill, Senate Print 2603E, an
16 act making appropriations.

17 ACTING PRESIDENT GRIFFO: Senator
18 Gianaris, why do you rise?

19 SENATOR GIANARIS: Mr. President,
20 first, just to clarify. This is the Aid to
21 Localities budget bill, if I'm not mistaken; is
22 that correct?

23 ACTING PRESIDENT GRIFFO: That's
24 correct.

25 SENATOR GIANARIS: Thank you,

1 Mr. President.

2 I believe there's an amendment at
3 the desk. I ask that the reading of the
4 amendment be waived and that Senator Avella be
5 heard on the amendment.

6 ACTING PRESIDENT GRIFFO: Senator
7 Gianaris, as I review the amendment I rule that
8 the amendment is out of order, as it attempts to
9 direct appropriations. As such, it is an
10 impermissible substitution under Constitution
11 Article 7.

12 SENATOR GIANARIS: Mr. President, I
13 appeal from that decision and ask that Senator
14 Avella be heard on the appeal, please.

15 ACTING PRESIDENT GRIFFO: Senator
16 Avella, you may be heard.

17 SENATOR AVELLA: Thank you,
18 Mr. President.

19 The amendment that I offer will
20 fully restore the original 6 percent
21 across-the-board cut in state funding for the
22 provision of Medicaid services to people with
23 developmental disabilities, which represents
24 approximately \$120 million.

25 The budget before us tonight

1 proposes a \$90 million or 4.5 percent cut to all
2 OPWDD non-for-profit supports and services.
3 Combine that with the loss of matching federal
4 dollars, that translates into \$180 million.

5 A full restoration, which my
6 amendment says, of the \$120 million cut contained
7 in the amended Executive Budget proposal, with
8 matching federal dollars, totaling \$240 million,
9 will ensure that the nonprofit providers of these
10 critical services are not driven out of business
11 and can continue offering residential programs
12 and day services to those sorely in need.

13 The disability service cuts proposed
14 in this budget represent the largest single
15 budget cut that this sector has ever faced, even
16 after going seven years without cost-of-living
17 adjustments and a series of smaller reimbursement
18 cuts that add up to an estimated 9 percent budget
19 reduction for these agencies, totaling almost
20 \$350 million.

21 If these programs stop providing
22 these essential services to this vulnerable
23 population, then who else will? Who will take
24 care of those living in group homes, unable to
25 care independently for themselves? It will fall

1 on the families of the disabled, who are
2 ill-prepared and ill-equipped to be able to
3 shoulder this responsibility.

4 Eighty-five percent of the money
5 spent by voluntary providers is on staff
6 providing direct care support. A cut of this
7 magnitude as proposed in this budget will result
8 in thousands of jobs laid off across the state.
9 And as Senator Tkaczyk said earlier, all the
10 organizations are in every Senate district in
11 every neighborhood in this state.

12 Without the funding restoration
13 proposed in this budget amendment, these budget
14 cuts will threaten the quality of life for the
15 120,000 vulnerable people who need the continued
16 and uninterrupted support. These OPWDD-funded
17 service providers, already struggling
18 financially, simply cannot sustain another
19 funding cut. And, my colleagues, this is death
20 by a thousand cuts. Every year they've had to
21 assume another cut, and here we are making a very
22 minimum restoration in this budget.

23 And I can tell you, a number of
24 these organizations are going to close. The
25 result is thousands of workers out of work and

1 hundreds of clients who need these services.

2 Where will they go?

3 And, Mr. President, my amendment
4 seeks to do something which I think this body is
5 always concerned about, and that is representing
6 those who cannot represent themselves. And it
7 also reflects the will of the members of this
8 chamber who, when we voted the one-house bill,
9 included a full 6 percent restoration, as well as
10 the Assembly.

11 So I urge my members to support the
12 amendment.

13 ACTING PRESIDENT GRIFFO: Thank
14 you, Senator Avella.

15 The question is on the ruling of the
16 chair, a procedural question. All those in favor
17 of overruling the chair signify by saying aye.

18 SENATOR GIANARIS: Show of hands,
19 please, Mr. President.

20 ACTING PRESIDENT GRIFFO: Senator
21 Gianaris has requested a show of hands; it is so
22 directed.

23 All those in favor of overruling the
24 chair please raise your hand.

25 (Show of hands.)

1 ACTING PRESIDENT GRIFFO: Announce
2 the results.

3 THE SECRETARY: Ayes, 26.

4 ACTING PRESIDENT GRIFFO: The
5 ruling of the chair is sustained.

6 Senator Gianaris, why do you rise?

7 SENATOR GIANARIS: Mr. President, I
8 believe there is another amendment at the desk.
9 I ask that a reading of that amendment be waived
10 and that Senator Krueger be heard on the
11 amendment.

12 ACTING PRESIDENT GRIFFO: Senator
13 Gianaris, I have reviewed your amendment, and it
14 also is out of order, as it continues to direct
15 appropriations, which is an impermissible
16 substitution under the Constitution, Article 7.

17 I will call upon Senator Krueger for
18 the appeal.

19 Senator Krueger.

20 SENATOR KRUEGER: Thank you,
21 Mr. President.

22 I rise to argue that my amendment is
23 not only germane, appropriate, friendly, but the
24 right thing for this house to do.

25 In this amendment I offer today I'm

1 proposing an expansion of the funds for the Aid
2 to Localities appropriation bill currently before
3 the house. Specifically, I am proposing an
4 amendment which would add \$200 million to AIM for
5 cities, towns, villages through the Aids and
6 Incentives for Municipalities program under the
7 Local Government Assistance in the approps bill.

8 The AIM program, also known as
9 revenue sharing, is a mechanism to provide relief
10 to localities. It has a proven history of
11 success in the state and at the national level
12 and, when sufficiently funded, it effectively
13 suppresses the growth of municipal property tax
14 levies.

15 In fact, it was 1971, the State of
16 the Union address by President Richard Nixon,
17 where he laid out his proposal for revenue
18 sharing and highlighted that the money should not
19 stay at the highest level of government but
20 should be distributed back to the people in
21 localities in states where the real work got
22 done.

23 So while it's rare for me to stand
24 up in support of Richard Nixon's economic
25 policies, in fact he was ahead of his time and

1 revenue sharing proved to be a successful model
2 for assisting states, from the federal government
3 moving money to the states, and, from our state
4 and our state's history, moving that money to
5 localities.

6 Now, part of the problem is our
7 model for revenue sharing is over 50 years old.
8 And so in fact the Office of the State
9 Comptroller and several academics have
10 highlighted how we should reevaluate and change
11 how we're distributing AIM funding.

12 But, as has also been pointed out by
13 every local mayor and county exec who came to
14 testify at the budget hearings that I sat through
15 with Senator John DeFrancisco and many of the
16 other Senators here, what they're desperate for
17 is money to make sure they can pay their bills.
18 And they are desperate.

19 They are desperate because of a
20 number of different actions that we have taken
21 where we have capped how much they can tax
22 themselves in property taxes. We have decreased
23 the funding to local assistance programs,
24 literally through cuts of 5 percent, 10 percent,
25 15 percent, year in, year out. We say we offer

1 them solutions by allowing them to do pension
2 smoothing, where they have to borrow money and
3 pay it back with interest.

4 Don't you think it would just be
5 easier, fairer, and objectively a better model
6 for us just to provide some additional revenue
7 sharing?

8 AIM funding has provided significant
9 municipal property tax relief and, under my
10 amendment, this AIM funding would increase by
11 nearly 21 percent over current funding in the
12 next fiscal year, providing \$100 million to
13 cities, towns, and villages outside the City of
14 New York and \$50 million to the City of New York.

15 Now, in fact, for the record, we owe
16 the City of New York over \$300 million in AIM
17 funding that we kept putting in budgets over the
18 last several years but then, notwithstanding,
19 never giving them the money. So \$50 million is
20 by and large a symbolic effort to recognize their
21 needs and rights to revenue sharing.

22 The amendment separately and
23 distinctly states as an additional item in the
24 amount of \$200 million and refers to it as a
25 single object or purpose in full compliance with

1 the constitutional requirements set forth by the
2 Court of Appeals. It's not only a legitimate
3 thing to do at 2:30 in the morning with this
4 bill, it's the right thing to do. And there is
5 not a county, town, city or village in this state
6 that wouldn't immediately recognize how important
7 this money could be to them.

8 I urge a yes vote to allow this
9 amendment to go before the house.

10 Thank you, Mr. President.

11 ACTING PRESIDENT GRIFFO: Thank
12 you, Senator Krueger.

13 Again, the question is on procedures
14 of the house. All those in favor of overturning
15 the ruling of the chair signify by saying aye.

16 (Response of "Aye.")

17 SENATOR GIANARIS: Show of hands,
18 Mr. President.

19 ACTING PRESIDENT GRIFFO: Senator
20 Gianaris has asked for a show of hands; it is so
21 instructed.

22 Please raise your hands if you
23 choose to overrule the ruling of the chair.

24 (Show of hands.)

25 ACTING PRESIDENT GRIFFO: Announce

1 the results.

2 THE SECRETARY: Ayes, 26.

3 ACTING PRESIDENT GRIFFO: The
4 ruling of the chair is sustained.

5 On the bill, Senator Kennedy.

6 SENATOR KENNEDY: Thank you,
7 Mr. President.

8 There's a lot in this bill, and I
9 believe much to be proud of. I rise to speak
10 about the important initiatives that I am
11 particularly pleased to see included.

12 First of all, Operation SNUG. As
13 many of you know, SNUG -- which is "guns" spelled
14 backwards -- is an antiviolence program which
15 combats gang activity and violence in communities
16 across the state. SNUG officials act as our eyes
17 and ears on the front lines in neighborhoods hit
18 hardest by street violence. They partner with
19 law enforcement to interrupt violence by
20 intervening in potentially violent situations and
21 striving to calm the situation before it turns
22 deadly.

23 It's an innovative solution to a
24 problem that needs a sustained and relentless
25 focus. Sadly, gang activity has taken hold of

1 our streets, gunfire has torn through the homes
2 and parks of our neighborhoods, and local
3 families have had to endure the devastating
4 consequences of death and destruction. And I
5 believe that we believe enough is enough.

6 God knows I wish gangs and the
7 violence they bring weren't the problem,
8 especially in cities like my hometown of Buffalo,
9 New York. But the unfortunate reality is that
10 they are. And we're witnessing it every single
11 day. Homicides are up in the City of Buffalo and
12 cities like Buffalo all across New York State and
13 the nation.

14 We can't pretend that this problem
15 does not exist. We can't ignore it or wish it
16 away. And there are too many lives at risk. The
17 safety of our communities and the quality of life
18 in our communities across New York State are at
19 risk.

20 By relaunching Operation SNUG, we'll
21 cut down on gang activity, curb senseless
22 violence in our streets, and make Buffalo and
23 cities like it across our state safer. I wish to
24 commend and thank all those involved for
25 supporting this program which I believe will save

1 lives.

2 If this budget accomplishes nothing
3 else, as it pertains to education, it increases
4 our commitment to education. And what could be
5 more important? Education is a stepping stone to
6 success, and maintaining our commitment to
7 students at our educational institutions is key
8 to the future success of New York State.

9 For years, we in Western New York
10 have been fighting for fair and equitable funding
11 for our schools. This year the Buffalo public
12 schools will see an increase of over
13 \$10 million. State aid climbs upward for all
14 districts in the Town of Cheektowaga, and
15 Lackawanna schools will receive a 6.2 percent
16 increase as well. These increases will help
17 ensure that the students of Western New York are
18 well-educated and prepared for the jobs of the
19 21st century.

20 But there's so much more to do.
21 School districts in cities like Buffalo need
22 enhanced state support in order to provide the
23 educational opportunities our children deserve.
24 Every student in New York State deserves access
25 to a high-quality education. The location of

1 your home should not determine the educational
2 opportunities presented to our children.

3 Nelson Mandela once said "Education
4 is the most powerful weapon which you can use to
5 change the world." Without the opportunities
6 that a quality education provides, we're
7 sentencing our children to a lifetime of
8 hardship. The children of Western New York need
9 our support. And as long as I'm their State
10 Senator, I'm going to fight to ensure they
11 receive their fair share in our part of the
12 state.

13 This budget also includes important
14 funding for SUNY Centers of Excellence. The
15 Centers of Excellence are hyperfocused on
16 specific fields of study and geared to lead the
17 way in our innovation economy. In Western
18 New York we're privileged to have a Center of
19 Excellence in Bioinformatics and a second Center
20 of Excellence in Life Sciences and Center of
21 Materials Informatics.

22 The UB Center in Bioinformatics and
23 Life Sciences is a hub of expertise and
24 innovation in upstate New York. This
25 collaborative effort is generating groundbreaking

1 research that is improving the health and
2 well-being of people all over the world. Since
3 2001, the center has yielded 60 new life science
4 firms and retained or created 5,000 jobs in
5 Western New York.

6 The Center of Materials Informatics
7 will address the global shortage of advanced
8 materials for new technologies in critical
9 emerging industries. It will accelerate the
10 discovery and commercialization of innovative new
11 materials and give Western New York companies the
12 competitive edge they need to thrive. The
13 addition of \$500,000 in funding will spur
14 innovation, create jobs, and bring new business
15 to Western New York.

