

1 NEW YORK STATE SENATE

2  
3  
4 THE STENOGRAPHIC RECORD

5  
6  
7  
8  
9 ALBANY, NEW YORK

10 March 31, 2014

11 12:27 p.m.

12  
13  
14 REGULAR SESSION

15  
16  
17  
18 SENATOR JOSEPH GRIFFO, Acting President

19 FRANCIS W. PATIENCE, Secretary

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

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

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

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

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

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

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

17 THE SECRETARY: In Senate, Sunday,  
18 March 30th, the Senate met pursuant to agreement.  
19 The Journal of Saturday, March 29th, was read and  
20 approved. On motion, Senate adjourned.

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

23 Presentation of petitions.

24 Messages from the Assembly.

25 Messages from the Governor.

1 Reports of standing committees.

2 Reports of select committees.

3 Communications and reports of state  
4 officers.

5 Motions and resolutions.

6 Senator Libous.

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

9 If I may, on behalf of  
10 Senator Marcellino, on page 12 I offer the  
11 following amendments to Calendar Number 144,  
12 Senate Print 4511, and ask that said bill retain  
13 its place on the Third Reading Calendar.

14 ACTING PRESIDENT GRIFFO: The  
15 amendments are received, and the bill shall  
16 retain its place on third reading.

17 SENATOR LIBOUS: And, Mr.  
18 President, at this time could we please adopt the  
19 Resolution Calendar.

20 ACTING PRESIDENT GRIFFO: All in  
21 favor of adopting the Resolution Calendar as  
22 presented signify by saying aye.

23 (Response of "Aye.")

24 ACTING PRESIDENT GRIFFO: Opposed?

25 (No response.)

1                   ACTING PRESIDENT GRIFFO:    The  
2   Resolution Calendar is adopted.

3                   Senator Libous.

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

6                   At this time I believe there's a  
7   previously adopted resolution at the desk by  
8   Senator Nozzolio.  It's Resolution Number 4204.  
9   Could we have it read, please, in its entirety  
10  and then please call on Senator Nozzolio for  
11  remarks.

12                  ACTING PRESIDENT GRIFFO:    The  
13  Secretary will read.

14                  THE SECRETARY:    Legislative  
15  Resolution Number 4204, by Senator Nozzolio,  
16  congratulating the Romulus High School Girls  
17  Varsity Basketball Team and Coach Damon Nicholson  
18  upon the occasion of capturing the title at the  
19  2014 New York State Public High School Athletic  
20  Association (NYSPHSAA) Girls Basketball Class D  
21  Championships.

22                  "WHEREAS, Excellence and success in  
23  competitive sports can be achieved only through  
24  strenuous practice, team play and team spirit,  
25  nurtured by dedicated coaching and strategic

1 planning; and

2 "WHEREAS, Athletic competition  
3 enhances the moral and physical development of  
4 the young people of this state, preparing them  
5 for the future by instilling in them the value of  
6 teamwork, encouraging a standard of healthy  
7 living, imparting a desire for success and  
8 developing a sense of fair play and competition;  
9 and

10 "WHEREAS, Attendant to such concern,  
11 and in full accord with its long-standing  
12 traditions, this Legislative Body is justly proud  
13 to congratulate the Romulus High School Girls  
14 Varsity Basketball Team and Coach Damon Nicholson  
15 upon the occasion of capturing the title at the  
16 2014 NYSPHSAA Girls Basketball Class D  
17 Championships on Sunday, March 16, 2014; and

18 "WHEREAS, The Romulus High School  
19 Warriors prevailed at the championship game  
20 tournament, held at Hudson Valley Community  
21 College in Troy, New York, in a 47-40 win over  
22 Fort Edward High School's Flying Forts; and

23 "WHEREAS, The championship win caps  
24 an exceptional undefeated season record of 25-0  
25 for the Warriors, bringing home Romulus High

1 School's first-ever championship title; and

2 "WHEREAS, The athletic talent  
3 displayed by this team is due in great part to  
4 the efforts of Coach Damon Nicholson, a skilled  
5 and inspirational mentor, respected for his  
6 ability to develop potential into excellence; and

7 "WHEREAS, The team's overall record  
8 is outstanding, and the team members were loyally  
9 and enthusiastically supported by family, fans,  
10 friends and the community at large; and

11 "WHEREAS, The hallmarks of the  
12 Romulus High School Girls Varsity Basketball  
13 Team, from the opening game of the season to the  
14 championships, were a sisterhood of athletic  
15 ability, of good sportsmanship, of honor and of  
16 scholarship, demonstrating that these team  
17 players are second to none; and

18 "WHEREAS, Athletically and  
19 academically, the team members have proven  
20 themselves to be an unbeatable combination of  
21 talents, reflecting favorably on their school and  
22 community; and

23 "WHEREAS, Coach Damon Nicholson has  
24 done a superb job in guiding, molding and  
25 inspiring the Romulus High School Girls Varsity

1 Basketball Team members toward their goals; and  
2 "WHEREAS, Sports competition  
3 instills the values of teamwork, pride and  
4 accomplishment; Coach Damon Nicholson and the  
5 Romulus High School Girls Varsity Basketball  
6 Team's outstanding athletes have clearly made a  
7 contribution to the spirit of excellence which is  
8 a tradition of their school; now, therefore, be  
9 it

10 "RESOLVED, That this Legislative  
11 Body pause in its deliberations to congratulate  
12 the Romulus High School Girls Varsity Basketball  
13 Team; its members: Paola Figueroa, Danielle  
14 Calabrese, Jenny Tompkins, Olivia Brandow, Zoe  
15 McDonald, Emily Mastellar, Cheyenne Howe, Breanne  
16 Berlin, Maegann Mein, Jessica Rhone; Coach Damon  
17 Nicholson; and Assistant Coaches Charles Luffman  
18 and Erica Nicholson on their outstanding season  
19 and overall team record; and be it further

20 "RESOLVED, That copies of this  
21 resolution, suitably engrossed, be transmitted to  
22 the members of the Romulus High School Girls  
23 Varsity Basketball Team, Coach Damon Nicholson,  
24 and Assistant Coaches Charles Luffman and  
25 Erica Nicholson."

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Nozzolio on the resolution.

3                   SENATOR NOZZOLIO:    Thank you,  
4   Mr. President.

5                   Mr. President and my colleagues, I  
6   stand with great pride before you today to  
7   welcome and congratulate the State Champion  
8   Class D Girls Basketball Team from Romulus,  
9   New York.

10                  Romulus is a small school, but its  
11   students have the biggest hearts. This team is  
12   exemplary of that tradition. That the team so  
13   honored today overcame a great amount of  
14   adversity. They were certainly well-coached by  
15   Damon and Erica Nicholson and Charlie Luffman.

16                  They have a great number of  
17   supporters here today: the superintendent of  
18   Romulus Central School, Marty Rotz, and also a  
19   number of parents and supporters of the team who  
20   came here to be part of the celebration honoring  
21   their success.

22                  It's not easy to be a champion of  
23   anything. To be a champion in New York State,  
24   you have to have a great amount of dedication,  
25   hard work, teamwork, and that intangible called



1 heart.

2 I'd like to reiterate a part of this  
3 resolution because I believe it exemplifies the  
4 spirit that the Romulus Women's Basketball Team  
5 have captured throughout their very successful  
6 season: "The hallmark of the Romulus High School  
7 Girls Varsity Basketball Team, from the opening  
8 game of the season to the championship, were a  
9 sisterhood of athletic ability, of good  
10 sportsmanship, of honor and of scholarship,  
11 demonstrating that these team players are second  
12 to none."

13 They were successful as champions  
14 because they worked together. They knew what it  
15 was like to work together for a greater good, to  
16 be unselfish, to ensure the appropriate member of  
17 the team could score because it was a benefit to  
18 all the team. That this team is unselfish, the  
19 members are grateful for each other. And all  
20 that spirit that we gain from athletic  
21 competition is exemplary in these fine young  
22 women.

23 I'd like to extend a formal and very  
24 personal congratulations to the Romulus Girls  
25 Basketball Team, New York State champions, from a

1 a lady who has been very close to me for many,  
2 many years -- most of my life -- and that's my  
3 dear mother-in-law, Mildred Frankenfield  
4 Sorrentino.

5 Mildred -- Millie -- was a former  
6 player in, a member of the Romulus Girls  
7 Basketball Team. And she is just so proud and  
8 happy that the team is being recognized here  
9 today. A tradition going back many years, a  
10 tradition important to the fabric of the  
11 Central Finger Lakes, a tradition that we all  
12 celebrate today.

13 And with that, Mr. President, I'd  
14 like to ask you to formally extend  
15 congratulations to the Romulus Women's Basketball  
16 Team upon the occasion of their championship of  
17 New York State.

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

20 We want to extend sincere  
21 congratulations on behalf of the entire Senate to  
22 the girls varsity hoops team on winning the  
23 state championship in Class D.

24 Welcome to our chamber, and job well  
25 done. Welcome. Congratulations. Please rise.

1 (Applause.)

2 ACTING PRESIDENT GRIFFO: The  
3 resolution was adopted on March 25th of 2014, as  
4 indicated earlier.

5 Senator Libous.

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

8 There will be an immediate meeting  
9 of the Finance Committee in Room 332. And while  
10 Finance is meeting, the Senate will stand at  
11 ease.

12 ACTING PRESIDENT GRIFFO: There is  
13 an immediate meeting of the Senate Finance  
14 Committee in Room 332.

15 The Senate stands at ease.

16 (Whereupon, the Senate stood at ease  
17 at 12:36 p.m.)

18 (Whereupon, the Senate reconvened at  
19 1:03 p.m.)

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

22 Senator Libous.

23 SENATOR LIBOUS: Mr. President,  
24 could we please return to reports of standing  
25 committees. I believe there's a report of the

1 Finance Committee at the desk.

2 ACTING PRESIDENT GRIFFO: We will  
3 return to reports of standing committees.

4 The Secretary will read the report  
5 of the Finance Committee.

6 THE SECRETARY: Senator  
7 DeFrancisco, from the Committee on Finance,  
8 reports the following bills:

9 Senate Print 6350E, Senate Budget  
10 Bill, an act making appropriations for the  
11 support of government: State Operations Budget;

12 Senate 6351A, Senate Budget Bill, an  
13 act making appropriations for the support of  
14 government: Legislature and Judiciary Budget;

15 Senate 6353E, Senate Budget Bill, an  
16 act making appropriations for the support of  
17 government: Aid to Localities Budget;

18 Senate 6354E, Senate Budget Bill, an  
19 act making appropriations for the support of  
20 government: Capital Projects Budget;

21 Senate 6355D, Senate Budget Bill, an  
22 act to amend the Vehicle and Traffic Law;

23 Senate 6356D, Senate Budget Bill, an  
24 act to amend the Education Law;

25 Senate 6357D, Senate Budget Bill, an

1 act to amend the Highway Law;

2 Senate 6358D, Senate Budget Bill, an

3 act to amend the Education Law;

4 Senate 6359D, Senate Budget Bill, an

5 act to amend the Tax Law;

6 And Senate 6914, Senate Budget Bill,

7 an act to amend the Public Health Law.