16 Also critical to growing our state's
17 economy, strengthening our infrastructure, and
18 rebuilding our roads and bridges is enhanced
19 transportation funding. As you know, I've been
20 pushing for more fair and equitable distribution
21 of State DOT dollars to Western New York, in
22 particular, Region 5, over the course of the last
23 several years. I'm pleased that some large-scale
24 transportation projects in Western New York were
25 included in the 2013-2014 memorandum of

1 understanding, projects that will create jobs,
2 improve public safety, and put people to work.

3 Many of these projects are scheduled
4 to begin this summer, which will hopefully make
5 it a healthy construction season. But we will
6 not fighting for full restoration of the
7 \$176 million that our region was shortchanged in
8 2008 and 2009. We're hopeful that New York Works
9 program and strategic transportation enhancement
10 program will provide specific and significant
11 funds for Western New York roads and bridges, in
12 addition in this year's core funding.

13 Our state must also ensure that
14 Western New York receives its fair share of
15 funding for our public transportation systems.
16 The NFTA receives less state operation assistance
17 per passenger trip or per revenue mile than the
18 other upstate agencies, despite being the state's
19 second-largest transit provider and the only
20 upstate system with light rail service. We must
21 address this issue moving forward.

22 And in regards to OASAS, I believe
23 this budget bill takes positive steps forward to
24 help New Yorkers who are recovering or struggling
25 with addiction. Many families don't know where to

1 turn for treatment or what services are available
2 to them when a loved one has fallen addicted. By
3 improving the mechanism through which we refer
4 families to these services, we can get our young
5 people into treatment faster and ultimately save
6 lives. This includes educating families in the
7 recognition and intervention of opioid abuse and
8 potential overdose.

9 We must continue to support and
10 improve drug prevention and education initiatives
11 across the state. The OASAS budget includes a
12 \$42 million appropriation for chemical dependency
13 prevention and treatment services. These funds
14 are critically important for communities that
15 have been hit hard by prescription drug
16 addiction, especially in Western New York, where
17 prescription drug abuse is sadly and
18 unfortunately 70 percent higher than the state
19 average, which is unfortunately and sadly too
20 high as it pertains to the rest of the nation.

21 Mr. President, I vote aye. Thank
22 you.

23 ACTING PRESIDENT GRIFFO: Senator
24 Sanders.

25 SENATOR SANDERS: Mr. President,

1 I'd like to speak on this bill.

2 ACTING PRESIDENT GRIFFO: Senator
3 Sanders on the bill.

4 Can I have some order in the
5 chamber, please.

6 SENATOR SANDERS: It must be late
7 in the evening. It's getting very late.

8 First, I want to applaud the people
9 who fought over the creation and the preservation
10 of SNUG. Senator Smith comes to mind, but so
11 many of my colleagues in here also played their
12 role, and I apologize if I don't know of
13 everyone. I think it's one of the great things
14 that this bill does offer.

15 But then I remember a small place
16 with a big scandal, a place called Willowbrook, a
17 scandal that is seared in my mind. I don't know
18 about you, but I remember it forever, the images
19 of the population that was supposed to be taken
20 care of by all of us in Willowbrook. And I
21 remember hearing then that people were saying
22 we'll never go here again, we'll never visit this
23 place again, we will do everything that we need
24 to do to make sure that this population is taken
25 care of in a just fashion.

1 But then I saw my neighbors made a
2 pilgrimage up to Albany, and they came to see
3 me. And they spoke and they said that there were
4 real problems brewing with the cuts that were
5 coming here, and they spoke of some horrendous
6 cuts that at first I didn't believe were possible
7 that we could do this to such a population. But
8 then again, the fears were true.

9 I'm glad that we were able to put
10 some money back in here, but nowhere near what
11 we're supposed to. So since the hour is late,
12 I'm going to just say that there must be a better
13 way. We've got to find a better way to balance
14 the budget than on the backs of the OPWDD
15 population. We've got to find a better way.

16 And that's why I'm going to have to
17 vote no on this one, although there are many good
18 things in this budget.

19 Thank you, Mr. President.

20 ACTING PRESIDENT GRIFFO: Thank
21 you, Senator Sanders.

22 Senator Gipson.

23 SENATOR GIPSON: Thank you,
24 Mr. President.

25 Of course this is yet another

1 vampire bill. But there is some very sad parts
2 of this bill that I just want to speak to. This
3 is a vampire bill. Not only are we driving a
4 stake through the heart of democracy right now,
5 we are also driving a stake through the heart of
6 those families who really were counting on us to
7 find a way to provide the amount of funding that
8 they need to continue to have the services that
9 the OPWDD provides.

10 I really don't know what's going to
11 happen to so many of these adults and children
12 that I know we have all talked to over the last
13 several months. I just don't know what's going
14 to happen to them. They go to schools now that
15 are going to be closed, they go to after-school
16 programs now that are going to be closed. I
17 don't know what's going to happen to the families
18 who are depending on these programs. They're
19 going to now have to find another place to put
20 their children. They're going to have very
21 limited options because we were not able to find
22 a way to get them the funding that they needed to
23 take care of this critical part of our
24 population.

25 We have a developmental disability

1 crisis in this state, in this country, and we are
2 simply not prepared to deal with it. So I am
3 asking that my colleagues both in the Senate and
4 the Assembly join me in continuing to find a way
5 to fight for these individuals that desperately,
6 desperately need our help.

7 Thank you.

8 ACTING PRESIDENT GRIFFO: Thank
9 you, Senator Gipson.

10 Senator Tkaczyk.

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

13 On the Aid to Localities bill, will
14 the sponsor yield to a question?

15 SENATOR DeFRANCISCO: Yes, I will.

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

18 SENATOR TKACZYK: Thank you.

19 The amount of money that was put
20 back for the OPWDD providers was \$30 million, yet
21 during the conference committee process the table
22 target was \$40 million. Could you explain what
23 happened to the other \$10 million?

24 ACTING PRESIDENT GRIFFO: Excuse
25 me, Senator DeFrancisco.

1 I'm going to ask for some order in
2 the house so the members can hear each other.

3 Senator Tkaczyk, if you can speak up
4 and please direct comments through the desk.

5 Senator DeFrancisco.

6 SENATOR DeFRANCISCO: The table
7 target at the conference committee meetings
8 between the Senate and the Assembly?

9 SENATOR TKACZYK: Yes.

10 SENATOR DeFRANCISCO: What happened
11 to the other \$10 million was that during the
12 ultimate negotiations, whatever the table targets
13 became were irrelevant. In fact, both houses
14 actually called for, in their one-house budgets,
15 a full restoration. So we couldn't get a full
16 restoration, the table target was 40, during the
17 negotiations it ended up at 30.

18 The fact that there's a table target
19 does not mean that's going to be the final
20 result. Because there's another party involved,
21 the Governor.

22 SENATOR TKACZYK: Will the sponsor
23 yield to another question.

24 SENATOR DeFRANCISCO: Yes.

25 ACTING PRESIDENT GRIFFO: Senator

1 DeFrancisco yields.

2 SENATOR TKACZYK: With regard to
3 the impact of this cut on the developmental
4 disabilities providers, is there any sense of how
5 many group homes are at risk of closure because
6 of this cut?

7 SENATOR DeFRANCISCO: Through the
8 chair, I can't give you specific estimates as to
9 specific closures or how it's going to affect
10 each group.

11 However, the budget includes
12 language to direct the Commissioner of OPWDD to
13 institute a savings plan developed in
14 consultation with a work group comprised of
15 individuals with developmental disabilities,
16 service providers, advocates and family members.
17 The work group will make recommendations, subject
18 to the approval of the Budget Director, on a
19 series of actions to mitigate the funding
20 reduction.

21 That will include but not be limited
22 to reducing provider administrative costs,
23 achieving administrative efficiencies, pursuing
24 audit recoveries -- maybe amounts that were
25 sought by providers that they weren't entitled

1 to -- and providing alternate payment models,
2 services and programming.

3 So it's not that simply there's
4 going to be a unilateral cut. This group is to
5 get together that consists of various
6 stakeholders to try to come up with ways to save
7 funding and use funding where it's most critical.

8 SENATOR TKACZYK: Will the sponsor
9 yield to another question.

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The
12 sponsor yields.

13 SENATOR TKACZYK: With regard to
14 the group homes, I'm going to make a projection
15 that we are going to end up seeing some group
16 homes close. I don't know how many, but it's
17 likely we'll see that happen.

18 What happens to that group home and
19 the individuals in those group homes?

20 SENATOR DeFRANCISCO: Well,
21 hopefully, hopefully we won't have closures. And
22 if we do, we find alternate living arrangements.

23 But as I say, I can't specifically
24 say what specific programs or projects or group
25 homes are going to be eliminated. Maybe none, if

1 there could be some ways to have the cut made
2 surgically rather than just across the board.

3 And there's always a possibility of
4 the economy kicking up and doing a little better,
5 where more revenues come in than we anticipated
6 or more grants coming in from the federal
7 government. No one, including the Governor, even
8 though he feels very strongly that this cut is
9 important, is going to put people with
10 developmental disabilities on the street. And
11 we've got to act creatively how to fill this gap
12 and do the best we can to deliver direct
13 services.

14 So I was unhappy, everyone on both
15 sides of the aisle were unhappy that this
16 couldn't be fully restored. But negotiations are
17 negotiations. And as I mentioned before, the
18 Governor believes that since these were
19 overcharges that we have to pay back, we have to
20 show good faith that we're correcting the problem
21 where the overcharges were rather than simply
22 ignoring it. And I think that is a big component
23 as to why it was done.

24 SENATOR TKACZYK: Will the sponsor
25 yield to another question.

1 SENATOR DeFRANCISCO: Yes.

2 ACTING PRESIDENT GRIFFO: The
3 Senator yields.

4 SENATOR DeFRANCISCO: Just a
5 comment. I have this feeling that you're Liz
6 Krueger in training.

7 (Laughter.)

8 SENATOR KRUEGER: Point of order.

9 (Laughter.)

10 ACTING PRESIDENT GRIFFO: Senator
11 Krueger, what is your point of order?

12 SENATOR KRUEGER: Was that an
13 insult or a compliment?

14 (Laughter.)

15 SENATOR DeFRANCISCO: It was just a
16 fact. Just a fact.

17 ACTING PRESIDENT GRIFFO: It's in
18 the eye of the beholder.

19 SENATOR KRUEGER: It was a point of
20 information, excuse me.

21 ACTING PRESIDENT GRIFFO: Point of
22 information so stated.

23 Senator Tkaczyk, you may continue.
24 Are you asking the sponsor to yield?

25 SENATOR TKACZYK: I take the

1 sponsor's comment as --

2 ACTING PRESIDENT GRIFFO: Senator
3 Tkaczyk, are you asking the sponsor to yield?

4 SENATOR TKACZYK: Yes.

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

7 SENATOR DeFRANCISCO: Yes.

8 ACTING PRESIDENT GRIFFO: The
9 Senator yields. Please pose your question.

10 SENATOR TKACZYK: Okay, now I have
11 lost my place.

12 (Laughter.)

13 SENATOR TKACZYK: Yes, okay. You
14 mentioned that we had -- through you,
15 Mr. President, the sponsor mentioned that we had
16 to deal with the overpayment problem. Does the
17 sponsor recognize that the OPWDD providers did
18 not cause the overpayment problem?

19 SENATOR DeFRANCISCO: Well, it
20 depends on how you look at the report of the
21 federal government. There was some comments in
22 it about the high costs of administration, the
23 fact that some of the owners of these companies
24 were making hundreds of thousands of dollars.

25 And if you look at the federal

1 government's report, there was some culpability.
2 I don't know if it's true or not, I'm not an
3 expert in this area. But the report is pretty
4 extensive as to what they thought caused the
5 overpayment.

6 SENATOR TKACZYK: Thank you.

7 On the bill, Mr. President.

8 ACTING PRESIDENT GRIFFO: Senator
9 Tkaczyk on the bill.

10 SENATOR TKACZYK: I agree with
11 everyone in this chamber that this is not a cut
12 we should be encouraging or taking, and I'm
13 really sorry to see it in this bill before us.

14 And I want to be clear on the
15 record, I do not believe the providers of these
16 services were the reasons why we have to make
17 repayments to the federal government. They
18 didn't cause the overcharges, but they're being
19 forced to take a significant cut.

20 It's going to result in cuts to
21 staffing. Those staffing cuts will result in a
22 loss of services to people with developmental
23 disabilities. Those are facts.

24 Despite my disappointment that that
25 cut remains in this bill, I will be voting for it

1 because there are other items in the bill that I
2 do support, such as the funding in the
3 agricultural sections and in education. So I'll
4 be voting aye, but not in support of everything
5 in the bill.