8 All bills reported direct to third

9 reading.

10 ACTING PRESIDENT GRIFFO: Senator

11 Libous.

12 SENATOR LIBOUS: Mr. President, I

13 move that we accept the report of the

14 Finance Committee.

15 ACTING PRESIDENT GRIFFO: All in

16 favor of accepting the Committee on Finance

17 report signify by saying aye.

18 (Response of "Aye.")

19 ACTING PRESIDENT GRIFFO: Opposed?

20 (No response.)

21 ACTING PRESIDENT GRIFFO: The

22 Finance Committee report is accepted and before

23 the house.

24 Senator Libous.

25 SENATOR LIBOUS: Mr. President, at

1 this time may we please have the noncontroversial  
2 reading of the supplemental calendar.

3 ACTING PRESIDENT GRIFFO: The  
4 Secretary will read.

5 THE SECRETARY: In relation to  
6 Calendar Number 368, Senator DeFrancisco moves to  
7 discharge, from the Committee on Finance,  
8 Assembly Bill Number 8550E and substitute it for  
9 the identical Senate Bill Number 6350E, Third  
10 Reading Calendar 368.

11 ACTING PRESIDENT GRIFFO: The  
12 substitution is so ordered.

13 The Secretary will read.

14 THE SECRETARY: Calendar Number  
15 368, Assembly Budget Bill, Assembly Print 8550E,  
16 an act making appropriations for the support of  
17 government: State Operations Budget.

18 SENATOR GIANARIS: Lay it aside.

19 ACTING PRESIDENT GRIFFO: Lay it  
20 aside.

21 THE SECRETARY: Calendar Number  
22 369, Senate Budget Bill, Senate Print 6351A, an  
23 act making appropriations for the support of  
24 government: Legislature and Judiciary Budget.

25 ACTING PRESIDENT GRIFFO: Read the

1 last section.

2 THE SECRETARY: Section 5. This  
3 act shall take effect immediately and shall be  
4 deemed to have been in full force and effect on  
5 and after April 1, 2014.

6 ACTING PRESIDENT GRIFFO: Call the  
7 roll.

8 (The Secretary called the roll.)

9 THE SECRETARY: Ayes, 59.

10 ACTING PRESIDENT GRIFFO: The bill  
11 is passed.

12 THE SECRETARY: Calendar Number  
13 370, Senate Budget Bill, Senate Print 6353E, an  
14 act making appropriations for the support of  
15 government: Aid to Localities Budget.

16 SENATOR GIANARIS: Lay it aside.

17 ACTING PRESIDENT GRIFFO: Lay it  
18 aside.

19 THE SECRETARY: Calendar Number  
20 371, Senate Budget Bill, Senate Print 6354E, an  
21 act making appropriations for the support of  
22 government: Capital Projects Budget.

23 SENATOR GIANARIS: Lay it aside.

24 ACTING PRESIDENT GRIFFO: Lay it  
25 aside.

1           THE SECRETARY:   Calendar Number  
2   372, Senate Budget Bill, Senate Print 6355D, an  
3   act to amend the Vehicle and Traffic Law.

4           SENATOR GIANARIS:   Lay it aside.

5           ACTING PRESIDENT GRIFFO:   Lay it  
6   aside.

7           THE SECRETARY:   Calendar Number  
8   373, Senate Budget Bill, Senate Print 6356D, an  
9   act to amend the Education Law.

10          SENATOR GIANARIS:   Lay it aside.

11          ACTING PRESIDENT GRIFFO:   Lay it  
12   aside.

13          THE SECRETARY:   Calendar Number  
14   374, Senate Budget Bill, Senate Print 6357D, an  
15   act to amend the Highway Law.

16          SENATOR GIANARIS:   Lay it aside.

17          ACTING PRESIDENT GRIFFO:   Lay it  
18   aside.

19          THE SECRETARY:   Calendar Number  
20   375, Senate Budget Bill, Senate Print 6358D, an  
21   act to amend the Education Law.

22          SENATOR GIANARIS:   Lay it aside.

23          ACTING PRESIDENT GRIFFO:   Lay it  
24   aside.

25          THE SECRETARY:   Calendar Number



1 376, Senate Budget Bill, Senate Print 6359D, an  
2 act to amend the Tax Law.

3 SENATOR GIANARIS: Lay it aside.

4 ACTING PRESIDENT GRIFFO: Lay it  
5 aside.

6 THE SECRETARY: Calendar Number  
7 377, Senate Budget Bill, Senate Print 6914, an  
8 act to amend the Public Health Law.

9 SENATOR GIANARIS: Lay it aside.

10 ACTING PRESIDENT GRIFFO: Lay it  
11 aside.

12 Senator Libous, that completes the  
13 noncontroversial reading of the calendar.

14 SENATOR LIBOUS: Mr. President,  
15 could we now take up the controversial reading of  
16 the calendar, please.

17 ACTING PRESIDENT GRIFFO: The  
18 Secretary will ring the bell.

19 The Secretary will read.

20 THE SECRETARY: Calendar Number  
21 368, Assembly Budget Bill, Assembly Print 8550E,  
22 an act making appropriations for the support of  
23 government: State Operations Budget.

24 SENATOR KRUEGER: Question.

25 ACTING PRESIDENT GRIFFO: Senator

1 Krueger.

2 SENATOR KRUEGER: Thank you. If  
3 the sponsor would please rise for some questions,  
4 through you, Mr. President.

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The  
7 sponsor yields.

8 SENATOR KRUEGER: Thank you.

9 Can you tell us exactly what  
10 programs are being cut or adjusted in the State  
11 Operations bill compared to the Executive  
12 proposal?

13 SENATOR DeFRANCISCO: Well, I can  
14 give you the major ones. There's a lot of  
15 adjustments. But the major ones are that there's  
16 an additional \$220 million -- \$240 million for  
17 education, an additional \$64 million for higher  
18 education, additional \$78 million for health,  
19 Medicaid and mental health. There's a human  
20 services of \$64 million, and there's other  
21 miscellaneous changes for \$116 million, for a  
22 total increase of 562.

23 SENATOR KRUEGER: Thank you.

24 Through you, Mr. President, if the  
25 sponsor would continue to yield.

1                   SENATOR DeFRANCISCO:    Yes.

2                   ACTING PRESIDENT GRIFFO:    The  
3 sponsor yields.

4                   SENATOR KRUEGER:    Thank you.

5                   Does this bill include the  
6 elimination of funding for the Tenant Protection  
7 Unit within DHCR, or HCR as we now know it?

8                   SENATOR DeFRANCISCO:    There is no  
9 funding for it, Mr. President.

10                  SENATOR KRUEGER:    So that has been  
11 eliminated.

12                  SENATOR DeFRANCISCO:    Yes.

13                  SENATOR KRUEGER:    Thank you.

14                  Does this include elimination of  
15 funding for the healthcare exchange?  And if so,  
16 can you tell us exactly what funding was  
17 eliminated and what amounts?

18                  SENATOR DeFRANCISCO:    Well, just  
19 to -- Mr. President, just so you know, do you see  
20 the budget?  It's this big (indicating).  I  
21 haven't honed in on every specific aspect, so I  
22 may need some discussion with counsel here on  
23 that particular one.

24                  The health exchange is funded  
25 through HCRA.  The amount that's being used is

1     \$28 million out of HCRA. I'm not sure what it  
2     was before that. No state money, if that's what  
3     you're asking.

4                 SENATOR KRUEGER: Through you,  
5     Mr. President, if the sponsor would continue to  
6     yield.

7                 ACTING PRESIDENT GRIFFO: The  
8     sponsor yields.

9                 SENATOR KRUEGER: So my colleague  
10    has confirmed that they have removed state money  
11    for the healthcare exchange. Should we be  
12    concerned that any commitments the state needs to  
13    continue to have to run its healthcare exchange  
14    may be now at risk by removing that funding?

15                SENATOR DeFRANCISCO: No, we're not  
16    worried at all.

17                (Laughter.)

18                SENATOR KRUEGER: Through you,  
19    Mr. President, if the sponsor could clarify.  
20    Does he think it will have an impact on the  
21    program we have created in New York State?

22                ACTING PRESIDENT GRIFFO: Senator  
23    DeFrancisco.

24                SENATOR DeFRANCISCO: Mr.  
25    President, the answer is no.

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

3                   SENATOR DeFRANCISCO:    Yes.

4                   ACTING PRESIDENT GRIFFO:    The  
5 sponsor yields.

6                   SENATOR KRUEGER:    Thank you.

7                   I note that there is a salary  
8 adjustment factored in for SUNY salaries through  
9 this budget bill, but not for faculty and staff  
10 at CUNY. May I ask what happened to CUNY in this  
11 budget deal?

12                   SENATOR DeFRANCISCO:    Basically,  
13 Mr. President, just so you know, this is all a  
14 part of the negotiations. And the Senate added  
15 funding for the SUNY colleges for that wage  
16 adjustment. The Assembly, who traditionally  
17 matches those funds for CUNY, did not. So that  
18 being the case, it's only adjustments in the SUNY  
19 budget.

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

23                   ACTING PRESIDENT GRIFFO:    The  
24 sponsor yields.

25                   SENATOR KRUEGER:    So for the

1 record, Senator, the Senate only cares about  
2 SUNY, not CUNY?

3 SENATOR DeFRANCISCO: Mr.  
4 President, Senator Krueger is not that naive. I  
5 think she certainly understands that in a budget  
6 negotiation there are certain priorities of each  
7 house, and they advance those priorities as best  
8 they can in certain situations.

9 With respect to public protection,  
10 for example, the Senate traditionally does adds.  
11 And as far as some housing areas, especially in  
12 the City, the Assembly does adds. Because there  
13 isn't enough money to do everything for everyone.

14 So it was agreed upon by the  
15 Assembly. We're not saying that the Assembly  
16 does not care about SUNY, because they certainly  
17 do. But the fact of the matter is that in the  
18 negotiations some things have to fall off the  
19 table.

20 SENATOR KRUEGER: Through you,  
21 Mr. President. For the record, I think many  
22 people in this house who also represent the  
23 Senate care very much that there's equity between  
24 SUNY and CUNY moving forward.

25 Through you, Mr. President, if the

1 sponsor would continue to yield.