6 Thank you.

7 ACTING PRESIDENT GRIFFO: Thank
8 you, Senator Tkaczyk.

9 Senator Marchione.

10 SENATOR MARCHIONE: Mr. President,
11 I rise to explain my vote.

12 ACTING PRESIDENT GRIFFO: Senator
13 Marchione on the bill.

14 SENATOR MARCHIONE: Thank you.

15 Like so many here, I am deeply troubled by the
16 depth, the severity and the impact of Governor
17 Cuomo's OPWDD cuts. It is a shame, truly a shame
18 that the Governor's devastating budget cuts put
19 OPWDD service providers and the families they
20 serve in a deep \$120 million hole.

21 Those cuts are going to hurt the
22 disabled. They're going to hurt families.
23 They're going to hurt our providers. The Senate
24 tried to resolve these cuts. The Democrats tried
25 to resolve these cuts. This is a matter of fact

1 and a matter of record. We did succeed in
2 restoring some funding, but it certainly is not
3 enough, not nearly enough. The reality is that
4 we started out in a \$120 million hole with the
5 30-day amendments from the Governor.

6 This issue goes beyond partisan
7 political lines. Republicans and Democrats, we
8 all care about the developmentally disabled. We
9 want to improve the quality of life for them and
10 their families. We did our best to minimize
11 their pain. We brought the cuts from 6 percent
12 to 4.5.

13 I'm not sure why the Governor has
14 dug his heels in on this particular issue. I
15 cannot believe that he wanted to do that.

16 Going forward, I'm hopeful that that
17 body, which has shown a commitment to care for,
18 protect and defend the most vulnerable in our
19 society, will do what it can to minimize the pain
20 caused by these deep cuts. Individuals with
21 developmental disabilities are the most inspiring
22 people you will ever meet. They teach us all
23 about the true meaning of courage, perseverance,
24 dignity, and overcoming challenges. They are
25 bright shining lights, kind, loving and generous

1 souls. They are counting on us to make this bad
2 situation better.

3 After today, there are approximately
4 30 scheduled session days left. I believe and I
5 hope that our Governor will take another look at
6 this, and within that time frame I hope and I
7 pray that he will make some changes to this. He
8 has shown at this point that he has dug his heels
9 in. I'm not in those leader meetings to know the
10 conversation or why, but I would ask that he take
11 another look at this and add some additional
12 monies during that 30-day period.

13 Thank you.

14 ACTING PRESIDENT GRIFFO: Senator
15 Zeldin.

16 SENATOR ZELDIN: I rise, first off,
17 to thank Leader Skelos, Leader Klein. This is
18 just my third year I've been here. This is the
19 most veterans-friendly budget that I've been part
20 of.

21 And Senator Ball, with his efforts
22 with the veterans cemetery, which I have so much
23 respect for, for what he did with that. Senator
24 Klein, with the veterans tax credit, I know you
25 have pushed hard. And we again were funding

1 veterans services offices in Buffalo and New York
2 City.

3 And as we're here -- and one of my
4 colleagues referred to this bill as vampire
5 something or other. I think it's 11:30 a.m. in
6 Afghanistan right now, and we have a lot of young
7 men and women who are going to return home,
8 they're going to look like they're coming home in
9 one piece, but they're going to come home with
10 the mental wounds of war.

11 And we last year created the PFC
12 Joseph Dwyer Peer-to-Peer Veterans Counseling
13 Program in four counties, in Suffolk, Saratoga,
14 Rensselaer and Jefferson. And this program has
15 been a huge success. In Suffolk alone we are now
16 helping 300 veterans with posttraumatic stress
17 disorder and traumatic brain injury off a
18 \$200,000 allocation, because people are stepping
19 up to help veterans in need.

20 And our service members are coming
21 home, and their family members may not understand
22 what they're going through, their friends, their
23 business colleagues. They feel isolated and
24 alone as they struggle with the effects of
25 posttraumatic stress disorder and traumatic brain

1 injury. And there is a void created by the
2 federal government not doing enough for PTSD and
3 TBI.

4 And New York State, under the
5 leadership of this Senate coalition and the
6 initiative of Senator Skelos and Senator Klein,
7 we're expanding, not only continuing this program
8 in those four counties, but expanding it to seven
9 new counties. And hopefully we can prove even
10 further success because New York State found
11 another way to lead the nation by leading the way
12 in helping our veterans with posttraumatic stress
13 disorder and traumatic brain injury.

14 I know staffers like Charlie Vaas
15 and Sharon Carpinello have been very active on
16 this effort as well. Colonel Larkin, Senator
17 Ball, Senator DeFrancisco, Senator Sanders -- I
18 know we have a lot of people who have served and
19 hold our veterans close to your hearts. And I
20 thank you all for your service on behalf of our
21 veterans and your support of the PFSC Joseph
22 Dwyer Program.

23 ACTING PRESIDENT GRIFFO: Senator
24 Krueger.

25 SENATOR KRUEGER: Good evening

1 again, Mr. President.

2 ACTING PRESIDENT GRIFFO: Good
3 morning, Senator Krueger.

4 (Laughter.)

5 SENATOR KRUEGER: Good morning.

6 We're talking about OPWDD programs
7 in the context of this bill. And we're all very
8 upset that we couldn't make the restorations.
9 I'm actually a little bit more upset about
10 another section we talked about earlier but also
11 included in this bill, the Mental Hygiene
12 Stabilization Fund, because this year we're
13 talking about now 4.5 percent cuts to
14 organizations that we're hearing can't afford to
15 take any cuts.

16 But if you look what we did in the
17 Mental Hygiene Stabilization Fund, because we've
18 lost \$1.1 billion annually in federal revenue and
19 we put in \$730 million we backfilled by cutting
20 other programs -- and that's an issue for me.
21 But next year our own numbers show that we're
22 putting \$445 million in, reduced to \$267 million
23 the next year. So with all due respect, as bad
24 as we all think families with family members who
25 need help from OPWDD and Medicaid funding are in

1 this year's budget, they ain't seen nothing yet,
2 because next year we're talking about hundreds of
3 millions more dollars. We can't explain where
4 they're going to come from, and apparently
5 they're getting cut out of OPWDD.

6 And I'm frustrated because we could
7 be doing better. I don't understand why we
8 didn't do the basic health plan ensuring our
9 ourselves half a billion to a billion dollars in
10 new savings in healthcare when we could be doing
11 that. Soon we're going to be discussing tax cuts
12 and rebates, and we've already approved bills
13 allowing venture capital investments by the State
14 of New York. And yet we're all miserable over
15 the fact that we're going to cut services to
16 families with severely developmentally disabled
17 family members.

18 And I'm pretty upset that we're not
19 really talking about all the commitments we were
20 supposed to make to other people with special
21 needs in the State of New York that never even
22 got into the budget, so we're not bemoaning that
23 we're taking that out or cutting.

24 We are basically still setting
25 ourselves up where enormous numbers of mentally

1 ill people end up in adult group homes that are
2 completely inadequate for them. And ironically,
3 even more mentally ill people end up in our
4 prisons at a cost of \$50,000, \$60,000 a year --
5 not because they're criminals, but because
6 they're mentally ill and there's nowhere else for
7 them to go.

8 And so I'll share in the bemoaning
9 of the 4.5 percent cut we're not putting back,
10 but we're kicking the ball down the field to a
11 much bigger problem next year and the year after
12 that. But we're also going to pat ourselves on
13 the back on being able to give tax rebates for
14 people up to \$300,000 -- that's the next bill or
15 the bill after that.

16 And we're going to defer yet again a
17 cost of living adjustment, not for ourselves, but
18 for people who are making, on average, \$10.31 an
19 hour, the people who we actually think are
20 supposed to be providing the services for OPWDD
21 and mental health and substance abuse and our
22 elderly. So they're going to get \$10.31 an hour
23 without any adjustment.

24 And there was a reference to, well,
25 if you get organized, you join unions, you do

1 better than that lousy minimum wage, that should
2 be the goal. But apparently that's not so true
3 either, because they're not doing very well, and
4 we're not helping them.

5 There's all kinds of reasons one can
6 say that one really just automatically ought to
7 vote for Aid to Localities. It doesn't have the
8 AIM additional funding that I thought we should
9 have put in, but it does have some funding. If
10 you vote no, does it imply you don't want any
11 funding to go to all these important programs?

12 No, I don't think so. I think I can
13 stand here at 3 o'clock in the morning and say
14 not only could we have done better, but I know
15 exactly where we have the money to do better
16 tonight. And so it's not the best we could do.
17 It's not the best we could do by any measure.

18 I vote no. Thank you.

19 ACTING PRESIDENT GRIFFO: Senator
20 Grisanti.

21 SENATOR GRISANTI: You know, what I
22 urge my fellow colleagues to do is on March 5th
23 of this year the Committee Report of the U.S.
24 House of Representatives came out with their
25 "Oversight and Government Reform" regarding the

1 problems that we had with the federal government
2 and the state over the past 15 years. And what
3 it boils down to is the fraud and abuse that's
4 actually involved in the Medicaid system that
5 takes the money away from the people that need
6 it.

7 And I'll give you an example. When
8 you read this report, they have a doctor that had
9 991 dental patients charged in one day. We had a
10 Buffalo school district that put 4400 special
11 education school kids on the Medicaid rolls in
12 one day.

13 And somebody mentioned about the
14 organizations. Well, in the report -- and you'll
15 be shocked -- it actually has the organizations
16 that are supposed to be the presidents and CEOs
17 and chief administrator's offices and the vice
18 presidents of these organizations helping out
19 people with disabilities. It's great, when
20 you're in a house in a county, median earning
21 \$49,000, and the CEO of a center in Sullivan
22 County is making \$939,000 a year.

23 When you add up the numbers in that
24 report, it's about \$50 million, about \$50 million
25 in salaries that's completely paid for by the

1 Medicaid system. That's the problem, it's the
2 fraud and abuse. And yes, that's what we need to
3 attack is the fraud and abuse in the Medicaid
4 system, to make sure that the money goes back to
5 the people that actually deserve it.

6 So we may be kicking the can down
7 the road, but I've been saying for the last three
8 years you've got to have a system that's set up
9 that goes after the fraud and abuse. One hand
10 doesn't know what the other hand is doing between
11 the state and federal government, there's no
12 oversight. That's what Senator DeFrancisco
13 talked about with this new group that's going to
14 be implemented. But there's still going to be
15 abuse and fraud, and that's what we have to focus
16 on.

17 Other than that, the other items
18 that are in this bill -- because nobody wants to
19 see OPWDD cut. Unfortunately, that's what
20 happens, so we have to work to resolve this.

21 So I vote aye on the bill,
22 Mr. President. Despite that, there are good
23 measures in the bill. There's funding in there
24 for UB2020 moving forward again, and other things
25 not only for the district and the state moving --

1 yes, I did say UB2020. I don't calling it
2 SUNY2020. But I vote aye.

3 ACTING PRESIDENT GRIFFO: Senator
4 Hoylman.

5 SENATOR HOYLMAN: Thank you,
6 Mr. President.

7 I want to speak for a moment about
8 the New York State AIDS Institute, which for
9 30 years has established New York State as a
10 leader in preventing the spread of HIV and
11 ensuring that people living with the virus get
12 access to the care and support they need.

13 Over the decades, the AIDS
14 Institute's innovative, evidence-based programs
15 and policies have led to dramatic reductions,
16 Mr. President, in new AIDS cases and AIDS-related
17 deaths, and to increased HIV testing and improved
18 health outcomes for people living with HIV/AIDS.

19 Yet for all that success, New York
20 State, Mr. President, is still in the throes of
21 the AIDS crisis. Based on the state's latest
22 available HIV/AIDS surveillance data, every
23 day -- every day, Mr. President -- in New York
24 State approximately 11 people are diagnosed with
25 HIV, and five people die from the disease.

1 Our state continues to lead the
2 nation in the number of persons living with
3 HIV/AIDS, with an estimated 129,000 people,
4 Mr. President, living with the disease and as
5 many as 34,000 people who are infected but are
6 unaware of their status. People of color
7 continue to be disproportionately impacted, and
8 nearly one-quarter of newly diagnosed HIV cases
9 show a concurrent AIDS diagnosis.

10 Now, many advocates raised the alarm
11 during this budget process that the AIDS
12 Institute was on the verge of extinction. While
13 I appreciate that the AIDS Institute remains
14 lined out as an independent center within the
15 State Department of Health, Mr. President, I am
16 dismayed by the 5.2 percent cut in the
17 Institute's budget and the 5.5 percent cut in
18 funding for its community-based multiservice
19 programs.

20 We have already suffered devastating
21 federal cuts in HIV prevention, Mr. President,
22 services and care included. Now is not the time
23 for New York State to back away from this fight.
24 We need a strong AIDS Institute to continue to
25 meet the challenges, Mr. President, of this

1 epidemic, and to lead us to the ultimate goal of
2 zero new HIV infections.

3 Thank you.

4 ACTING PRESIDENT GRIFFO: Seeing
5 and hearing no other Senator who wishes to be
6 heard, debate is closed.

7 The Secretary will ring the bell.

8 Read the last section.

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

11 ACTING PRESIDENT GRIFFO: Call the
12 roll.

13 (The Secretary called the roll.)

14 ACTING PRESIDENT GRIFFO: Senator
15 Addabbo to explain his vote.

16 SENATOR ADDABBO: Good morning,
17 Mr. President.

18 I want to take a second to thank all
19 the staff that put the hours in on this budget.
20 I think they did a great job.

21 While I'll be voting yes on this
22 portion of the budget because I think it does
23 have many positive aspects, I think the need is
24 to highlight the negative part of this, and that
25 is the OPWDD cut and the bad message that it

1 sends to those with disabilities, their families,
2 therapists and the service providers.

3 And the bad message is really this,
4 in my opinion. Out of a budget that spends
5 \$135 billion, either we couldn't find the
6 \$90 million or why is this cut necessary. And I
7 don't see it as a \$90 million cut or the loss of
8 \$90 million in federal matching funds, but I do
9 see over the course of the last three years a
10 \$300 million loss in funds. And to me it is a
11 bad message that we send.

12 So while I'll vote yes,
13 Mr. President, because of the increased funding
14 for veterans' programs in this bill and increased
15 funding in EPIC, I do believe that we have a lot
16 of work to do for those with disabilities and
17 their families.

18 Thank you, Mr. President.

19 ACTING PRESIDENT GRIFFO: Thank
20 you, Senator Addabbo.

21 Senator Addabbo to be recorded in
22 the affirmative.

23 Senator Rivera to explain his vote.

24 SENATOR RIVERA: Thank you,
25 Mr. President, to explain my vote.

1 Much has been made in the last bit
2 as far as the OPWDD funding. I will not
3 reiterate, only to say that, as I stated earlier,
4 it is a tragedy that we are not able to find
5 \$90 million in a 140-plus-billion-dollar budget
6 to be able to make up the shortfall.

7 But I will also point out that one
8 thing that is good in this budget is that
9 something that had been considered earlier which
10 I termed the "bucket problem" has been
11 eliminated. We are not considering programs in
12 six different categories or buckets in the Health
13 budget, but instead they are still line-itemed
14 out.

15 That being said, there was a
16 5.5 percent, on average, cut across the board.
17 We're talking programs just like Senator Hoylman
18 pointed out as far as AIDS testing or prevention,
19 anti-obesity campaigns all across the state,
20 anti-smoking campaigns all across the state,
21 cancer screening -- all of these programs are
22 going to be impacted across the State of
23 New York. These are organizations that work very
24 close to without having funding, and now they're
25 going to have even less to do all the work that

1 they need to do to make sure that we keep people
2 healthy across the State of New York.

3 For those reasons, I will be voting
4 in the negative on this bill. Thank you,
5 Mr. President.

6 ACTING PRESIDENT GRIFFO: Senator
7 Rivera to be recorded in the negative.

8 Senator Carlucci to explain his
9 vote.

10 SENATOR CARLUCCI: Thank you,
11 Mr. President. To explain my vote.

12 As chairman of the Mental Health and
13 Developmental Disabilities Committee, these have
14 been some very challenging times. And I want to
15 thank my colleagues for working with me and for
16 standing in unity and speaking in one voice that
17 we ask for the full restoration to the cuts for
18 the Office for People With Developmental
19 Disabilities.

20 And through your hard work and with
21 the advocates throughout the state -- and in
22 fact, I put together an online petition and we
23 had over 15,000 signatures in a matter of days
24 demanding that we restore those cuts to the
25 Office for People With Developmental

1 Disabilities. And because of your hard work, we
2 were able to restore \$60 million in funding.

3 And I look forward to working with
4 many of you over the coming months to make sure
5 that we find ways to continue to deliver the
6 best-quality care possible to our most vulnerable
7 populations.

8 And we have so many people in this
9 state that have not only dedicated their careers
10 but have dedicated their lives to serving our
11 most vulnerable populations. And I know if we
12 continue to work during these challenging times,
13 we'll be able to improve the quality of life of
14 our most vulnerable populations.

15 Also in this budget are some other
16 important programs, and one I wanted to mention
17 and thank Senator Zeldin for your leadership on,
18 the Joseph Dwyer Peer-to-Peer Program. We have
19 veterans coming back every day from Afghanistan
20 that are suffering from posttraumatic stress
21 disorder. We have to fulfill our commitment like
22 our veterans have fulfilled to us to serve, to
23 protect, to defend our freedom. We have to do
24 everything possible to make sure that they come
25 back to this nation, to our state, and have the

1 ability to live the best quality of life
2 possible. By expanding this Peer-to-Peer
3 Program, I believe we'll be able to help veterans
4 that haven't been able to get that help before.

5 So I want to thank my colleagues for
6 voting yes on this legislation and look forward
7 to continuing to work with you in the coming
8 months.

9 I vote aye, Mr. President.

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

12 Announce the results.

13 THE SECRETARY: In relation to
14 Calendar Number 275, those recorded in the
15 negative are Senators Espaillat, Hoylman,
16 Krueger, Parker, Peralta, Perkins, Rivera,
17 Sampson and Sanders.

18 Ayes, 51. Nays, 9.

19 ACTING PRESIDENT GRIFFO: The bill
20 is passed.

21 Senator Libous.

22 SENATOR LIBOUS: Now can we take up
23 Calendar Number 278, Mr. President.

24 ACTING PRESIDENT GRIFFO: The
25 Secretary will read.

1 THE SECRETARY: Calendar Number
2 278, Senate Budget Bill, Senate Print 2609D, an
3 act to amend the Tax Law.

4 ACTING PRESIDENT GRIFFO: Senator
5 Gianaris, why do you rise?

6 SENATOR GIANARIS: Mr. President, I
7 believe there is an extremely in order and
8 germane amendment at the desk.

9 (Laughter.)

10 SENATOR GIANARIS: And I ask that
11 the reading of it be waived and that Senator
12 Gipson may be heard on the amendment.

13 ACTING PRESIDENT GRIFFO: Thank
14 you, Senator Gianaris.

15 As I have reviewed your amendment
16 and examined it, I rule it to be nongermane to
17 the bill and therefore out of order.

18 Senator Gipson.

19 SENATOR GIPSON: Mr. President,
20 thank you for the opportunity to speak on my
21 amendment.

22 The amendment that I offer will
23 allow the public utility gross revenue
24 assessment, otherwise known as the Section 18-a
25 utility tax surcharge, to sunset on March 31,

1 2014, as originally intended and enacted into
2 law.

3 National Grid estimates the annual
4 impact of the 18-a extension on a typical large
5 business to be \$30,000, and \$540 for a typical
6 small business. According to the U.S. Energy
7 Information Administration, New York already
8 faces the fourth-highest electrical rates in the
9 nation. One reason for this is because of this
10 so-called temporary assessment surcharge.

11 This tax hits every single business
12 and residence in our state and increases the cost
13 of energy by over \$500 million each year. My
14 amendment aims to reduce the heavy burden of this
15 tax.

16 And, Mr. President, I know, in fact
17 I'm complete confident, that every single member
18 of the Republican Conference agrees with me. You
19 might ask why that is. Well, it's because every
20 single member of the Republican Conference signed
21 their name to a letter on February 7th saying
22 that they agree with the exact amendment that I
23 am presenting to the floor right now. So every
24 single member of the Republican Conference is in
25 favor of allowing this utility tax surcharge to

1 expire as it was originally scheduled by the
2 amendment now under consideration.

3 My amendment lives us up to the
4 explicit promise we made to the people of this
5 state in 2009, when the temporary fee was
6 imposed. And to do otherwise, this would be a
7 huge step backwards for the residents and
8 businesses in our state. And it would compromise
9 our ability to continue our slow and steady path
10 forward in our economic recovery.

11 Thank you, Mr. President, for
12 allowing me to bring this important amendment to
13 the floor that you and all of your Republican
14 Conference members have signed a letter saying
15 that they agree with.

16 ACTING PRESIDENT GRIFFO: Thank
17 you, Senator Gipson.

18 I will remind the chamber this vote
19 is on procedures. All those in favor indicate
20 that they would choose to override the ruling of
21 the chair by saying aye.

22 SENATOR GIANARIS: Show of hands,
23 please, Mr. President.

24 ACTING PRESIDENT GRIFFO: Senator
25 Gianaris has requested, and it is so instructed,

1 a show of hands. All those in favor of
2 overruling the chair please raise your hands.

3 (Show of hands.)

4 ACTING PRESIDENT GRIFFO: Announce
5 the results.

6 THE SECRETARY: Ayes, 24.

7 ACTING PRESIDENT GRIFFO: The
8 ruling of the chair is sustained.

9 Senator Gianaris.

10 SENATOR GIANARIS: Thank you,
11 Mr. President.

12 I believe there is one more
13 amendment at the desk. I ask that a reading of
14 that amendment be waived and that Senator Latimer
15 be heard.

16 ACTING PRESIDENT GRIFFO: Senator
17 Gianaris, upon review and examination I rule that
18 the amendment is non germane to the bill and
19 therefore out of order.

20 I will now call upon Senator
21 Latimer.

22 SENATOR LATIMER: Thank you very
23 much, Mr. President.

24 The amendment that you have before
25 us we believe is germane because it affects the

1 body of law that directly deals with the rebate
2 program that is in this bill, Section 606 of the
3 section of the Tax Law.

4 The rebate program that is offered
5 is called a family tax rebate program for those
6 families at \$300,000 annual income down to
7 \$40,000. This amendment would broaden that to
8 include all families below \$300,000. So that if
9 someone has an income below the \$40,000 level,
10 that they too would be eligible for the \$350
11 check. And very importantly, it broadens it to
12 include all taxpayers, meaning senior citizens as
13 well as those with families.

14 We heard earlier today, very
15 appropriately and very articulately, Senator
16 Nozzolio, Senator Larkin talk about the
17 tremendous role of the veterans in our society,
18 many of whom are senior citizens and who, as
19 Senator Larkin says, we're losing every day,
20 people who have made a tremendous contribution to
21 this society.

22 It is those senior citizens in their
23 home that suffer more from the problems of
24 property taxes than anyone else does in our
25 state. And as was the case in 2006, 2007, and

1 2008 when this house -- and I was pleased to do
2 so in the other house -- voted for a broad-based
3 rebate program, we believe that this rebate
4 program should also apply to those people because
5 that is very much what they need to have in order
6 to have the right type of response out of our
7 efforts today.

8 ACTING PRESIDENT GRIFFO: Again,
9 the vote before the house is on procedure of the
10 house. All those in favor of overruling the
11 chair signify by saying aye.

12 SENATOR GIANARIS: Show of hands,
13 please, Mr. President.

14 ACTING PRESIDENT GRIFFO: Senator
15 Gianaris has asked for, and it is so instructed,
16 a show of hands.

17 All those in favor of overruling the
18 chair please raise your hand.

19 (Show of hands.)

20 ACTING PRESIDENT GRIFFO: Announce
21 the results.

22 THE SECRETARY: Ayes, 26.

23 ACTING PRESIDENT GRIFFO: The
24 ruling of the chair is sustained.

25 Senator Gianaris, you may be heard

1 on the bill.

2 SENATOR GIANARIS: Thank you,
3 Mr. President. Would the sponsor yield for a few
4 questions?

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The
7 sponsor yields.

8 SENATOR GIANARIS: Thank you.
9 Thank you, Mr. President.

10 I first want to ask about a part of
11 this bill that I was curious about because I'm
12 trying to figure out what exactly its purpose
13 is. There's a Part GG which establishes a Teen
14 Health Education Fund, and I was wondering if the
15 sponsor could explain to us what that fund is and
16 what its purpose would be.

17 SENATOR DeFRANCISCO: Part GG is a
18 personal income tax checkoff for the Teen Health
19 Education Fund.

20 What is that?

21 (Laughter.)

22 SENATOR DeFRANCISCO: I think
23 Senator Klein probably has the best information
24 about this, because it's his idea. And I would
25 ask, Mr. President, if you'd recognize

1 Senator Klein to give an intelligent answer
2 rather than one that isn't so intelligent.

3 (Laughter.)

4 ACTING PRESIDENT GRIFFO: Without
5 objection, the chair would recognize
6 Senator Klein.

7 Senator Klein.

8 SENATOR KLEIN: Mr. President, I'd
9 be happy to explain it.

10 What that piece does, it's the Teen
11 Health Education Fund checkoff box, which is
12 going to be on the state tax returns, and it's
13 going to deal with several important issues
14 dealing with teen health.

15 First of all, one of the things we
16 find time and time again, that there are certain
17 issues that we're really not equipped to deal
18 with that teens really don't know about. The
19 education awareness surrounding young female teen
20 health issues is one of the issues we're going to
21 be looking at, as well as making sure we're
22 dealing with the health risks associated with
23 underage drinking and substance abuse. And we're
24 also looking at other various diseases and areas
25 that affect teens.

1 One specific issue that we
2 highlighted here a couple of weeks ago in Albany
3 is endometriosis, which, when there's a failure
4 to be able to diagnose at an early age, can
5 really cause all types of problems for women,
6 including their inability to have children, as
7 well as ovarian cancer.

8 We're very hopeful that this
9 education fund check box will generate enough
10 revenue to really supplement the existing
11 programs that are out there now in schools
12 throughout the State of New York.