2 ACTING PRESIDENT GRIFFO: The  
3 sponsor yields.

4 SENATOR KRUEGER: Thank you.

5 I wanted to shift to the section  
6 about the Thruway Authority. Authority toll  
7 revenues are projected to reach about  
8 \$650 million for 2014, but are projected to raise  
9 by almost 50 percent to over \$950 million by  
10 2017. Do we know what is driving the significant  
11 increase in anticipated toll costs?

12 SENATOR DeFRANCISCO: Mr.  
13 President, I just wanted to confirm when we had  
14 the -- when Senator Krueger and I got to be very  
15 close during the budget hearings, she'll no doubt  
16 remember when I asked the director of the  
17 Thruway Authority, Mr. Madison, "How is the  
18 Tappan Zee Bridge going to be paid for? Is there  
19 a financial plan for that?" And the answer was  
20 it's going to be paid for by tolls. And the  
21 tolls are going to pay for that plus whatever  
22 else the Thruway Authority has to provide.

23 And I said, you know, "Several  
24 billion dollars is a lot of tolls. You sure you  
25 can do it?" He says, "We can do it because we

1 project the tolls at a certain level."

2           These are the projections that the  
3 Thruway Authority provided to us and the Governor  
4 had in his budget. And I've got a feeling it's  
5 along the same logic; namely, that it shows, at  
6 least according to the Governor's office and the  
7 Thruway Authority, that there will be more tolls  
8 to project that this Tappan Zee Bridge project is  
9 not going to be looking for additional funding.

10           So my guess is those tolls are the  
11 same concept dealing with the Tappan Zee Bridge  
12 financing. Whether they're real or not, it's the  
13 numbers that they gave us and that we agreed  
14 with.

15           SENATOR KRUEGER: Through you,  
16 Mr. President, I appreciate my colleague raising  
17 the Tappan Zee Bridge issue. Because yes, I  
18 remember distinctly our having serious  
19 discussions about exactly this during the budget  
20 hearings.

21           I guess my question now for us, with  
22 this budget in front of us, is is there finally a  
23 financing plan included in the budget that will  
24 address these issues that I think he and I are  
25 both very concerned about?



1                   SENATOR DeFRANCISCO:    Mr.  
2   President, there is not.  It's the same concept,  
3   that the tolls will be sufficient.  And I think  
4   this is the evidence that is being presented to  
5   us by the administration.

6                   And we truly don't have an ability  
7   to change that number because we don't really  
8   have the information that we would need to do  
9   that.

10                  SENATOR KRUEGER:    Through you,  
11   Mr. President, if the sponsor would continue to  
12   yield.

13                  ACTING PRESIDENT GRIFFO:    The  
14   sponsor yields.

15                  SENATOR KRUEGER:    Thank you.  I  
16   appreciate my colleague's response.

17                  So do we know what the tolls will  
18   need to be in order to meet these obligations?

19                  SENATOR DeFRANCISCO:    Mr.  
20   President, I have not done a calculation.  But  
21   the Thruway Authority believes, based on these  
22   projections, that the needs that are met  
23   throughout the system, including the Tappan Zee  
24   Bridge, will be accommodated by these additional  
25   revenues.

1           The real question is -- and we'll  
2 know more next year when we match this number to  
3 what the tolls actually were. And we'd have a  
4 better indication of whether the projection in  
5 outyears are going to be real or not.

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

9           ACTING PRESIDENT GRIFFO: The  
10 sponsor yields.

11          SENATOR KRUEGER: Thank you.

12          I think we still have a real issue  
13 with the Thruway tolls and the costs of a  
14 financing for the Tappan Zee Bridge that does  
15 need to be continued and resolved since we are  
16 building the bridge.

17          I'm shifting now to a different  
18 section of the bill. The State Operations has  
19 actually appropriation language for the Board of  
20 Elections, even though there's also language and  
21 funding in the Aid to Localities budget bill.  
22 Can you explain to me what the budget is for the  
23 State Board of Elections in this, the State  
24 Operations bill?

25          SENATOR DeFRANCISCO: We'll check

1     it out for you.

2                 The state operations part of it is  
3     \$11.1 million. We're modifying the Governor's  
4     recommendation, and it's creating an election  
5     enforcement officer or a counsel to enforce more  
6     vigorously the election laws of the State of  
7     New York.

8                 The second part is modifying the  
9     Executive proposal in the Aid to Localities,  
10    \$30 million to the public campaign finance  
11    program. That's a placeholder because one of the  
12    things in the budget is a pilot program for a  
13    financing vehicle for the Comptroller's office  
14    that we're going to have a report later on as to  
15    how this works.

16                Those funds are projected, if there  
17    is a Comptroller's race -- which we don't know  
18    yet -- those dollars are projected to come or  
19    planned to come from the Comptroller's budget,  
20    the part that is for unclaimed funds. Since they  
21    belong to other individuals who haven't claimed  
22    them yet, at least for the pilot program, that's  
23    what the funds are going to be used for.

24                So this is what's reserved. Whether  
25    this much would be used is another story. None

1 of it would be used if there's no candidate  
2 against the current Comptroller.

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

6 SENATOR DeFRANCISCO: Yes.

7 ACTING PRESIDENT GRIFFO: The  
8 sponsor yields.

9 SENATOR KRUEGER: And I appreciate  
10 this is all confusing, because it's a little  
11 confusing to me to have Board of Elections  
12 budgets in two different unrelated bills.

13 So the sponsor answered 11-point-  
14 something million in the State Operations bill  
15 and \$30 million in the Aid to Localities budget  
16 bill. So is it your understanding that it's --  
17 the \$30 million is only the unclaimed property  
18 public financing if it is used money, and not  
19 anything for the expansion of the role of the  
20 Board of Elections?

21 SENATOR DeFRANCISCO: That is  
22 correct. That's why it's in a separate pot.  
23 Because this is an experimental pilot program to  
24 be reported on later by the Board of Elections.

25 SENATOR KRUEGER: Through you,

1 Mr. President, if the sponsor would continue to  
2 yield.

3 SENATOR DeFRANCISCO: Yes.

4 ACTING PRESIDENT GRIFFO: The  
5 sponsor yields.

6 SENATOR KRUEGER: Thank you.

7 Also in, I believe, the PPGG bills  
8 there is an expansion for the Board of Elections  
9 to do a variety of things. Is the money for the  
10 new responsibilities and I believe staff at the  
11 Board of Elections included in the Aid to  
12 Localities \$11-something million? And is that an  
13 increase from previous years when it didn't have  
14 those responsibilities?

15 SENATOR DeFRANCISCO: There is an  
16 \$11 million increase.

17 SENATOR KRUEGER: There is an  
18 \$111 million increase.

19 SENATOR DeFRANCISCO: It's an  
20 \$11 million increase. And that's because of the  
21 expanded role of the Board of Elections. The  
22 program of which I can explain at great length,  
23 but that's what it's for.

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

1 yield.

2 SENATOR DeFRANCISCO: Yes.

3 SENATOR KRUEGER: Okay. So working  
4 backwards, it's an over \$11 million increase to  
5 Board of Elections within this budget bill, a  
6 \$30 million hypothetical public financing funding  
7 stream in a later bill. Is any of this money for  
8 technical upgrades for the filing of campaign  
9 statements?

10 SENATOR DeFRANCISCO: I'm sorry, I  
11 missed the question.

12 SENATOR KRUEGER: Is any of this  
13 money for technical and computer upgrades for the  
14 filing of campaign statements at the local or  
15 state level, some of which now are still done  
16 manually?

17 SENATOR DeFRANCISCO: This is not  
18 for capital projects.

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

21 SENATOR DeFRANCISCO: As far as I  
22 know.

23 SENATOR KRUEGER: So the sponsor  
24 does not believe any of this can be used for  
25 technological improvements.

1                   SENATOR DeFRANCISCO:   All right,  
2   here's -- it's broken down this way.  Thank you,  
3   Senator Hannon.

4                   The Legislature modifies the  
5   Executive recommendation of \$11.1 million by  
6   creating the elections enforcement program for  
7   \$4.26 million.  Within this program, \$1.5 million  
8   will be used for compliance, \$1.45 million will  
9   be used for enforcement, and -- and \$13 million  
10   will be used for purchase and/or development of  
11   technology-related compliance and enforcement  
12   capital projects.

13                  SENATOR KRUEGER:    Sorry, one  
14   second.  You know what?  The sponsor has  
15   satisfied my questions on this bill.  Thank you  
16   very much.

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

19                  Senator DeFrancisco, thank you.

20                  SENATOR DeFRANCISCO:   May I just  
21   speak very briefly on the bill?

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

24                  SENATOR DeFRANCISCO:   You know,  
25   there will be various questions about the entire

1 package. And believe me, I have questions about  
2 it too. I don't like everything that's in, and a  
3 lot of good things that I wanted are out.

4           However, this process has been a  
5 very interesting and very challenging one. From  
6 the date we had all the budget hearings to the  
7 date, the final date of negotiations, there's  
8 been a lot of disagreement on a lot of things.  
9 To get this budget on time, together with under a  
10 2 percent increase, including various tax cuts,  
11 including a \$1.1 billion increase in school aid,  
12 most of is which is for GEA adjustment  
13 reductions, to get in this program for campaign  
14 finance reform in this budget, to get  
15 transportation funding, including for upstate  
16 transportation a new formula, to get the rates of  
17 the people that are now eligible as seniors for  
18 EPIC programs -- the income level has gone from  
19 \$35,000, for an individual, to 75,000; now  
20 they're eligible up to 75. For couples or  
21 families, \$50,000 was increased, doubled, to  
22 \$100,000.

23           There are a lot of great programs  
24 while making necessary cuts to make this  
25 possible. I'm sure I've missed a bunch of them.



1 But all I wanted to point out here is that  
2 despite all the different areas of disagreement  
3 as we started this process, and taking into  
4 account much of the testimony that came at the  
5 hearings, we ended up with a budget that is a  
6 good budget, in my judgment, and a budget that  
7 everyone should support.

8 Thank you, Mr. President.

9 ACTING PRESIDENT GRIFFO: Is there  
10 any other Senator wishing to be heard?

11 Senator Hoylman.

12 SENATOR HOYLMAN: Yes, thank you,  
13 Mr. President. I just wanted to note on the  
14 bill --

15 ACTING PRESIDENT GRIFFO: Senator  
16 Hoylman on the bill.

17 SENATOR HOYLMAN: -- that what's  
18 missing from this volume is any reference to the  
19 Moreland Commission from the Governor's Executive  
20 Budget. And we know that it was just a few  
21 months ago, Mr. President, that the preliminary  
22 report of the Moreland Commission was issued.  
23 And it noted that "Our investigation thus far  
24 reveals a pay-to-play political culture driven by  
25 large checks, anemic enforcement of the weak laws

1 we have on the books, and loopholes and  
2 workarounds that make these laws weaker still."