13 SENATOR GIANARIS: Mr. President,
14 would Senator Klein continue to yield.

15 ACTING PRESIDENT GRIFFO: Senator
16 Klein, do you yield?

17 SENATOR KLEIN: Yes, Mr. President.

18 ACTING PRESIDENT GRIFFO: Senator
19 Gianaris.

20 SENATOR GIANARIS: I'm just
21 curious, as this educational program is going on
22 in schools, who would administer it? Would it be
23 some kind of public agency or a not-for-profit?
24 Or who would actually take the state resources
25 and apply it towards these educational programs?

1 SENATOR KLEIN: Through you,
2 Mr. President, the money that would be generated
3 from the fund would be given out to schools
4 throughout the State of New York to deal with or
5 supplement existing programs.

6 I know one of the other issues that
7 I did leave out which we're going to also include
8 as far as this education process is the problem
9 of obesity. A lot of times it's teaching young
10 people how to eat healthy, how to eat right, how
11 to get enough exercise. And that's part of some
12 existing programs that already exist in our
13 schools throughout the State of New York. These
14 monies would supplement those existing programs.

15 SENATOR GIANARIS: Would Senator
16 Klein continue to yield, Mr. President.

17 SENATOR KLEIN: Yes, Mr. President.

18 ACTING PRESIDENT GRIFFO: The
19 Senator yields.

20 SENATOR GIANARIS: And would the
21 distribution of these resources be at the
22 discretion of the Department of Tax and Finance
23 or -- I'm just trying to figure out, who would
24 the decision-maker be or how --

25 SENATOR KLEIN: The decision-maker

1 would ultimately be the State Department of
2 Education.

3 SENATOR GIANARIS: And would
4 Senator Klein continue to yield.

5 SENATOR KLEIN: Yes, Mr. President.

6 ACTING PRESIDENT GRIFFO: The
7 Senator yields.

8 SENATOR GIANARIS: In the list of
9 possible educational programs that the Senator
10 mentioned, I didn't hear anything about
11 age-appropriate sex education. Would that be
12 something that is at the discretion of the
13 Department of Education to allocate these
14 resources for as well?

15 SENATOR KLEIN: Well, we
16 highlighted certain specific areas which we think
17 presently are overlooked in our education
18 system. But again, it would be at the discretion
19 of the State Education Department.

20 SENATOR GIANARIS: Would the
21 Senator continue to yield, Mr. President.

22 SENATOR KLEIN: Yes, Mr. President.

23 ACTING PRESIDENT GRIFFO: The
24 Senator yields.

25 Please direct through the chair,

1 members.

2 SENATOR GIANARIS: So just to
3 clarify, if the Department of Education saw fit
4 to do so, it would in fact be empowered to
5 allocate a certain amount of these resources to
6 an age-appropriate sex education program; is that
7 correct?

8 SENATOR KLEIN: Through you,
9 Mr. President. Again, as far as sex education
10 programs go in the State of New York,
11 unfortunately they're rather piecemeal. Every
12 school district kind of does their own thing. So
13 again, enabled to apply those resources, the
14 State Department of Education would have
15 authority to grant monies to school districts for
16 different types of education that's appropriate
17 for that school district.

18 SENATOR GIANARIS: If the Senator
19 would continue to yield, Mr. President.

20 SENATOR KLEIN: Yes,
21 Mr. President.

22 ACTING PRESIDENT GRIFFO: The
23 Senator yields.

24 SENATOR GIANARIS: I'm sorry, I'm
25 just trying to clarify that answer because it's

1 an important one for many of our members. Did I
2 take that previous answer to be a yes, that in
3 fact the Department of Education could, if it saw
4 fit, allocate resources raised through this
5 program for sex education?

6 SENATOR KLEIN: Through you,
7 Mr. President, the answer is yes.

8 SENATOR GIANARIS: Thank you.
9 Thank you, Senator Klein.

10 ACTING PRESIDENT GRIFFO: Thank
11 you, Senator Klein.

12 Senator Gianaris, are you on the
13 bill?

14 SENATOR GIANARIS: Actually, I
15 would like to ask, I guess, Senator DeFrancisco
16 to yield on a different subject matter within
17 this bill.

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

20 SENATOR DeFRANCISCO: Yes.

21 ACTING PRESIDENT GRIFFO: The
22 Senator yields, Senator Gianaris.

23 SENATOR GIANARIS: Thank you,
24 Senator.

25 I want to now talk a little bit --

1 we've heard a lot about this issue throughout the
2 evening and this morning, but I want to refer the
3 Senator to Part EE of this bill, which relates to
4 this new minimum-wage reimbursement tax credit.
5 And what I wanted to ask the Senator is, as I
6 understand it, this would provide for a tax
7 credit equal to the increase in the minimum wage
8 that we are voting upon today for employees that
9 are between the ages of 16 and 19.

10 And my question is, if someone is
11 20 years old and is making the minimum wage, does
12 this tax credit have any application to an
13 employer?

14 SENATOR DeFRANCISCO: No.

15 SENATOR GIANARIS: And if someone
16 is between the ages of 16 and 19 who is a
17 minimum-wage employee -- I'm sorry, if the
18 Senator would continue to yield. I forgot to
19 ask.

20 SENATOR DeFRANCISCO: Yes.

21 ACTING PRESIDENT GRIFFO: The
22 Senator yields.

23 SENATOR GIANARIS: Thank you.

24 If an employee is between the ages
25 of 16 to 19 and is a minimum-wage earner and that

1 employer chooses to give that employee a raise
2 beyond \$8 an hour, what happens to this tax
3 credit?

4 SENATOR DeFRANCISCO: The tax
5 credit is only to the extent of the minimum wage.

6 SENATOR GIANARIS: If the Senator
7 would continue to yield.

8 SENATOR DeFRANCISCO: Yes.

9 And by the way, it's not all
10 16-through-19-year-olds, it's students between 16
11 and 19 years of age.

12 ACTING PRESIDENT GRIFFO: The
13 Senator yields, Senator Gianaris.

14 SENATOR GIANARIS: Thank you. If I
15 could just ask for a clarification, my
16 understanding was that it was any employee 16 to
17 19 at minimum wage or students making minimum
18 wage, not "and."

19 SENATOR DeFRANCISCO: You're
20 correct. We were misinformed in conference.

21 (Laughter.)

22 SENATOR DeFRANCISCO: No, I'm just
23 kidding. No, no, I'm just kidding. It's
24 students who are -- yes, 16 to 19, right. It
25 doesn't have to be a student.

1 SENATOR GIANARIS: Doesn't have to
2 be a student, okay.

3 ACTING PRESIDENT GRIFFO: Senator
4 Gianaris, are you asking Senator DeFrancisco to
5 yield?

6 SENATOR GIANARIS: No, on the bill,
7 please.

8 ACTING PRESIDENT GRIFFO: Senator
9 DeGianaris -- Senator Gianaris on the bill.

10 (Laughter.)

11 SENATOR GIANARIS: You too?
12 Where's Bonacic? Okay.

13 On the bill, thank you,
14 Mr. President. I thank Senator DeFrancisco for
15 yielding. I know we're all --

16 SENATOR DeFRANCISCO: Excuse me.

17 ACTING PRESIDENT GRIFFO: Senator
18 DeFrancisco, why do you rise?

19 SENATOR DeFRANCISCO: May I just
20 make a point of clarification? I just want to
21 make sure I said it correctly.

22 ACTING PRESIDENT GRIFFO: Senator
23 DeFrancisco.

24 SENATOR DeFRANCISCO: Individuals
25 between 16 and 19, not up to 20 years of age, and

1 a student. Student is the -- you have to be a
2 student.

3 ACTING PRESIDENT GRIFFO: Senator
4 Gianaris, are you still on the bill?

5 SENATOR GIANARIS: Yes, on the
6 bill.

7 ACTING PRESIDENT GRIFFO: All
8 right, Senator Gianaris on the bill.

9 SENATOR GIANARIS: The hour is
10 early and we are here passing these bills. We've
11 heard a lot about vampires this evening.
12 Honestly, I didn't even know what a kumquat
13 really was until tonight. But I looked it up,
14 apparently it's a citrus fruit. I don't know why
15 there's so much hostility against it, but
16 nonetheless there is.

17 (Laughter.)

18 SENATOR GIANARIS: But this is --
19 if we're going to go with the assumption that a
20 kumquat is a bad thing, this is one big kumquat
21 in this revenue bill that we're dealing with.

22 The incentives are all wrong. I
23 think a Senator earlier this evening talked about
24 the last time the minimum wage was raised and all
25 the disincentives that were created. Well, if

1 that is true, which I don't accept, but if we go
2 with that premise, then we are multiplying that
3 exponentially by enacting this tax credit as part
4 of a minimum wage hike.

5 Let's think about the incentives for
6 a moment. This tax credit applies only to
7 16-to-19-year-olds and students. So I don't know
8 what happens to people who are 20 and above when
9 the state is subsidizing the wage hike only for
10 those in that one subcategory. I understand
11 there's protections that are quite literally
12 unenforceable in this bill which say that you
13 cannot fire someone solely for them not being in
14 that 16-to-19 age group. But we know what's
15 going to happen. There will be reasons for
16 people who are 20 and above, making the minimum
17 wage, to be let go and replaced with
18 16-to-19-year-olds.

19 Or worse yet, there will be
20 situations where jobs are open, and you can bet
21 your bottom dollar an employer who is being paid
22 to do so by the state is not going to be looking
23 at anyone 20 and above to hire for a minimum-wage
24 job when they're getting subsidized to hire the
25 16-to-19-year-olds.

1 Let's talk about those who are lucky
2 enough to be in that category for a second, when
3 they get hired. We're pretty much guaranteeing
4 they're going to be stuck at the minimum wage
5 forever, because the moment they get even a penny
6 increase above the minimum wage, this tax credit
7 goes away.

8 Senator Peralta said it very well
9 earlier; he said the state is paying Walmart to
10 fire people. He's absolutely right. Not only is
11 the state going to be paying minimum-wage hirers
12 to fire people or not hire certain people, but
13 the people they do hire are going to be stuck
14 that this subpar minimum wage indefinitely.

15 I don't know how any of us with a
16 straight face can say that represents progress or
17 represents a step forward in terms of changing
18 the minimum-wage laws in this state.

19 Earlier that week I called the
20 minimum-wage deal a half a loaf. Well, some have
21 called it a quarter-loaf the more we learned
22 about it. And God help those people who are not
23 in that quarter-loaf, because we've just made
24 their lives harder, worse, for less pay and for
25 fewer jobs. And what's involved in this kumquat

1 that we're voting on today.

2 Now, this revenue bill, as the
3 majority is apt to do, contains a whole lot of
4 things in it, some of which I support, which
5 obligate me to vote for this. But this one piece
6 of this revenue bill I believe is a complete
7 disgrace. And I would hope, politics aside, that
8 we come back and fix it. Because even by the
9 rules of the game that the Majority talks about,
10 we are incentivizing all the wrong behaviors and
11 we're going to be hurting New Yorkers and those
12 who are the lowest-earning New Yorkers with this
13 provision.

14 Thank you.

15 ACTING PRESIDENT GRIFFO: Thank
16 you, Senator Gianaris.

17 Senator O'Brien.

18 SENATOR O'BRIEN: Thank you,
19 Mr. President. On the bill.

20 ACTING PRESIDENT GRIFFO: Senator
21 O'Brien on the bill.

22 SENATOR O'BRIEN: I recognize,
23 Mr. President, the hour is late, or maybe it's
24 best described as too early now. But it's
25 important to be heard on this portion of the

1 budget because this portion is the part of the
2 budget that creates jobs and cuts taxes for
3 middle-class families and small business.

4 Creating jobs is my top priority.
5 This budget continues to grow our economy through
6 investments in our Regional Economic Development
7 Councils, new innovation hotspots and job
8 programs that train our workforce and match
9 workers with the jobs of tomorrow.

10 This budget gives much-needed tax
11 relief to middle-class families, a billion
12 dollars over the next three years; extensive tax
13 breaks and credits to small businesses that will
14 put New Yorkers back to work. It provides
15 millions of dollars in tax relief for small
16 business. And this relief, coupled with reforms
17 to workers' compensation and unemployment
18 insurance, puts us well on our way to
19 reestablishing New York's reputation as a
20 business-friendly and business-welcoming state.

21 This budget will provide
22 entrepreneurs with greater opportunity to start
23 new businesses right here in New York, thanks to
24 the launching of the innovation hotspots
25 program. High-tech incubators will work with our

1 partners in higher education to encourage
2 private-sector growth. And the innovation
3 venture capital fund will provide critical
4 early-stage funding to allow new emerging
5 business to take root and to flourish here in
6 New York.

7 These strategic investments will
8 provide the foundation for New York's long-term
9 economic prosperity and security and will help
10 ensure our state's entrepreneurs and young
11 professionals stay here in New York State.

12 The budget allocates tens of
13 millions of dollars for our local universities
14 and community colleges, transportation and
15 infrastructure improvements in the Rochester
16 region, and the preservation of Lake Ontario and
17 the Finger Lakes, the tourism-agricultural
18 engines of the region.