3 And among the ongoing  
4 investigations, Mr. President, according to the  
5 Moreland Commission itself, a number of so-called  
6 pay-to-play arrangements in which wealthy  
7 interests allegedly exchanged targeted campaign  
8 contributions for targeted pieces of legislative  
9 action, "gaping loopholes such as the LLC  
10 loophole to allow wealthy donors to sidestep  
11 already sky-high contribution limits," what they  
12 called the liberal use of campaign funds for  
13 personal use by certain legislators, conflicts of  
14 interest arising from legislators' outside  
15 employment and their allocation of member items  
16 and other discretionary funding.

17 And the report concludes that in  
18 just a few short months, out of ongoing  
19 investigations that revealed phantom health  
20 clinics, inexplicable statutes, misuse of party  
21 housekeeping accounts, and more -- and now,  
22 Mr. President, we want to shut this operation  
23 down?

24 I think it's clear that there are  
25 measures that we in the Legislature could and

1 should take now, Mr. President, to address the  
2 most glaring deficiencies in our laws and enact  
3 comprehensive and systemic reforms. It's clear  
4 from the preliminary report, Mr. President, that  
5 the Moreland Commission's work is not over. And  
6 I'm very disheartened that we today are moving to  
7 end its work as apparently part of a deal.

8               Which exposes to me part of what's  
9 wrong with our system. The fact that ethics  
10 reform was on the table as a bargaining chip  
11 suggests to me that we have much more work to do.  
12 And it's a terrible irony that the Moreland  
13 Commission is being defunded as part of a larger  
14 discussion and negotiation.

15              So for that reason -- I think it's  
16 in the public trust, Mr. President. Talk about  
17 integrity and service to our constituents. For  
18 that reason, I'll be voting no.

19              ACTING PRESIDENT GRIFFO:    Senator  
20 Stavisky.

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

23              There are many good parts to the  
24 State Operations budget, but one part that I find  
25 troubling is the response to Senator Krueger's

1 questions about the unequal treatment between  
2 CUNY and SUNY. The CUNY contractual salary  
3 arrangements was omitted from this budget, while  
4 the SUNY appropriation of about \$7.5 million was  
5 included in the budget.

6 And I am concerned that CUNY is  
7 being treated as a second-class operation, when  
8 it is not. It should be an equal partner with  
9 the State University. And I care, quite frankly,  
10 as much about SUNY as I do about CUNY, but I  
11 think CUNY is at the short end of this  
12 appropriation.

13 And while I will vote yes, I think  
14 the record should note that inequality is wrong  
15 no matter where it happens.

16 Thank you.

17 ACTING PRESIDENT GRIFFO: Any other  
18 Senator wishing to be heard?

19 Seeing none, the debate is closed.

20 The Secretary will ring the bell.

21 Read the last section.

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

24 ACTING PRESIDENT GRIFFO: Call the  
25 roll.

1 (The Secretary called the roll.)

2 ACTING PRESIDENT GRIFFO: Announce  
3 the results.

4 THE SECRETARY: In relation to  
5 Calendar Number 368, those recorded in the  
6 negative are Senators Hoylman, Marchione and  
7 Perkins.

8 Absent from voting: Senator  
9 Sampson.

10 Ayes, 57. Nays, 3.

11 ACTING PRESIDENT GRIFFO: The bill  
12 is passed.

13 The Secretary will read.

14 THE SECRETARY: Calendar Number  
15 370, Senate Budget Bill, Senate Print 6353E, an  
16 act making appropriations for the support of  
17 government: Aid to Localities Budget.

18 ACTING PRESIDENT GRIFFO: Read the  
19 last section.

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

22 SENATOR GIANARIS: Mr. President.

23 ACTING PRESIDENT GRIFFO: Senator  
24 Gianaris.

25 SENATOR GIANARIS: I believe

1 Senator Gipson has some questions.

2 ACTING PRESIDENT GRIFFO: Senator  
3 Gipson.

4 SENATOR GIPSON: On the bill,  
5 Mr. President.

6 ACTING PRESIDENT GRIFFO: Senator  
7 Gipson on the bill.

8 SENATOR GIPSON: Mr. President,  
9 this bill is a great example of what can happen  
10 when we put political parties aside and really  
11 try to work together for the good of our  
12 constituents and for New York State.

13 In particular, in this bill we have  
14 delivered relief that will help constituents in  
15 my district, help lower the cost of living, help  
16 lower the cost of doing business. There is in  
17 fact \$3.5 million that will allow Dutchess County  
18 to repeal their energy tax. It's --

19 ACTING PRESIDENT GRIFFO: Can I  
20 have some order in the chamber, please.

21 Senator Gipson.

22 SENATOR GIPSON: Thank you,  
23 Mr. President. I appreciate that.

24 As I was saying, there's  
25 \$3.5 million that will allow Dutchess County to

1       repeal their energy tax. It's been a hard  
2       winter, and the residents of the Hudson River  
3       Valley deserve tax relief, and this bill will  
4       help provide that.

5                       Also, we have managed to secure --

6                       ACTING PRESIDENT GRIFFO:

7       {Gaveling.}   Senator Gipson.

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

10                      Also, we have managed to secure  
11       \$500,000 --

12                      ACTING PRESIDENT GRIFFO:   Senator  
13       Ball, why do you rise?

14                      SENATOR BALL:    Will the member  
15       yield for a question?

16                      ACTING PRESIDENT GRIFFO:   Senator  
17       Gipson, will you yield for a question?

18                      SENATOR GIPSON:    Yes.

19                      ACTING PRESIDENT GRIFFO:   Senator  
20       Gipson yields.

21                      SENATOR BALL:    Just --

22                      SENATOR GIPSON:    Excuse me.   Excuse  
23       me. I would like to finish my point. I would  
24       like to finish speaking on the bill, and then I  
25       will yield to any questions.

1                   ACTING PRESIDENT GRIFFO:     Senator  
2 Ball, he will continue to speak on the bill and  
3 then answer questions.

4                   You may continue on the bill.

5                   SENATOR GIPSON:     As I was saying,  
6 Mr. President, the other thing about this bill is  
7 that there is \$500,000 to go towards Lyme disease  
8 and tick-borne-illness research.

9                   This is incredibly important,  
10 because as we've discovered over the last few  
11 years we've unfortunately been decreasing the  
12 amount of money that we've been putting towards  
13 this type of research. And as we now know, based  
14 on the statistics from the CDC, the rates of Lyme  
15 disease and tick-borne illness are drastically  
16 rising here in New York State and certainly in  
17 the Hudson River Valley, where I represent.

18                   And this money will go a long way  
19 towards beginning to find relief for those  
20 individuals that are suffering. And I just want  
21 to thank all of those who have worked so hard to  
22 bring this relief to all the residents of  
23 New York State who are suffering from this  
24 terrible disease.

25                   Again, I just want to point out that



1     this is a bill that really does show how working  
2     together to bring relief to all of those in  
3     New York State, especially those in my district,  
4     is certainly a way to go about doing business.  
5     And I would encourage all of my colleagues to  
6     vote yes on this bill, and I will be voting yes  
7     as well.

8                     ACTING PRESIDENT GRIFFO:     Senator  
9     Gipson, do you yield for a question now?

10                    SENATOR GIPSON:     Yes.

11                    ACTING PRESIDENT GRIFFO:     Senator  
12     Ball.

13                    SENATOR BALL:     Mr. President, I'd  
14     just be interested to know when the member became  
15     aware of this relief for Dutchess County.  
16     Because as somebody who shepherded this literally  
17     for the past month, I have not heard hide nor  
18     hair from the member.

19                    And it's interesting that the member  
20     now stands up on the floor and talks about how  
21     it's going to help Dutchess County.  
22     Unfortunately, his voice was absolutely silent  
23     for the previous several months as his county and  
24     his district have been killed --

25                    SENATOR GIANARIS:     Mr. President --

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Gianaris, why do you rise?

3                   SENATOR GIANARIS:    -- point of  
4   order.

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

7                   SENATOR GIANARIS:    Point of order,  
8   Mr. President.   Personal --

9                   ACTING PRESIDENT GRIFFO:    What is  
10   your point of order?

11                   SENATOR GIANARIS:    Personal attacks  
12   against members in this chamber is something  
13   we've never tolerated, and I would suggest we  
14   shouldn't tolerate it now.

15                   ACTING PRESIDENT GRIFFO:    Senator  
16   Gianaris, your point is taken.

17                   Senator Ball, what is your question?

18                   SENATOR BALL:    Will the member  
19   please let me know when he first found out that  
20   this was even in the budget.

21                   ACTING PRESIDENT GRIFFO:    Senator  
22   Gipson.

23                   SENATOR GIPSON:    Oh, absolutely,  
24   Mr. President.   Thank you for this opportunity to  
25   answer this question.

1                   You know, I think everyone knows  
2     here I've been an outspoken proponent for mandate  
3     relief since the day I was elected. Both of my  
4     counties, Dutchess and Putnam County, as I'm sure  
5     everyone's counties in this chamber, have let us  
6     know that they need relief, they need mandate  
7     relief. And as a part of trying to bring back  
8     help to my constituents, I immediately went to  
9     work with my colleagues here in the State Senate,  
10    my colleagues on the other side of the aisle here  
11    as well, as well as my colleagues in the  
12    Assembly, as well as my colleagues in the  
13    Governor's office.

14                  So working with all those partners,  
15    advocating for mandate relief, it was clear that  
16    there was the willingness to do that. And  
17    therefore, we advocated for a variety of  
18    different lines in the budget to be allocated  
19    towards to bring back relief. Fortunately, we  
20    were able to secure this \$3.5 million.

21                  I believe it was certainly a group  
22    effort. I think both Senator Ball, myself, the  
23    other legislators that represent the Hudson River  
24    Valley were all advocating for this relief. And  
25    I think together we achieved it. And I'm

1 certainly glad that I was able to be a part of  
2 that process.

3 ACTING PRESIDENT GRIFFO: Senator  
4 Ball, do you want to ask Senator Gipson to  
5 continue to yield?

6 SENATOR BALL: Well, Mr. President,  
7 yes, if the member would continue to yield.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Gipson, do you yield?

10 SENATOR GIPSON: Yes.

11 ACTING PRESIDENT GRIFFO: Senator  
12 Ball.

13 SENATOR BALL: What would be great,  
14 Mr. President, if the member could actually  
15 answer the question of when he found out that  
16 this was in the budget. Because as I all  
17 understand, we can read things online and then  
18 credit. But certainly in the conversation of  
19 which he just spoke, including mandate relief for  
20 Dutchess County, Terry Gipson was absent.

21 ACTING PRESIDENT GRIFFO: Senator  
22 Gipson.

23 SENATOR GIPSON: Well, as Senator  
24 DeFrancisco pointed out earlier at the beginning  
25 of the session, this budget here is quite thick

1 and quite hefty. And sometimes it takes quite a  
2 while to sort through all the various parts and  
3 pieces of it. And certainly you don't want to  
4 begin to talk about information with your  
5 constituents until you're sure the money is  
6 there.

7                   So within the last few days, it's  
8 become apparent that the money we had been  
9 allocating for was going to be in the budget.  
10 And therefore we began to talk to our  
11 constituents back home about it.

12                   And certainly, as I mentioned  
13 before, I do believe this was a joint effort.  
14 All the colleagues in the Hudson Valley, as I'm  
15 sure colleagues throughout this chamber, are  
16 advocating for mandate relief. And I am very  
17 happy that I could be a part of delivering that  
18 so that Dutchess County could repeal their energy  
19 tax.

20                   SENATOR BALL: I'm happy with the  
21 nonanswer. Thank you.

22                   ACTING PRESIDENT GRIFFO: Senator  
23 Gipson has the floor. Anything further?

24                   SENATOR GIPSON: Nothing further,  
25 thank you, Mr. President.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Gianaris, why do you rise?

3                   SENATOR GIANARIS:    Will Senator  
4   Ball yield for a question, please.

5                   ACTING PRESIDENT GRIFFO:    Senator  
6   Ball, do you yield for a question?

7                   Senator Ball does not yield,  
8   Senator Gianaris.

9                   SENATOR GIANARIS:    On the bill,  
10   Mr. President.

11                  ACTING PRESIDENT GRIFFO:    Senator  
12   Gianaris on the bill.

13                  SENATOR GIANARIS:    Interesting that  
14   Senator Ball stands here attacking members of  
15   this body when we've tried hard to deal  
16   collegially with each other and had a rule about  
17   not personally attacking or using attacks for  
18   political purposes on this floor.

19                  I should say I'm not at all  
20   surprised that he has no regard for that rule, as  
21   he doesn't have regard for many things in this  
22   chamber. But to then not yield for questions  
23   after he has --

24                  ACTING PRESIDENT GRIFFO:    Senator  
25   Gianaris, will you please stand to the bill

1     itself in principle.  You're speaking on the  
2     bill.

3                 SENATOR GIANARIS:  Well, I would  
4     ask for the same consideration when members of  
5     the other conference are --

6                 ACTING PRESIDENT GRIFFO:  We will  
7     do so.  Senator Gianaris, your point was taken  
8     properly, so I would ask you now to keep your  
9     comments germane to the bill, please.

10                SENATOR GIANARIS:  My point was  
11    taken, but the gavel was not banged when  
12    Senator Ball was having his moment.  So I would  
13    ask you to indulge my own.

14                But for Senator Ball to act the way  
15    he did and then to not yield himself for a  
16    question is a new low from him.  And so not  
17    surprising, not a tremendous amount of courage on  
18    his point, but with that --

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

21                SENATOR GIANARIS:  -- yield the  
22    floor.

23                SENATOR LIBOUS:  Mr. President, I  
24    believe at this point Senator Gianaris is  
25    actually committing an exercise that he was

1 raising a point of order on. And I would like us  
2 to get on the issue of the bills before the  
3 house. And if we could move forward, I believe  
4 everybody has made their points at this time.

5 ACTING PRESIDENT GRIFFO: Your  
6 point is well taken.

7 Is there any further discussion on  
8 the bill or questions on the bill?

9 Senator Díaz.

10 SENATOR DÍAZ: Thank you,  
11 Mr. President. On the bill.

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

14 SENATOR DÍAZ: Mr. President and  
15 ladies and gentlemen, you should know for the  
16 past three years I have stood here and I  
17 criticized the Governor and I criticized the  
18 makers of the past budgets. And I voted no on  
19 all the budgets.

20 But today, Mr. President, ladies and  
21 gentlemen, today I'm about to change all of that.  
22 Last week -- and I'll tell you why, for many  
23 things. Today, for example, last week I wrote a  
24 column that I entitled "God Hates Ugly: What  
25 about COLA?" And today in this budget, senior



1 citizens are being treated nice. And as the  
2 ranking member of the Senate Committee on Aging,  
3 I have to thank Governor Cuomo. And I would like  
4 to express my appreciation to the leaders of this  
5 chamber, Senator Skelos and Senator Jeff Klein,  
6 because they have taken care of senior citizens.

7           Senior citizens of the state has  
8 been forgotten. But today I'm proud to stand  
9 here and again, one more time, express my  
10 appreciation to Governor Cuomo, the person that I  
11 have criticized in the past. Today, I tip my hat  
12 to him and thank him for taking care of the  
13 senior citizens. They got -- the budget, they  
14 got 2 percent increase on the COLA for the  
15 lower-paid workers. The ones that really does do  
16 the work, the ones that really need it, they are  
17 getting the COLA. They are taken care of.

18           They have added a line and provided  
19 Managed Care Consumer Assistance Program, they  
20 provided money for that program. So \$10 million  
21 have been added to the -- to that section of the  
22 senior citizens. And also they have increased  
23 the money on the Aging Committee -- on the Aging  
24 Department.

25           So, ladies and gentlemen, today I

1 just want to thank again Governor Cuomo. How  
2 many times have I thanked Governor Cuomo already?  
3 Many times. So I want to be sure that Governor  
4 Cuomo receives my appreciation, together with  
5 Senator Klein and Senator Skelos. They have been  
6 thanked.

7 And all the seniors in the State of  
8 New York should be proud, should be thankful,  
9 should be happy that the leadership of this  
10 chamber have taken care of them this year. I  
11 hope that next year we continue doing that. And  
12 as the ranking member of the Aging Committee,  
13 thank you, Mr. President, thank you, Governor,  
14 thank you, Senator Klein, thank you, Senator  
15 Skelos. And thank you to all of you.

16 And I'm proudly voting yes. Thank  
17 you.

18 ACTING PRESIDENT GRIFFO: Senator  
19 O'Brien.

20 SENATOR O'BRIEN: Thank you,  
21 Mr. President. On the bill.

22 ACTING PRESIDENT GRIFFO: Senator  
23 O'Brien on the bill.

24 SENATOR O'BRIEN: This bill and  
25 other parts we vote on today is such an

1 improvement over the one-house bill in so many  
2 ways, particularly with respect to the  
3 opportunities that are afforded for lessening the  
4 burden on upstate property tax payers.

5           We all understand that one of the  
6 biggest impediments to our economic development  
7 activities upstate is the burden of property  
8 taxes. And this bill does great work in  
9 providing relief for property taxes with  
10 increased state aid.

11           But it also does a number of other  
12 things that are particularly important to my  
13 region and our economic development activities in  
14 really three areas.

15           One of the things it does is that it  
16 provides money to help stimulate the emerging  
17 innovation in the high-tech economy that's such  
18 an important part to our regional economy.

19           The Centers of Excellence funding  
20 for really three different Centers of Excellence  
21 in our region is critically important. The Data  
22 Science Center of Excellence at the University of  
23 Rochester will bring researchers from all over  
24 the nation and the world and provide countless  
25 jobs and resources to the Rochester regional

1 economy.

2           The funding for the Center of  
3 Excellence in Sustainable Manufacturing at the  
4 Rochester Institute of Technology, again, a  
5 critical part and important to our future  
6 economic development in our region.

7           It's also very heartening to see  
8 that there is \$500,000, a half a million dollars,  
9 to be awarded for degree programs in gaming  
10 design. And at the Rochester Institute of  
11 Technology they now have one of top three or four  
12 gaming design facilities, degree programs in the  
13 nation. With this extra funding, assuming that  
14 RIT will be participating in that, they may be  
15 the best in the nation and the best in the world.  
16 And a really burgeoning industry in gaming  
17 design, which is now in many respects passing  
18 Hollywood and movie makers in terms of dollars  
19 generated.

20           The second thing this bill does in  
21 terms of economic development opportunities is  
22 workforce development. There's 250,000 for  
23 veterans outreach --

24           ACTING PRESIDENT GRIFFO:    Senator  
25 Libous.

1                   SENATOR LIBOUS:     Senator, I want to  
2     hear Senator O'Brien.   There's a lot of  
3     conversations going on.   If members are speaking  
4     with staff, if they could take them outside.  
5     We're passing a budget.   What Senator O'Brien is  
6     saying is something that I think members want to  
7     hear.   So if you could take your conversation  
8     outside of the chamber, it would be appreciated.

9                   Thank you, Senator.

10                  SENATOR O'BRIEN:    Thank you,  
11     Senator Libous.

12                  There are a number of workforce  
13     development efforts included in this budget bill.  
14     Rochester Tooling & Machinery, critically  
15     important, \$50,000.   The wildly successful  
16     Hillside Works program, \$100,000.   Summer Youth  
17     Employment Program of Rochester, \$300,000.  
18     Rochester Preapprenticeship Program, \$300,000.   A  
19     quarter of a million dollars for the Veterans  
20     Outreach of Monroe County.   And I've included in  
21     that category really a critically important thing  
22     that relieves taxpayers as well, \$1.1 million for  
23     childcare in Monroe County.

24                  And the third element and the final  
25     element, and then I'll sum up, is really

1 increased funding for Finger Lakes tourism  
2 included in this budget. It's another important  
3 part of our future in the Rochester region, our  
4 economic development activities. We've only  
5 begun to -- the tip of the iceberg with respect  
6 to tourism and people beginning to understand all  
7 across the nation the wonderful attributes in the  
8 Finger Lakes region that we have, and all kinds  
9 of different opportunities for tourists to come  
10 and enjoy.

11 So I'm very encouraged. I think  
12 this budget bill really advances the interests of  
13 the Rochester region in a great many ways, and I  
14 vote aye.

15 Thank you.

16 ACTING PRESIDENT GRIFFO: Thank  
17 you, Senator O'Brien.

18 Senator Valesky.

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

21 I want to follow on Senator Díaz's  
22 comments; Senator Díaz, the ranking member of the  
23 Senate Aging Committee. As chairman of the  
24 Senate Aging Committee, I certainly agree with  
25 Senator Díaz this is an outstanding budget for

1 senior citizens all across New York State. And  
2 in addition to some of the items that  
3 Senator Díaz mentioned, the money for the  
4 Community Services for the Elderly program,  
5 \$5 million. Other local items in the Aging  
6 budget all across the State of New York,  
7 important for local services to be provided to  
8 our seniors.

9                   And also the first expansion in over  
10 a decade of the EPIC program, the Elderly  
11 Pharmaceutical Insurance Coverage program, which  
12 is so critically important and allows seniors to  
13 better afford their prescription drug coverage.  
14 In fact, through this expansion, tens of  
15 thousands of additional seniors who had  
16 previously not met income qualifications will now  
17 be eligible for the EPIC program.