19 I support this budget's focus on
20 creating jobs and growing our economy, and I look
21 forward to continuing to work with Governor Cuomo
22 and my Senate colleagues to energize the upstate
23 economy and provide New Yorkers with a bright
24 future. I intend to vote aye.

25 ACTING PRESIDENT GRIFFO: Thank

1 you, Senator O'Brien.

2 Senator Hoylman.

3 SENATOR HOYLMAN: Mr. President,
4 on the bill.

5 ACTING PRESIDENT GRIFFO: Senator
6 Hoylman on the bill.

7 SENATOR HOYLMAN: Mr. President, it
8 was Groucho Marx who said "Politics is the art of
9 looking for trouble, finding it everywhere,
10 diagnosing it incorrectly, and applying the wrong
11 remedies." And I think that's what this revenue
12 bill does. It diagnoses an incorrect problem and
13 applies the wrong remedies.

14 Mr. President, the problem with
15 New York's economy is not taxes on families with
16 children earning between \$40,000 and \$300,000 --
17 hardly middle class at that upper end. And
18 certainly the remedy is not tax cuts in the form
19 of \$350 checks at a pop to be distributed to
20 these families -- or should we specify voters --
21 at election time to the tune of \$410 million. Is
22 this so-called middle-class tax cut meant to
23 stimulate the economy or stimulate voters?

24 Numerous studies on tax cuts,
25 Mr. President, including one released just last

1 year by the nonpartisan Congressional Budget
2 Office, have shown that cuts of this size don't
3 stimulate spending and economic growth.

4 Mr. President, if we're lucky, we'll get a few
5 thousand new owners of flat-screen televisions.

6 Here is how the \$410 million in
7 middle-class tax cuts could have been
8 specifically used to protect the most vulnerable
9 in our society. We could have restored the full
10 \$120 million in OPWDD cuts. We could have
11 increased community-college-based aid to \$300 per
12 student, an increase of \$30.8 million. We could
13 have provided \$25 million to start up the
14 DREAM Act. We could have provided \$35 million in
15 additional funding for the Summer Youth
16 Employment Program I know so many of my
17 colleagues are concerned about, to enable the
18 program to serve twice as many youth.

19 We could have provided \$15 million
20 for the Displaced Homemaker Program; provided
21 \$35 million in funding for food pantries,
22 Mr. President, throughout New York State;
23 provided another \$17.5 million in additional
24 funding for the Advantage After-School Program
25 that assists working parents with childcare. We

1 could have restored the \$5.4 million,
2 Mr. President, I mentioned earlier to the
3 New York State AIDS Institute; restored another
4 \$20.5 million to dozens of public health programs
5 so that we're investing in keeping people healthy
6 rather than paying far more in treatment-focused
7 spending; provided \$10 million in additional
8 funding for child advocacy centers that assist
9 youth in the foster care system, provided
10 \$10 million in additional kinship care funding to
11 assist family members who are caring for others;
12 provided \$25 million in additional funding for
13 post-adoption services to assist financially
14 those who have adopted children; provided
15 \$25 million in additional funding for
16 nonresidential domestic violence services;
17 provided \$10.7 million in additional funding for
18 the Nurse-Family Partnership to promote healthy
19 families; and provided \$25 million in additional
20 funding for emergency homeless needs of those
21 folks in New York City. And that leaves us
22 \$1 million on the table, Mr. President.

23 It's my belief that this budget
24 makes a choice between election-year budget
25 gimmicks that will have no discernible impact on

1 our economy and protecting the most needy and
2 vulnerable in our society, and it makes the wrong
3 choice. For this reason, Mr. President, I'll be
4 voting against this bill.

5 ACTING PRESIDENT GRIFFO: Senator
6 Krueger.

7 SENATOR KRUEGER: Thank you,
8 Mr. President.

9 Well, I think there might be several
10 new Senator Kruegers here on the floor of the
11 Senate. So I want to say ditto to Senator
12 Hoylman on his arguments just then.

13 You know, a quarter to 4:00 --

14 ACTING PRESIDENT GRIFFO: Senator
15 Krueger --

16 SENATOR KRUEGER: On the bill,
17 Mr. President.

18 ACTING PRESIDENT GRIFFO: Senator
19 Krueger on the bill.

20 SENATOR KRUEGER: Thank you. I am
21 not going to ask the sponsor more questions.
22 See, you're all so happy. There you go.

23 (Laughter.)

24 SENATOR KRUEGER: But I am going to
25 highlight again how dangerous the precedent is in

1 this bill with the tax deduction tied into the
2 minimum wage, which is really a setup for the
3 people of New York to give money to billion-
4 dollar corporations -- Walmart, McDonald's,
5 Yum! Brands.

6 It started out once upon a time, my
7 understanding is, a few weeks ago as a proposal
8 to support small businesses who might actually
9 argue they had a problem if there was a
10 minimum-wage increase. But in fact, now it's
11 open to everybody, including utilities and banks
12 and any size corporation with any number of
13 employees.

14 And as my colleagues have pointed
15 out, not only does it doom you to \$9 and never
16 more, you're doomed to \$9 and three years -- 16,
17 17, 18, 19; all right, maybe four years -- at \$9
18 an hour, and then you age out and the company is
19 going to make sure it's refilling with another
20 person who they're getting \$1.36 from the State
21 of New York to help pay them.

22 And they're going to tell that
23 20-year-old: Well, you have more skills now, so
24 we'd like to give you more responsibility, but we
25 actually are losing \$1.36 on you now that you had

1 the nerve to turn 20, so you'd better just keep
2 taking the \$9 an hour because otherwise we're not
3 going to be able to keep you.

4 So we're setting up a system to
5 guarantee people never get above \$9. And I have
6 to say, the student argument, is there -- I told
7 them I wouldn't ask any more questions, but
8 there's no definition of student. So if the big
9 box store sets up a pretend proprietary program,
10 are you a student? You're a student who's never
11 going to get the skills to go anywhere else but
12 to stay there for the \$9 an hour.

13 So I have huge problems with the way
14 this bill is written. It's a lousy deal. That
15 specific tax credit is an exceptionally lousy
16 deal. It's a dangerous precedent for any state
17 who's looking at it. And in fact, shame on us,
18 we should have known better than to go down the
19 road of accepting a tax credit that's being
20 marketed around the country in anti-labor states
21 by companies like Walmart. We're supposed to
22 know better, but apparently not.

23 And then to jump on the point of my
24 colleague about the tax rebate. So some of my
25 colleagues have pointed out it could be

1 family-friendly. Some of my colleagues have
2 pointed out what happened to the elderly -- if
3 they have the same income level, why aren't they
4 eligible for the rebate.

5 I'd like to highlight, what about
6 people under \$40,000 a year? We're spending a
7 lot of time tonight talking about needing to help
8 poor workers and having disagreements over what
9 the best strategy is. But if I was making less
10 than \$40,000 a year, I'd be pretty pissed to
11 learn I wasn't eligible for the rebate, because
12 that \$350 is going to mean a whole lot more to me
13 than persons making \$300,000 a year.

14 And for the record, people earning
15 less than \$40,000 a year are paying taxes to the
16 State of New York. They pay a whole variety of
17 different types of taxes. But they even, from
18 \$20,000 to \$40,000, pay personal income taxes
19 where, even if they're eligible for credits, they
20 still are paying more in than the \$350 they could
21 get back.

22 Except we cut them out. But we
23 didn't cut people at the \$300,000 mark out. Or
24 we pretended we were calling it middle class. So
25 in fact, ironically, probably in my district more

1 people will be eligible for the rebate checks
2 than in Senator President Griffo's district.
3 Because I would assume there's probably more
4 under \$40,000 a year working families in your
5 district than in my district. They couldn't
6 afford to live in my district; they probably live
7 in your district. But I would be mad that I
8 wasn't eligible for this nice giveaway from the
9 State of New York.

10 And there's an awful lot of
11 confusion about who's going to be eligible, what
12 year are we using as the baseline year, was your
13 child age 2 by then, under 2, is your child over
14 17½. I already quoted my support and reference
15 for a Richard Nixon position earlier this
16 morning, that he supported revenue sharing. So
17 now I have to support my colleague from the
18 right, E.J. McMahon, who put out a very
19 interesting article today or yesterday
20 highlighting what a really bad model of taxation
21 this is and how nobody is going to get it right
22 and it's the wrong way to go in tax policy and
23 it's the wrong use of \$410 million in state
24 money.

25 And again, to highlight assorted

1 colleagues, boy, we have a really long list of
2 things we could have done with that \$410 million
3 that would mean a world of difference in family
4 lives in the State of New York. This isn't going
5 to.

6 But there are other parts of this
7 bill that also raise all kinds of questions to
8 me, and I will just highlight a few of them.
9 Okay, I heard someone likes the innovation
10 hotspot incubator program. I'm telling us all
11 we'd better watch very carefully that it doesn't
12 turn into the fraud and scandals of the Empire
13 Zone program. You have to watch very carefully.

14 And in this bill we're also creating
15 venture capital funds. The State of New York
16 shouldn't take taxpayers' dollars and then go
17 gambling on venture capital. The market does
18 that. Wall Street does that. And they lose most
19 of the time. But if they win, they make sure
20 they get a return on their money.

21 So I'll say it again, as I've said
22 it year after year, when the State of New York
23 decides to invest in businesses, startups or in a
24 venture capital model, we, meaning the taxpayers
25 of New York State, ought to be treated like

1 shareholders and be entitled to a return on the
2 investment. And I bet that's not written into
3 this bill anywhere, and it should be.

4 There's a number of other small tax
5 advantages -- for manufacturers, for veterans --
6 which I actually could support. But I'm so angry
7 about this personal tax rebate system -- and I
8 think I even tweeted asking, earlier yesterday,
9 would our names -- yes, I tweeted -- would our
10 names and the Governor's name go on the rebate
11 checks. And somebody responded "No, of course
12 not, the Comptroller's name goes on the rebate
13 checks." But let's not forget when
14 Governor Pataki had all the checks torn apart and
15 rewritten with his name on them. And let's hope
16 that's not what happens in 2014, if this part --
17 since this bill no doubt will become law.

18 But I just want to go back to the
19 minimum wage for a moment. We could have done
20 the right thing. We had the votes to do the
21 right thing. And instead we ended up with this
22 mishmash that actually will do harm through the
23 tax incentive part of it. And I know some of my
24 colleagues say if we did indexing, it wouldn't
25 have made a difference. But you can't look at

1 one or two or three years when you look at
2 indexing, you have to look at the history of
3 minimum wage.

4 And again, I said it many hours ago,
5 I guess yesterday, but if we'd had indexing since
6 we had minimum wage, our minimum wage would be
7 over \$10 an hour. And you have to realize that
8 inflation moves up and down depending on the year
9 you pick, which is why indexing is so critical,
10 so that you can keep up with inflation during
11 high-inflation times and not go up during
12 low-inflation times. But that's why it's so
13 important for indexing.

14 And then, just in closing, because I
15 didn't know what that Teen Health Education Fund
16 was either until Senator Gianaris asked Senator
17 Klein. So it's interesting, because it's private
18 money using the tax system to check off to go to
19 teen health programs.

20 I like teen health programs in our
21 schools. I love the idea of more funding for
22 age-appropriate sex education. And in fact
23 Senator Klein also referenced endometriosis. And
24 in fact teenagers who suffer from
25 endometriosis -- and women will identify in this

1 room -- can in fact have excruciatingly painful
2 menstrual cycles. And you know what is the
3 number-one recommended solution? And perhaps
4 more teens will learn about it. Birth control
5 pills are the best researched, documented
6 solution for endometriosis pain in teen years.
7 So maybe more of our teens will learn about that
8 too, and wouldn't that be good for everyone.

9 And yet, even though I like that
10 section very much, I will be voting no on this
11 bill.

12 Thank you, Mr. President.

13 ACTING PRESIDENT GRIFFO: Senator
14 Kennedy on the bill.

15 SENATOR KENNEDY: Thank you,
16 Mr. President. Thank you, colleagues.

17 I rise today to express my support
18 for efforts to advance a fair and equitable tax
19 code where millionaires and billionaires in
20 New York State pay their fair share.

21 We're talking about a lot of
22 investment tonight and a lot of different areas
23 that are important to the communities that we
24 represent, including a billion dollars toward
25 education. By decreasing taxes to the middle

1 class to the lowest levels in nearly 60 years, at
2 the same time making sure that the top 1 percent
3 in New York State, the highest income earners --
4 again, millionaires and billionaires -- pay their
5 fair share, that's how we're able to accomplish
6 those goals.

7 Wall Street may have recovered from
8 the recession, but Main Street certainly has
9 not. And when you come out to Buffalo, and I'm
10 sure many of you will come out to watch the
11 Super Bowl Champion Buffalo Bills in 2013-2014 in
12 the newly renovated stadium, I can assure you
13 that in Buffalo, South Park Avenue, Niagara
14 Street, Jefferson Avenue, Elmwood Avenue could
15 all use a little more help.

16 And this measure that we have is not
17 merely a two-year extension of current rates
18 already in place. It's part of a sound,
19 long-term plan for recovery that recognizes
20 middle- and working-class New Yorkers, still
21 reeling from high unemployment, shrinking savings
22 accounts, declining home values, oftentimes these
23 days they're at a breaking point.