18                   So I also want to thank Governor  
19 Cuomo, Senator Klein, Senator Skelos, and also a  
20 special thanks to Senator Hannon, who took  
21 personal interest in the EPIC program. It was  
22 included in the overall Health budget, which is  
23 certainly a very complicated section of the  
24 budget, and very difficult and complicated  
25 negotiations. So I want to thank Senator Hannon

1 for his personal attention to that as well.

2 Thank you.

3 ACTING PRESIDENT GRIFFO: Senator  
4 Espaillat.

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

7 This budget bill does have many  
8 wonderful things in it. Appropriations to create  
9 a two-year \$312 million program for foreclosure  
10 avoidance is in this part of the budget, as well  
11 as a Local Assistance for Housing program, which  
12 appropriates housing development funds, small  
13 cities and community development block grants,  
14 low-income weatherization, rural rental  
15 assistance, and periodic subsidies to local  
16 areas.

17 It also adds to the Executive  
18 proposal for Local Assistance for Housing  
19 programs, which include the Neighborhood  
20 Preservation and Rural Preservation programs that  
21 are very important to us, and New York City  
22 Housing Authority drug crime prevention money as  
23 well.

24 So obviously this part of the budget  
25 has many, many wonderful allocations for



1     localities. But I tell you what it doesn't have.  
2     It doesn't have the \$25 million that we fought  
3     for so hard this session for the Dreamers. This  
4     is where the funding would have been for  
5     thousands of young people that are undocumented  
6     that would be without that funding. Whereas the  
7     article of it will be in another budget, in 6356,  
8     the actual funding for it would have been here,  
9     the \$25 million.

10                 And so, you know, again, we must  
11     reflect that although this part of the budget  
12     does allocate some funding for many worthy  
13     programs, still the phantom of a very small  
14     amount of money, \$25 million, for Dreamers is not  
15     in here.

16                 I will be voting for this part of  
17     the budget, but I want to highlight the fact that  
18     in past years I have voted against it because the  
19     Dreamers were not funded. And again, we will  
20     continue to fight for these young people  
21     throughout the State of New York.

22                 Thank you, Mr. President.

23                 ACTING PRESIDENT GRIFFO:     Senator  
24     Kennedy.

25                 SENATOR KENNEDY:     Thank you,

1 Mr. President.

2 With this budget bill we provide  
3 critical investments in programs that help  
4 protect our children, give them opportunities  
5 they need to achieve their greatest potential.  
6 We increase funding for child advocacy centers  
7 across New York State, to give those on the  
8 front lines of the fight against child abuse the  
9 resources they need to keep our children safe and  
10 continue to support the victims.

11 This is an important step in the  
12 right direction with our ongoing efforts to  
13 prevent child abuse and neglect across our state.  
14 In Western New York, tragedy has prompted action.  
15 The deaths of Abdi Mohamud, Gage Seneca, Austin  
16 Smith, Eain Brooks and Mayouna Smith have been  
17 heartbreaking and intolerable tragedies.

18 And these tragedies should make all  
19 of us question whether our state and our counties  
20 are doing enough to keep our children safe.  
21 Across the country, about 700,000 cases of abuse  
22 and neglect are reported every year. In New York  
23 State alone, 80,000 children suffer from abuse  
24 and neglect each year.

25 Child advocacy centers utilize a

1 multidisciplinary team approach to investigate  
2 the most difficult and serious cases of abuse and  
3 neglect. They ensure coordinated effort between  
4 social workers, medical professionals, law  
5 enforcement and legal representation. In  
6 addition to saving lives, these centers also save  
7 money. Studies show that multidisciplinary team  
8 investigations save as much as a thousand dollars  
9 per case per investigation.

10           The \$2.5 million increase in funding  
11 is going to go a long way towards strengthening  
12 the operation and saving children's lives across  
13 Western New York and across New York State.

14           This budget also boosts funding to  
15 Youth Development Programs by \$1.3 million, which  
16 supports the Cheektowaga Youth Engaged in  
17 Service, otherwise known as the Cheektowaga YES  
18 program. This will ensure young New Yorkers have  
19 access to enriching opportunities to get involved  
20 in their communities.

21           YES engages Cheektowaga kids in  
22 community service programs with nursing home  
23 residents, young children, and adults and  
24 children with disabilities. They're a great  
25 example of why we should commit to maintaining

1 Youth Development Program funding, and these are  
2 exactly the types of programs that our state  
3 should be investing in, among many other things,  
4 when it comes to investing in our children, which  
5 is our collective future.

6 With that, I vote aye,  
7 Mr. President.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Squadron.

10 SENATOR SQUADRON: On the bill,  
11 Mr. President.

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

14 SENATOR SQUADRON: As many of my  
15 colleagues have pointed out, there are some  
16 better and more difficult parts of this budget.

17 I do actually want to start maybe by  
18 getting us back on track with a little bit of a  
19 more bipartisan commentary. I want to thank  
20 Senator Gallivan and Senator Savino and others  
21 for working with me on programs like the Nurse  
22 Family Partnership and Settlement Houses, the  
23 Neighborhood Preservation Program and Emergency  
24 Homeless.

25 These are seemingly small programs

1 in a well over \$130 billion a year budget. But  
2 in terms of having an impact on New Yorkers who  
3 most need it, these programs make an enormous  
4 difference. They are life-changing. And a brief  
5 respite from the hyperpartisanship we often see  
6 up here, to push those is a positive thing.

7 I also want to say that it's  
8 positive that New York City will, thanks to this  
9 budget, be able to propose a housing subsidy  
10 program to do something about the absolutely  
11 unacceptable homelessness crisis in New York City  
12 right now. I hope that the Division of Budget  
13 and the Office of Temporary and Disability  
14 Assistance work in a collaborative, open way with  
15 the City to actually get such a housing subsidy  
16 program started to move people out of shelter and  
17 into permanent housing.

18 Of course, one of the major issues  
19 of the year, and I know it appears in a number of  
20 bills, is the City's proposal to expand universal  
21 pre-K to every eligible student who wants it in  
22 New York City full-day. And the fact that this  
23 bill, along with some others, give New York City  
24 the aid that allows that to happen is really  
25 game-changing.

1                   And once you peel back all the  
2 politics and all the discussion of it, as the  
3 father of a 3-year-old, the idea that this is now  
4 something that is my right in New York City and  
5 is even more importantly the right of my  
6 constituents and everyone else, really is  
7 something to be very proud of today.

8                   There are programs that didn't get  
9 the funding we would have hoped, from Summer  
10 Youth employment to the New York State Supportive  
11 Housing Program's community services for the  
12 elderly. But I want to say is that Aid to  
13 Localities anyway does seem to have perhaps  
14 gotten past some of the ugliest, least  
15 transparent and historically discouraging ways  
16 that this place works.

17                  I also do want to say, just for a  
18 matter of clarity, unfunded mandates and mandate  
19 relief are not as big a deal in my locality in  
20 New York City. But it was on my mind through  
21 this budget because Senator Gipson wouldn't let  
22 me stop thinking about it. And I know that's not  
23 just true of me but of some other Senators here  
24 in the place.

25                  So I want to thank Senator Gipson

1 for doing that on behalf of his constituents and  
2 say that I would like to now continue to start  
3 thinking about my district again and stop  
4 worrying as much as about it since the victory  
5 came. So thank you, Senator Gipson, for that.

6 ACTING PRESIDENT GRIFFO: Senator  
7 Hoylman.

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

10 I rise to support this bill, also to  
11 thank my colleague Senator Squadron for all of  
12 his work in working with our friends across the  
13 aisle to make these important services available.

14 I too wanted to note Senator  
15 Gipson's work in this regard. As a freshman, as  
16 a member of the minority conference, the way we  
17 advocate is with our voices with, is with working  
18 with our constituents, is with working with our  
19 colleagues on this side of the aisle. And  
20 Senator Gipson has certainly done that. So I  
21 want to thank him for making this issue, for me,  
22 top of mine.

23 Thank you, Mr. President. I'll be  
24 voting aye.

25 ACTING PRESIDENT GRIFFO: Senator

1 Savino.

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

4 I also rise to support this bill.

5 As the chair of the Subcommittee on Human  
6 Services, I also want to thank my colleagues who  
7 worked with me on many of the things that have  
8 been spoken about by the previous speakers.  
9 Senator Avella, Senator Gallivan, Senator  
10 Montgomery, Senator Felder, Senator Squadron,  
11 thank you for supporting us in our efforts to  
12 secure a lot of the restorations and improvements  
13 that many of you have spoken about.

14 Whether it's the small programs in  
15 places like Rochester or Buffalo or in  
16 Poughkeepsie, or the larger programs that affect  
17 the City of New York, we work together to find a  
18 way to not only make restorations but in some  
19 ways make historic improvements, like the EPIC  
20 program, like senior citizen rent increase  
21 exemptions -- many of the things that our  
22 constituents depend on.

23 But earlier in this legislative  
24 term, my colleagues in the IDC and I put forward  
25 a proposal that we defined as "Affordable



1 New York," focusing on many things that affect  
2 working families but really focusing in, in a  
3 laser-like way, on the issue of childcare. We  
4 have been going backwards on childcare subsidies  
5 in this state for the past seven years,  
6 continuously decreasing our commitment and  
7 reducing the childcare block grant to localities,  
8 creating burdens on those localities who were  
9 trying to provide programs to their constituents.

10 We turned that corner this year when  
11 we took what the Governor proposed and we said we  
12 need more, and we put an additional \$34 million  
13 into the childcare subsidy so that we can begin  
14 to reverse our trend and provide quality  
15 subsidized childcare for every working family in  
16 New York State.

17 Is it enough? No. But we are  
18 certainly moving in the right direction. And I  
19 want to thank all of you for supporting me in my  
20 efforts to get to that point at the human service  
21 budget table.

22 Thank you, and I will be voting aye,  
23 Mr. President.

24 ACTING PRESIDENT GRIFFO: Is there  
25 any other Senator wishing to be heard?

1                   Seeing none, hearing none, the  
2                   debate is closed. The Secretary will ring the  
3                   bell.

4                   Read the last section.

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

7                   ACTING PRESIDENT GRIFFO: Call the  
8                   roll.

9                   (The Secretary called the roll.)

10                  THE SECRETARY: Ayes, 61.

11                  ACTING PRESIDENT GRIFFO: The bill  
12                  is passed.

13                  I'd remind members there are a  
14                  number of votes being taken. Please remain close  
15                  to the chamber.

16                  The Secretary will continue to read.

17                  THE SECRETARY: Calendar Number  
18                  371, Senate Budget Bill, Senate Print 6354E, an  
19                  act making appropriations for the support of  
20                  government: Capital Projects Budget.

21                  ACTING PRESIDENT GRIFFO: Senator  
22                  Gipson, before you begin I'm going to ask for  
23                  order in the chamber again, please. May I have  
24                  order in the chamber.