24 This is about our shared sacrifice.
25 And if education and nursing homes and nonprofits

1 providing vital services are tightening their
2 belts, the millionaires and billionaires can do a
3 little more a little while longer. If ensuring
4 the top 1 percent pay their fair share is what we
5 have to do to avoid dramatic cuts to critical
6 state services, then I believe we're doing what's
7 right for all New Yorkers by simply asking those
8 at the very top to pay their fair share.

9 This budget bill also includes
10 historic preservation tax credits. It extends
11 the historic property tax credit, helping
12 homeowners in historic neighborhoods make
13 improvements to their homes. There are
14 neighborhoods in Buffalo who have had the ability
15 to take advantage of these tax credits and the
16 neighborhoods are thriving. Not only are the
17 homes aesthetically pleasing, but these
18 neighborhoods attract small businesses, thereby
19 creating jobs, improving the economy.

20 I hope to see more neighborhoods
21 given historic designation, particularly
22 Buffalo's old First Ward neighborhood, so that
23 they too can take advantage of credits to improve
24 the neighborhood, the district, create jobs, and
25 provide a better business environment for the

1 community.

2 We've also extended the historic
3 commercial property tax credit where, in Buffalo,
4 developers have breathed new life into beautiful,
5 important historic properties like the Statler,
6 the Hotel Lafayette. By simply using this tax
7 credit, projects like this have created jobs and
8 are changing the look and feel of downtown
9 Buffalo.

10 The New York film preservation tax
11 credit. I hope this tax credit will eventually
12 be made permanent and that more film companies
13 will look upstate, in Buffalo, Western New York,
14 and other areas where they can use this tax
15 credit for their production needs. This again
16 will create jobs and opportunities for working
17 men and women across our state.

18 And last but not least, this budget
19 provides hiring a vet tax credit for hiring
20 veterans returning home from military service for
21 full-time work. This credit will benefit
22 military families across our state and ensure
23 that we are doing everything we can to help those
24 who serve this country and protect us every
25 single day.

1 Thank you, Mr. President. I vote
2 aye.

3 ACTING PRESIDENT GRIFFO: Is there
4 any other Senator wishing to be heard?

5 Seeing none, hearing none, debate is
6 closed.

7 The Secretary will ring the bell.

8 Read the last section.

9 THE SECRETARY: Section 3. This
10 act shall take effect immediately.

11 ACTING PRESIDENT GRIFFO: Call the
12 roll.

13 (The Secretary called the roll.)

14 ACTING PRESIDENT GRIFFO: Senator
15 Rivera to explain his vote.

16 SENATOR RIVERA: Thank you,
17 Mr. President, to explain my vote.

18 First of all, I'll point out
19 something really quickly. It's interesting that
20 we have an extension of the personal income tax
21 surcharge and we have not said anything on this
22 floor about that being a new tax. I recall a
23 couple of years ago we had a long debate, Senator
24 DeFrancisco and I, about that being a new tax, a
25 new tax, a new tax, and not a peep has been said

1 on this floor about that being a new tax. I'm
2 happy that it's in there, by the way; I just want
3 to point out how it was different a few years
4 ago.

5 But I do want to say, regarding the
6 rebate checks from \$40,000 to \$300,000 a year,
7 every family in my district, the median income of
8 which is \$25,000 a year, will be really happy to
9 hear about that.

10 And finally, as far as the minimum
11 wage, we have already pointed out all the ways
12 that this is a bad deal all over the place. This
13 one is not a bold step. If it's a bold step,
14 it's probably slipping on a kumquat and falling
15 in a hole or something. Because in this case
16 we're saying that we are creating a perverse
17 incentive for employers to hire young people and
18 then get rid of them once they hit 20.

19 I think it is a bad deal all around,
20 and I'm going to have to vote in the negative on
21 this bill.

22 Thank you, Mr. President.

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

25 Senator Carlucci to explain his

1 vote.

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

4 I want to thank my colleagues for
5 supporting this budget bill. One of the major
6 problems that we have here right now in New York
7 is our unemployment, particularly for veterans.
8 Right now, veterans coming back from Afghanistan
9 are suffering an unemployment rate that's double
10 that of their civilian counterparts. In fact, in
11 many regions of the state it's over 10 percent
12 for our veterans, of an unemployment rate.

13 This veterans tax credit I believe
14 will go a long way in helping sweeten the deal to
15 make sure that we give our veterans the best shot
16 possible at getting the highest quality jobs
17 possible. So this veterans tax credit, it just
18 doesn't give a blanket tax credit, but it rewards
19 high-quality, high-paying jobs to those
20 employers. We're giving up to 15 percent of that
21 salary to a disabled veteran; 15 percent of that
22 salary will be a tax credit to that employer.

23 I believe this will go a long way.
24 In Rockland County, we formed the Veterans
25 Advisory Committee so that when we're up here

1 voting, that I'm not voting in a vacuum but
2 voting with the ideas, with the vision, with
3 veterans in mind. And one of our goals is to
4 lower the unemployment rate for veterans in
5 New York State. And I believe with a strong bill
6 like this we'll be able to be leaders in the
7 nation, that this could be a bill that other
8 states will follow.

9 So we're fulfilling our commitment
10 and standing up for our veterans. So I vote aye,
11 and I want to thank my colleagues for doing the
12 same.

13 ACTING PRESIDENT GRIFFO: Senator
14 Carlucci to be recorded in the affirmative.

15 Announce the results.

16 THE SECRETARY: Those recorded in
17 the negative on Calendar Number 278 are
18 Senators Espaillat, Hoylman, Krueger, Montgomery,
19 Parker, Peralta, Perkins, Rivera, and Sampson.

20 Ayes, 51. Nays, 9.

21 ACTING PRESIDENT GRIFFO: The bill
22 is passed.

23 Senator Libous.

24 SENATOR LIBOUS: Thank you,
25 Mr. President. Could we take up Calendar Number

1 273, please.

2 ACTING PRESIDENT GRIFFO: The
3 Secretary will read.

4 THE SECRETARY: Calendar Number
5 273, Senate Budget Bill, Senate Print 2600E, an
6 act making appropriations for the support of
7 government: STATE OPERATIONS BUDGET.

8 ACTING PRESIDENT GRIFFO: Read the
9 last section.

10 Senator Espaillat.

11 SENATOR ESPAILLAT: Will the
12 sponsor yield for a question?

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

15 SENATOR DeFRANCISCO: Yes.

16 ACTING PRESIDENT GRIFFO: The
17 Senator yields.

18 SENATOR ESPAILLAT: Through you,
19 Mr. President --

20 ACTING PRESIDENT GRIFFO: Excuse
21 me, Senator Espaillat.

22 Could we have some order in the
23 chamber, please.

24 Senator Espaillat.

25 SENATOR ESPAILLAT: Yes. Is the

1 Tenant Protection Unit funded through this part
2 of the budget?

3 SENATOR DeFRANCISCO: No.

4 SENATOR ESPAILLAT: Thank you,
5 Mr. President. That's it.

6 ACTING PRESIDENT GRIFFO: Thank
7 you, Senator EspailLAT.

8 Any other Senator wishing to be
9 heard?

10 Senator EspailLAT.

11 SENATOR ESPAILLAT: On the bill.

12 ACTING PRESIDENT GRIFFO: Senator
13 EspailLAT on the bill.

14 SENATOR ESPAILLAT: Two years ago
15 we passed the rent stabilization laws, we
16 extended them, anemically increasing tenant
17 protection. But we were very optimistic that
18 through the Governor's initiative we would get a
19 Tenant Protection Unit to the tune of
20 \$5.8 million.

21 That has not materialized. The unit
22 is there, but the funding is not there. And so I
23 am very concerned and distressed that it was not
24 included in this budget.

25 And I will be voting in the

1 negative, Mr. President.

2 ACTING PRESIDENT GRIFFO: Is there
3 any other Senator wishing to be heard?

4 Seeing none, hearing none, the
5 debate is closed.

6 The Secretary will ring the bell.

7 Can I have some order in the
8 chamber, please.

9 Read the last section.

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

12 ACTING PRESIDENT GRIFFO: Call the
13 roll.

14 (The Secretary called the roll.)

15 ACTING PRESIDENT GRIFFO: Announce
16 the results.

17 Senator Gipson to explain his vote.

18 SENATOR GIPSON: Thank you,
19 Mr. President.

20 I will be voting yes on this, but I
21 just want to point out that it's 4 o'clock in the
22 morning. There's something wrong with this
23 picture, because we are about to go away, and
24 most of us will go to sleep. I am actually going
25 back to my district and go right to work.

1 (Laughter; groans.)

2 SENATOR GIPSON: But most of us
3 will be going to sleep. Most of us will be going
4 to sleep.

5 And what's wrong with that is that
6 the people that we represent are just now
7 starting to get ready to wake up and go about
8 their business. And that's completely
9 backwards. We should be working in the light of
10 day, not at the time when only the vampires are
11 roaming the halls of Albany.

12 (Laughter.)

13 SENATOR GIPSON: And I would hope
14 that after this experience, everyone in the
15 chamber will become a cosponsor of the Vampire
16 Voting Act of 2013 so that we never have to do
17 this again.

18 Thank you, Mr. President.

19 ACTING PRESIDENT GRIFFO: How do
20 you vote, Senator Gipson?

21 SENATOR GIPSON: As I said when I
22 first stood up, I will be voting yes.

23 (Laughter.)

24 ACTING PRESIDENT GRIFFO: Senator
25 Gipson to be recorded in the affirmative.

1 Senator Latimer to explain his vote.

2 SENATOR LATIMER: I rise not only
3 to vote on this bill, but to apologize. I've
4 been given a text from the New York State
5 Association of Kumquat Growers --

6 (Laughter.)

7 SENATOR LATIMER: Apparently
8 they're not coming to my next fundraiser.

9 (Laughter.)

10 SENATOR LATIMER: So -- and Senator
11 Marchione, I have gotten you off the hook, since
12 I started it. So my apologies to anybody else
13 who I've dragged into the KumquatGate of
14 tonight.

15 Thank you.

16 ACTING PRESIDENT GRIFFO: Senator
17 Latimer, how do you vote?

18 SENATOR LATIMER: In the
19 affirmative.

20 ACTING PRESIDENT GRIFFO: Senator
21 Latimer to be recorded in the affirmative.

22 Senator DeFrancisco to explain his
23 vote.

24 SENATOR DeFRANCISCO: Yes, I vote
25 in the affirmative.

1 There's been a lot of banter about
2 the lateness of the hour. It's been referred to
3 in various contexts. But we, as Republicans and
4 Independent Conferences, we believe we should at
5 least work an eight-hour day. So we started our
6 Finance Committee meeting at 9:13 this evening.
7 We're now almost at a seven-hour point. And then
8 we had a 15-minute session for the other bills,
9 passed six bills in 15 minutes.

10 So as far as the lateness of the
11 hour, we all could have slept during the day, we
12 got the budget done even before the Assembly
13 started. So we should, instead of being
14 criticized, be complimented for the industry in
15 which we operate.

16 And we are now done with the budget
17 in a record time, and everyone is clearly
18 conscious, clearly understands what's going on,
19 and the public can watch all of our videos as we
20 send them out to our constituents.

21 Thank you.

22 ACTING PRESIDENT GRIFFO: Senator
23 DeFrancisco to be recorded in the affirmative.

24 Announce the results.

25 THE SECRETARY: In relation to

1 Calendar Number 273, those recorded in the
2 negative are Senators Espaillat, Parker and
3 Sampson.

4 Absent from voting: Senator
5 Gallivan.

6 Ayes, 56. Nays, 3.

7 ACTING PRESIDENT GRIFFO: The bill
8 is passed.

9 The chair recognizes Senator
10 Stewart-Cousins.

11 SENATOR STEWART-COUSINS: Thank
12 you, Mr. President. Good morning.

13 ACTING PRESIDENT GRIFFO: Good
14 morning, Senator Cousins.

15 SENATOR STEWART-COUSINS: You know,
16 you hardly know where to begin with all of the
17 kumquats and the declarations of how ambitious we
18 all are. I will say that the Senate Democrats
19 were here and in conference at 3:00 p.m., and so
20 we too believe in being industrious and working
21 hard.

22 And I do believe that this is what
23 this is all about today, this budget -- and
24 you've heard back and forth that it matters, it
25 matters to a lot of people. We were able to do

1 good things for a lot of people. But there were
2 people who were left behind in this budget.
3 There were people who -- certainly the poor, the
4 working poor and some middle class,
5 developmentally disabled people who are left
6 behind in this budget.

7 This is about priorities and this is
8 about making sure that all the voices are at the
9 table. We congratulate ourselves and certainly
10 my fellow leaders for cooperation, for
11 compromise. I think we could have done better.
12 I think we could have gotten a work product that
13 was reflective of more of the voices in this
14 state had it been an inclusive process.

15 From the very beginning, when my
16 colleagues stood up and talked about SUNY
17 Downstate and talked about the concern of this
18 huge segment of the population, and there's
19 absolutely nothing but a promise of a study in
20 lieu of something concrete for patients, for
21 workers, for people who depend on that healthcare
22 delivery system. We could have done better.