25                  Senator Gipson.

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

3                   I rise in support of this bill. You  
4     know, I think today everyone would love to just  
5     take a break right now and go for a walk in a  
6     park. And what a great thing about this bill is  
7     is that it actually restores funding,  
8     \$92.5 million, to our parks in New York State.

9                   As with the rest of the state, my  
10    area in the Hudson River Valley has many, many  
11    parks that provide valuable resources and supply  
12    an enormous amount of revenue into our local  
13    economy. So I am so grateful for all those who  
14    have worked on both sides of the aisle to restore  
15    that funding. It will benefit not only my  
16    district, but it will benefit New York State as a  
17    whole.

18                  And also, as we all know, this  
19    winter has just been brutal, and all of our roads  
20    and our highways throughout the state, and my  
21    district is no different than that, we have many  
22    potholes, many areas that need to be urgently  
23    filled and made safer so that people can travel  
24    to work and back, and to the parks.

25                  So the fact that we've put in about

1     \$40 million to help with winter recovery of our  
2     repaving and potholes is certainly well-needed.  
3     And again, I appreciate all those on both sides  
4     of the aisle that have worked so hard to make  
5     sure that this is in the budget. It will  
6     certainly make our state stronger moving forward.

7                     Again, I will be voting yes on this  
8     bill, and I would encourage my colleagues to do  
9     the same. Thank you.

10                    ACTING PRESIDENT GRIFFO:    Senator  
11     O'Brien.

12                    SENATOR O'BRIEN:    Thank you,  
13     Mr. President. On the bill.

14                    ACTING PRESIDENT GRIFFO:    Senator  
15     O'Brien on the bill.

16                    SENATOR O'BRIEN:    Yeah, I'm  
17     encouraged that what Senator Gipson was talking  
18     about, the \$40 million in extreme weather  
19     recovery funding, was included. This of course  
20     was not something in the Governor's originally  
21     proposed budget, or in either one-house bill.  
22     But it's really important that it's here.

23                    I know that we had visitors from  
24     highway departments all across the state descend  
25     on Albany and make their case for increased local

1 highway dollars. And particularly following the  
2 weather conditions that we had this winter, this  
3 \$40 million in extreme weather recovery funding  
4 is extremely important, and it is also critically  
5 important for helping to relieve the burden on  
6 property taxpayers, because otherwise this falls  
7 on property taxpayers to repave our roads.

8 So I intend to vote aye on this  
9 bill. Thank you.

10 ACTING PRESIDENT GRIFFO: Thank  
11 you, Senator O'Brien.

12 Senator Kennedy.

13 SENATOR KENNEDY: Thank you,  
14 Mr. President. I too rise to support this  
15 portion of the budget.

16 In Western New York we've seen a  
17 total snowfall this year of well over a hundred  
18 inches, endured severe, unprecedented weather,  
19 two blizzards. In Buffalo, snow-removal costs  
20 have surged, roads have suffered. There was a  
21 recent study that showed that only 44 percent of  
22 roads in Western New York are in good condition.

23 This \$40 million that is allocated  
24 in addition to the CHIPS funding that had been  
25 proposed is going to be just what the doctor

1 ordered for the roads in Western New York and  
2 across New York State that have suffered  
3 immeasurably due to the severity of the winter  
4 season that we continue to go through and  
5 hopefully we see coming to an end in the very,  
6 very near future.

7 So with that, Mr. President, I will  
8 be voting aye.

9 ACTING PRESIDENT GRIFFO: Senator  
10 Perkins.

11 SENATOR PERKINS: I'd like to speak  
12 on the bill.

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

15 SENATOR PERKINS: I would be deeply  
16 remiss if I allowed the passage of the Capital  
17 Projects budget appropriating \$1.3 billion to the  
18 Urban Development Corporation, also known as the  
19 Empire State Development Corporation, to occur  
20 without taking the opportunity to talk about a  
21 gross and quite frankly despicable injustice that  
22 played out in my district at the hands of both  
23 ESDC and the New York City Economic Development  
24 Corporation.

25 I'm not sure how many of you are

1 familiar with the National Urban League's Land  
2 Use Improvement and Civic Project, which is to be  
3 located at 121 West 125th Street in the heart of  
4 Harlem, my district. Under the guise of economic  
5 development, the plan calls for the demolition of  
6 several buildings which will be reconstructed to  
7 house the National Urban League's headquarters as  
8 well as offer market-rate commercial and  
9 residential space for lease.

10               The plan required ESDC to transfer  
11 title to the property to the New York City EDC at  
12 hundreds of millions of dollars below market  
13 value, who would then enter into a 99-year lease  
14 term with the National Urban League. More  
15 importantly, the plan also effectively terminates  
16 the leases and livelihoods of four small  
17 successful business owners, three of which have  
18 long-standing ties to the Harlem community dating  
19 back to a time when no one wanted to invest or  
20 establish a business in our community.

21               Tounkara Massamakan, owner of Kaarta  
22 Imports, established his business over 20 years  
23 ago. Ron Walton, owner of Golden Krust, opened  
24 his business over 10 years ago. And Joseph  
25 Benbow, owner of Fishers of Men II, took over his

1 family business roughly six years ago. Now all  
2 stand to be displaced by the demolition and  
3 reconstruction and have been denied the option to  
4 lease commercial space -- on the strip that they  
5 single-handedly made successful -- once the  
6 project has been completed.

7           This plan that inflicts detrimental  
8 and irreversible harm on these small business  
9 owners and the community was pushed through with  
10 no formal notice to the business owners and  
11 rubber-stamped with little to no consideration  
12 for community input and participation, which  
13 included substantial negative commentary on the  
14 project due in part to the unceremonious ouster  
15 of the four small business owners, tenants who  
16 are like family.

17           Adding insult to injury, ESDC and  
18 NYC EDC made no legal effort to compensate or  
19 accommodate the business owners, instead opting  
20 to offer them loans and de minimis relocation and  
21 advertising services that fall woefully short of  
22 what would be needed to make these successful  
23 small business owners whole in the face of the  
24 loss of their current commercial space in a  
25 community where they are well-known and



1       respected.

2                   I begrudgingly vote yes on this part  
3       of the budget because of all the important  
4       capital projects that are funded through this  
5       bill. But I urge the Governor, ESDC and NYC EDC  
6       to come back to the table and fairly, wholly and  
7       adequately compensate these local small business  
8       owners for the capital that they cultivated at  
9       121 West 125th Street.

10                   I vote aye.

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

13                   Senator Stavisky.

14                   SENATOR STAVISKY:    Thank you,  
15       Mr. President. Will the sponsor -- will someone  
16       yield?

17                   ACTING PRESIDENT GRIFFO:    Senator  
18       Stavisky, Senator DeFrancisco is approaching the  
19       chair.

20                   Senator DeFrancisco, Senator  
21       Stavisky has asked you to yield.

22                   And Senator DeFrancisco yields. You  
23       may ask your question, Senator Stavisky.

24                   SENATOR STAVISKY:    In the CUNY and  
25       SUNY appropriations for capital projects, on

1 page 12 -- let's start with CUNY. On page 12 of  
2 the budget bill, there's a \$127 million  
3 appropriation for various institutions within  
4 SUNY. And following that is a \$67 million  
5 appropriation for future strategic initiatives, I  
6 think is the phrase that's been used. It  
7 requires approval by the Temporary President of  
8 the Senate, the Director of the Budget, and  
9 ultimately the Legislature.

10 Is this another form of bullet aid  
11 for colleges?

12 SENATOR DeFRANCISCO: Well, it  
13 depends what the definition of bullet aid is.  
14 It's sort of what -- well, I won't go into that.  
15 But it's sort of the definition of what bullet  
16 aid is. It's funding that has to be allocated in  
17 accordance with an agreement, almost like  
18 memorandum of understanding, between the Senate,  
19 the Assembly, and the Governor's office.

20 And when you say bullet aid, there  
21 has to be an understanding among all three that  
22 the projects that are going to be proposed are  
23 good ones, rather than trying to do everything in  
24 the budget and line everything out, which would  
25 be pretty difficult with the constraints of the

1 time to get a budget done.

2 SENATOR STAVISKY: So that the  
3 language setting up both the bullet aid for K-12  
4 and the bullet aid that you have here, it's  
5 really the same language, isn't it?

6 SENATOR DeFRANCISCO: Yeah, sort  
7 of. It's sort of the same thing. It's we can't  
8 agree on everything right now; rather than  
9 holding up the budget, there's a pot we'll agree  
10 later, the same three parties are agreed.

11 ACTING PRESIDENT GRIFFO: Senator  
12 Stavisky, are you asking Senator DeFrancisco to  
13 yield?

14 SENATOR STAVISKY: Yes, I would  
15 appreciate the Senator yielding.

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

18 SENATOR DeFRANCISCO: Yes.

19 ACTING PRESIDENT GRIFFO: Senator  
20 Stavisky.

21 SENATOR STAVISKY: The original  
22 Senate resolution called for \$700 million in aid  
23 for CUNY and \$1.2 billion for SUNY for capital  
24 projects, and they were earmarked for critical  
25 maintenance.

1           These projects are not earmarked for  
2 critical maintenance. What are these projects  
3 going to -- it's a lot of money. What are they  
4 going to be doing?

5           SENATOR DeFRANCISCO: There was  
6 critical maintenance and whatever the other one  
7 was in our one-house budget, the strategic  
8 portion of it, yes.

9           SENATOR STAVISKY: But I don't see  
10 it in this budget, in the final agreed-upon  
11 budget.

12          SENATOR DeFRANCISCO: There's no  
13 requirement that the monies that are outlined for  
14 various capital projects cannot be used for  
15 critical maintenance. I mean, it's open.

16          The same thing with the agreement  
17 that later breaks up those dollars into specific  
18 projects. There's no limitation on what that  
19 money could be used for if it's agreed upon by  
20 the three parties.

21          So if critical maintenance is the  
22 priority and the three parties agree, that's  
23 where it will go.

24          SENATOR STAVISKY: How will the  
25 allocation --

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Stavisky.

3                   SENATOR STAVISKY:    I'm sorry, will  
4   the Senator continue to yield?

5                   ACTING PRESIDENT GRIFFO:    The  
6   Senator yields.

7                   SENATOR STAVISKY:    How is the  
8   allocation going to be determined, then?

9                   SENATOR DeFRANCISCO:    Mr.  
10   President, the allocation is going to be  
11   determined just like we do in the budget.  The  
12   ones that are outlined here are those projects  
13   that could be agreed upon.  The ones -- they  
14   wanted more money for capital projects for SUNY  
15   and CUNY, and since there was not enough time to  
16   agree on every single one of them, they're going  
17   to use the same process after the budget to  
18   allocate those funds.