23 We could have done better when we
24 talked about our minimum wage. We know what we
25 started with. The Governor started at \$8.75 in

1 2013. We're at \$8 starting on New Year's Eve.

2 When we talk about what that
3 matters, yeah, I think Senator Carlucci said that
4 right now these people are making \$290 a week.
5 And at the beginning of 2014 they will be making
6 \$320 a week.

7 These families, though, in our rush
8 to give rebate checks, these families who at the
9 end of \$8-an-hour, 40-hour weeks, making \$16,000,
10 will not get a check. If they have a child or
11 two children, they won't get a check. We're
12 starting with people making \$40,000 and going up
13 to \$300,000. And we're leaving a whole segment
14 of the population behind, working poor who we're
15 supposedly helping.

16 And everybody's so tortured about
17 the OPWDD. Everybody worked so hard. But all
18 the voices weren't at the table. Maybe together
19 we really could have done more than restore
20 \$30 million. Just think. And I know, yes, it
21 will be matched, so it will be \$60 million. But
22 nobody feels good about that. Nobody feels good
23 that we can maybe hope that providers won't be
24 shut down and maybe we can find places to send
25 the most vulnerable among us.

1 We talked about our seniors, who
2 won't take part in this rebate check, or our
3 veterans. We did good things. I'm not here
4 chastising people for what didn't happen, because
5 you tried hard. But when we come together to do
6 the people's business, when we talk about
7 governing, when we talk about why we're all here,
8 we know why we're all here. We're here because
9 there are voices who aren't heard and there are
10 people who actually depend on government to do
11 the right things.

12 There are Dreamers who hoped that
13 they would have a shot at fulfilling that
14 American dream. And yes, Senator Golden, you
15 were right. We can't pat ourselves on the back.
16 You were right. When we leave here, we will have
17 had an on-time budget for the third year, and we
18 can be happy about that.

19 But our work is not done. We've
20 left too many people behind, too many people who
21 really need us to make sure that we redouble our
22 efforts so that when the rising tide lifts boats,
23 it indeed lifts all boats. But not just because
24 the tide is rising, but because we really, really
25 paid attention and had our priorities right.

1 Thank you.

2 (Applause.)

3 ACTING PRESIDENT GRIFFO: Thank
4 you, Senator Stewart-Cousins.

5 Senator Klein.

6 SENATOR KLEIN: Thank you,
7 Mr. President.

8 I want to thank all of my colleagues
9 for actually, I think, a very lively and I think
10 educational debate.

11 I do want to say a very special
12 thank you to my co-leader, Senator Skelos. This
13 was, I think, a very important process. And not
14 only have we for the first time in 30 years
15 passed an early budget, but we also passed the
16 first bipartisan budget. And I think this was
17 something that was very, very important.

18 And I think by and large we did what
19 was right for the residents of the State of
20 New York. I don't think, in my memory of the
21 Legislature, I have seen such a family-friendly
22 budget. And I know everyone here expressed
23 concerns about some that we left behind. And
24 that's true, because whether it's making choices
25 around a kitchen table or in the halls of the

1 State Capitol, budgets are never easy.

2 But New Yorkers need to know our
3 goal, like theirs, is also rooted in the greatest
4 good. And we kept our promise to increase the
5 minimum wage for those workers who need it the
6 most. President Obama earlier in the year
7 challenged Congress to raise the minimum wage.
8 Well, I'm not as optimistic as some of my
9 colleagues that that's actually going to get
10 done. But we kept our promise. In 2015, as
11 President Obama asked, we will have a \$9 minimum
12 wage in New York State.

13 And that's something important too,
14 because over the last two years I made the case
15 about, well, we're boosting minimum-wage
16 workers. It is an issue of fairness. But it's
17 also good common sense and good economics.
18 Because when you give a minimum-wage worker an
19 increase in salary, they're going to spend it.
20 They're going to buy things in their local
21 grocery stores, they're going to support their
22 local economy.

23 And according to a study that the
24 Independent Democratic Conference put out last
25 year, by increasing the minimum wage to \$9, we're

1 going to generate over \$600 million into the
2 economy and create close to 5,000 jobs. So that
3 makes good economic sense.

4 But we want to make sure that
5 everyone benefits from this budget. And that's
6 why I think our child tax rebate check is going
7 to go a long way towards helping people. I
8 think, if you ask somebody if they want \$350 to
9 offset the price of daycare, to maybe take care
10 of that medical bill that they didn't know was
11 going to be as high, to actually put more money
12 in their pockets after the federal payroll tax
13 was increased, they're going to say yes.

14 And by the way, it is what it is,
15 it's a child tax rebate. Because people under
16 \$40,000 in New York State don't pay taxes. So
17 we're giving money back to taxpayers in the State
18 of New York.

19 This is the first budget in memory
20 that I've ever seen that we actually give a small
21 business income-tax exemption. You know, one of
22 the things we always talk about is we don't do
23 enough for small business, and I agree. And I
24 believe the reason why we haven't seen job
25 creation, the reason why we haven't seen an

1 upstart in our economy is because we're not
2 recognizing the fact that it's small businesses
3 who grow jobs, who really generate our economy.

4 So I think by actually giving a tax
5 cut of 5 percent to businesses whose net income
6 is below \$250,000, I think that's an important
7 first step.

8 We also eliminate tax liability for
9 manufacturers. As was talked about before,
10 something that I think both sides of the aisle
11 were advocating was the first ever veterans tax
12 credit.

13 You know, one of the things, if you
14 look at the high unemployment rate in our state.
15 When you look at the unemployment rate among
16 veterans, it's close to 12 percent. I think we
17 can do better, where our men and women serving
18 overseas, fighting for our freedoms, the least
19 they can expect is when they come back to
20 New York they have a job waiting for them. And
21 through this veterans tax credit -- a business
22 tax credit of 10 percent of salary up to \$5,000
23 for each veteran hired, and 15 percent of salary
24 up to \$15,000 for each disabled veteran hired --
25 when it's enacted we're not only going to reduce

1 unemployment, but we're going to do what's right
2 for America's heroes.

3 Our teacher evaluation system. I
4 know last session we devised a teacher evaluation
5 system which was tied to funding. We saw when
6 adults don't get it right, the children suffer.
7 I think we made a very important fix to that
8 piece of legislation that now we have a stopgap
9 measure, that if the sides don't agree, we won't
10 lose the funding that our schools so desperately
11 need.

12 The Teen Health Education Fund
13 checkoff box, which I talked about before, I
14 think is going to breathe life into health
15 education programs across the State of New York.

16 And first, also, I want to thank the
17 members of our Sandy Task Force -- Senator Andrew
18 Lanza, Senator Malcolm Smith. One of the things
19 that we were able to do was really get out front
20 on an issue that impacted that many of us. A lot
21 of our recommendations that came out of the task
22 force are actually in this budget. And I really
23 want to thank all of the task force members --
24 Senator Sanders, I know Senator Addabbo was on
25 the task force, and many, many others -- because

1 I think we really set the mark for better
2 planning in case of a future emergency.

3 Now, thanks to the recommendations
4 that were made, as our communities rebuild from
5 the storm this budget requires that downstate gas
6 stations that are located within a half-mile of
7 highways and evacuation routes be prewired for
8 and have a generator. We also create a microgrid
9 system for the first time in New York so we can
10 sure that areas of need, emergency centers, have
11 power during an disaster. We also finally
12 require that electric companies submit emergency
13 response plans that would outline the prompt
14 restoration of services following an outage.

15 I also want to say thank you to our
16 respective staffs. Both sides of the aisle
17 worked very, very hard, led by my chief of staff,
18 John Emrick, the Republican staff member, Rob
19 Mujica. They worked long and hard, and I think
20 the result today is a budget we can be proud of.

21 So I want to wish all my colleagues
22 a happy holiday -- happy Easter, happy Passover.
23 And I hope we enjoy our break, because when we
24 come back in mid-April, we've got to get back to
25 work.

1 So thank you, Mr. President.

2 (Applause.)

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

5 Senator Skelos.

6 SENATOR SKELOS: Thank you,
7 Mr. President. And I truly appreciate the fact
8 that you know what's germane and what is not
9 germane.

10 But this evening, this morning,
11 we're passing a third consecutive early budget,
12 and it's something that all of us, Republicans
13 and Democrats, can be proud of. No messages and,
14 Senator Gipson, it will be finally passed in the
15 light of day. A little early in the morning, but
16 it will be passed.

17 We should also be very proud of the
18 results of this budget. We have worked under a
19 very compressed time schedule. We've gotten a
20 lot of work done. And I believe and I know that
21 we've achieved a budget that is fiscally
22 responsible.

23 This budget is pro-taxpayer,
24 pro-family, pro-jobs, and builds on our successes
25 over the past two years. For the third straight

1 year, the state budget will keep state spending
2 growth below 2 percent, which is consistent with
3 the spending cap on local governments and school
4 districts. The budget reflects the key
5 priorities of the Senate Republican Conference,
6 including elements of our Family Tax Relief Act.

7 This budget helps families by
8 providing a \$350 family tax relief credit to
9 families with children, those that earn between
10 \$40,000 and \$300,000. I should point out that
11 for those who are under \$40,000 and are working,
12 they get an earned income tax credit even though
13 they do not pay taxes, which amounts to about a
14 billion dollars a year. So individuals who are
15 working, not paying taxes, are getting about a
16 billion dollars a year in the earned income tax
17 credit.

18 It also extends the lowest
19 middle-class income tax rate in 60 years that was
20 due to expire next year. This will save
21 4.4 million taxpayers \$707 million per year. The
22 new budget will also continue the inflation
23 indexing that will save taxpayers an additional
24 \$230 million next year.

25 The budget also includes significant

1 property tax relief. There's a record amount of
2 STAR property tax relief in this budget,
3 \$3.4 billion, including \$1.9 billion in property
4 tax relief for senior citizens.

5 This budget helps businesses and
6 includes many elements of the Senate Republicans'
7 Blueprint for Jobs plan, including a tax cut for
8 small businesses that pay under the personal
9 income tax, a reduction and phaseout of the 18-a
10 energy tax surcharge, a tax credit for businesses
11 that hire returning veterans, lower taxes on
12 manufacturers, and expanded marketing of
13 New York-grown farm products.

14 This budget does more to help
15 businesses create jobs than any other budget in
16 recent memory. The budget also includes a
17 minimum-wage increase that is reasonable and is
18 phased in over three years, giving businesses
19 time to adjust.

20 There are important safeguards to
21 protect businesses from the costs associated with
22 the wage increase, including a new tax credit for
23 employers with workers under 20. There will also
24 be no indexing of the minimum wage for
25 inflation. These same protections that will help

1 businesses afford the higher-cost wages will also
2 protect people from losing their jobs.

3 The budget also makes tremendous
4 investments in education of our children. We are
5 increasing school aid by nearly \$1 billion and
6 ensuring that every region of the state is
7 treated fairly. Local road and bridge funds will
8 be increased by \$75 million for the first time in
9 five years.

10 The budget balances the priorities
11 of Democrats and Republicans and is a model for
12 how government is supposed to work, and that's
13 for the people.

14 I want to thank Senator Klein and
15 our colleagues in the IDC for helping us put an
16 outstanding budget together. There were many
17 individuals, some in the media, that said it
18 wouldn't work, Jeff -- and we've all worked to
19 make it work.

20 I want to Governor Cuomo for working
21 with us and listening to the concerns of
22 Republicans and Democrats, people from all
23 regions of the state, as we brought this budget
24 together.

25 I want to thank the chair of

1 Finance, Senator DeFrancisco, not only for the
2 great job he did this evening, but the days upon
3 days of the hearings as it led up to the budget.

4 John, we thank you, you did an
5 outstanding job. Thank you very much, John.

6 (Applause.)

7 SENATOR SKELOS: The staff, all the
8 staff, outstanding job. But I just have to say
9 Robert Mujica -- Robert, I don't know how you do
10 it. You keep your composure. Any member,
11 Republican or Democrat, you're willing to sit
12 down with them, explain issues. You know the
13 page, you know the number. And you really help
14 us function well as a body and making sure that
15 we have this on-time budget and, as I said, a
16 good budget.

17 So, Robert, I thank very much for
18 your good work. Thank you, Robert.

19 (Applause.)

20 SENATOR SKELOS: So maybe I'll get
21 some bullet aid now.

22 (Laughter.)

23 SENATOR SKELOS: Let me just say
24 now, is there any other business at the desk?

25 ACTING PRESIDENT GRIFFO: Thank

1 you, Senator Skelos. There is no further
2 business before the desk.

3 SENATOR SKELOS: We wish everybody
4 a blessed holiday season. And there being no
5 further business, I move we adjourn until Monday,
6 April 15th, at 3:00 p.m., intervening days being
7 legislative days.

8 ACTING PRESIDENT GRIFFO: On
9 motion, the Senate stands adjourned until Monday,
10 April 15th, at 3:00 p.m., intervening days being
11 legislative days.

12 Senate adjourned.

13 (Whereupon, at 4:32 a.m., the Senate
14 adjourned.)

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