19                  SENATOR STAVISKY:    In other  
20   words -- if the Senator would continue to yield.

21                  SENATOR DeFRANCISCO:    Yes.

22                  ACTING PRESIDENT GRIFFO:    The  
23   Senator yields.

24                  SENATOR STAVISKY:    In other words,  
25   SUNY and CUNY no longer can determine what their

1 capital needs are going to be.

2 SENATOR DeFRANCISCO: Mr.  
3 President, on the contrary, SUNY and CUNY -- not  
4 CUNY. But personally SUNY has contacted me, the  
5 SUNY hospital in my area, ad nauseam, about a  
6 bunch of capital projects that they really need.  
7 And it's going to be up to me to try to advocate  
8 for some of those projects.

9 They tell us their needs; we  
10 determine if those needs can be met by the pot of  
11 money that is available.

12 SENATOR STAVISKY: In other  
13 words -- if the Senator would continue to yield.

14 SENATOR DeFRANCISCO: Yes.

15 ACTING PRESIDENT GRIFFO: The  
16 Senator yields.

17 SENATOR STAVISKY: Those SUNY  
18 campuses that don't have the chair of the  
19 Finance Committee as their State Senator, what do  
20 they do?

21 SENATOR DEFRANCISCO: Well, they do  
22 the same thing. They exercise their persuasive  
23 abilities to try to get those programs in.

24 And by the way, the chairman of  
25 Finance and the Senate staff came up with a

1 magnificent homeland security college concept in  
2 Syracuse, where they already started a major one  
3 at the law school. And despite the power of the  
4 chairman of Finance, it's still not designated in  
5 the budget what that money is going to be used  
6 for. And probably everyone in this house has  
7 probably asked for a piece of it by now.

8 So it's been no means guaranteed no  
9 matter who it happens to be that's advocating for  
10 a project.

11 SENATOR STAVISKY: If the Senator  
12 would continue to yield.

13 ACTING PRESIDENT GRIFFO: The  
14 Senator yields.

15 SENATOR DeFRANCISCO: Yes. And as  
16 a graduate of Syracuse University, you should  
17 help me get that homeland security at Syracuse.

18 I'll yield.

19 SENATOR STAVISKY: That's called  
20 alumni guilt.

21 (Laughter.)

22 SENATOR DeFRANCISCO: Yes.

23 SENATOR STAVISKY: If the Senator  
24 would continue to yield.

25 SENATOR DeFRANCISCO: Yes.

1                   SENATOR STAVISKY:    I brought up  
2   this issue on the Senate one-house resolution,  
3   where I pointed out that there were already  
4   terrific programs in homeland security and  
5   emergency preparedness management at both the  
6   University at Buffalo and at the University at  
7   Binghamton.  And in fact, I understand that the  
8   folks in the North Country, Canton and the other  
9   SUNY campuses, are looking to do a similar  
10  program.  So that has to be sorted out.

11                   But if the Senator would yield for a  
12  totally different -- getting back to the  
13  original --

14                   SENATOR DeFRANCISCO:   May I just  
15  respond to that?

16                   SENATOR STAVISKY:    Sure.

17                   SENATOR DeFRANCISCO:   The  
18  difference here, and I'm going to be advocating  
19  more strongly with the Governor, is that we put  
20  together a program with the help of Bob Farley,  
21  in counsel's office, a detailed program for  
22  degree programs for homeland security, all the  
23  way up to graduate degrees at Maxwell or law  
24  degrees dealing in homeland security.

25                   And we put it together, we gave all



1 the information, we provided it to the Governor's  
2 staff and so forth. It was a specific proposal  
3 for a specific project that made a lot of sense,  
4 and I think the Governor will agree.

5 So it's different than -- in fact,  
6 the reason the \$15 million was in the budget to  
7 start with was because of this advocacy that this  
8 is what we thought we would need. So obviously  
9 everyone should be advocating for their various  
10 districts, but this was a program-specific  
11 proposal that we were advocating for.

12 With that said, I will be happy to  
13 yield.

14 ACTING PRESIDENT GRIFFO: Senator  
15 Stavisky.

16 SENATOR STAVISKY: Thank you.

17 But I think the record should show  
18 that the programs are at SUNY, and Syracuse is a  
19 private institution. And I will be happy to work  
20 with you on that project, but --

21 SENATOR DeFRANCISCO: This would be  
22 a joint SUNY-Syracuse University project.

23 SENATOR STAVISKY: If the Senator  
24 would --

25 ACTING PRESIDENT GRIFFO: The

1 Senator yields, Senator Stavisky.

2 SENATOR STAVISKY: All right. Let  
3 us go to the SUNY capital project, where  
4 \$82 million -- on page 430 of the budget bill,  
5 \$82 million is spelled out for various campuses  
6 at SUNY. And the same situation that existed for  
7 CUNY is for SUNY, the bullet aid part, which I  
8 think is an appropriate description.

9 And again, there's no transparency  
10 in knowing what these allocations are going to  
11 result in, is that correct?

12 SENATOR DeFRANCISCO: Not in this  
13 budget, but as we've done in every other similar  
14 situation, there will be a resolution to be voted  
15 upon once there's an understanding as to what  
16 projects the three leaders -- the two leaders and  
17 the Governor's office have agreed to.

18 SENATOR STAVISKY: If the Senator  
19 would continue to yield.

20 ACTING PRESIDENT GRIFFO: The  
21 Senator yields.

22 SENATOR DeFRANCISCO: My sandwich  
23 is getting stale.

24 SENATOR STAVISKY: I know. So I  
25 think -- well, I'm not going to comment on your

1 sandwich.

2 (Laughter.)

3 SENATOR STAVISKY: Really the last  
4 question.

5 You were kind enough to provide a  
6 staff report on the adopted budget. And if you  
7 turn to page 48 in that booklet, you talk about  
8 \$33 million for additional future strategic  
9 initiatives. And yet the budget allocation is  
10 for \$33 million {sic}. Can you explain the  
11 discrepancy?

12 SENATOR DeFRANCISCO: All right.  
13 The 98 is the list that's underneath it.  
14 Hopefully that will add up to 98 or close to it.  
15 There's an additional \$33 million for additional  
16 future strategic initiatives. So the 33 is on  
17 top.

18 SENATOR STAVISKY: It says 33 in  
19 the printed budget and -- I'm sorry, it says  
20 \$49 million in the printed budget on page 430 of  
21 the budget bill, but 33 million for the same  
22 description. And I assume that 33 million is a  
23 typographical error.

24 SENATOR DeFRANCISCO: What is in  
25 the budget bill itself, the 49 million, as you

1 can see in the first group, the 98 million, the  
2 last item is 16 million for future strategic  
3 initiatives -- do you see that 16 million? Page  
4 48, Capital Projects, Senate --

5 SENATOR STAVISKY: Ninety-eight  
6 million, I see.

7 SENATOR DeFRANCISCO: Ninety-eight  
8 million, okay. That's reprogramming existing  
9 funds. So that all adds up to 98. The next one  
10 is an additional strategic initiative; right?  
11 Thirty-three million. But since the last  
12 category in the first listing is 16 million for  
13 future strategic initiatives, we added that  
14 programmed amount to the new money to come out  
15 with the 49.

16 SENATOR STAVISKY: Okay. Thank  
17 you. Thank you, Mr. President. I hope the  
18 Senator enjoys his sandwich.

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

21 Senator Bonacic.

22 SENATOR BONACIC: Thank you,  
23 Mr. President. Just a couple of things.

24 I know a couple of my colleagues  
25 stood up and started talking about how

1 appreciative they were for the CHIPS funding.  
2 That's not in this bill, that's on the  
3 transportation bill we will see in a little  
4 while, hopefully, which will be Bill Number  
5 6357D. But since you started the discussion of  
6 CHIPS, I thought I would stand up and talk about  
7 CHIPS also.

8                   You know, I spoke to a couple of  
9 excavators in my area, and they tell me this  
10 winter was so bad that the frost beneath the  
11 ground was 42 inches. That's almost 3½ feet of  
12 frost.

13                   But the strongest advocate in our  
14 conference was Senator Tom O'Mara, who held press  
15 conferences, who did press releases. Because as  
16 you may know, last year was a record year for  
17 CHIPS, \$438 million. And because of Senator  
18 O'Mara's efforts, he got that repeated this year,  
19 plus \$40 million for potholes. I don't want you  
20 to call him Senator Pothole. He's not that.

21                   But my only point is, and my last  
22 comment on this, is we have to wait for spring.  
23 We've all been waiting. The warm weather's not  
24 here yet. We've got to get the frost out of the  
25 ground, the weather's got to get better, we get

1     these funds out and fix all of those potholes  
2     throughout the State of New York.

3                     Thank you, Mr. President.   Thank  
4     you, Senator O'Mara.

5                     ACTING PRESIDENT GRIFFO:    Senator  
6     Serrano.

7                     SENATOR SERRANO:    Thank you very  
8     much, Mr. President.

9                     I rise on the bill to talk about how  
10    happy I am to see that the capital funding for  
11    state parks, the \$92.5 million, has been  
12    restored.  And as we all know here in this  
13    chamber, there are very few items that are as  
14    nonpartisan or bipartisan, whichever you'd like  
15    to call it, as our state parks.  This is one of  
16    the few areas where this entire chamber agrees  
17    that there should be adequate funding, that there  
18    should be improvements, and that there is  
19    tremendous value in our state park system here in  
20    New York.

21                     However, in the budget process,  
22    unfortunately our conference was not adequately  
23    involved.  And had we had the chance to be  
24    involved, we could have discussed together in a  
25    very collegial fashion how important our state

1 parks are to our economy. Last year was a banner  
2 year for state park visitors. Over 60 million  
3 visitors enjoyed our state parks.

4                   And our parks have much more than  
5 the obvious recreational and cultural benefit.  
6 There's a tremendous economic impact that our  
7 state parks produce. A recent study commissioned  
8 by Parks & Trails indicated that spending in and  
9 around New York state parks has an estimated  
10 economic impact of \$1.9 billion annually, and  
11 that economic activity generates and contributes  
12 to 20,000 jobs statewide.

13                   A very specific study that was done  
14 involving the Walkway over the Hudson in  
15 Poughkeepsie further confirmed the incredible  
16 economic impact of parks. The walkway attracts  
17 half a million visitors per year, with 48 percent  
18 of those visitors being from outside the local  
19 area, meaning outside of Dutchess and Ulster  
20 County. And these non-local visitors contributed  
21 nearly \$24 million in new sales. That translates  
22 to 383 new jobs that were created because of this  
23 park, including a whopping \$9.4 million in new  
24 wages, with an non-local visitor spending nearly  
25 \$64 each for a trip to the park. Twenty-one

1 dollars of that would be spent at local  
2 restaurants.

3 Our parks are very old and  
4 magnificent, but they were built a long time ago.  
5 And the infrastructure, the underpinnings of our  
6 parks are crumbling. Visit any one of our state  
7 parks and you'll be very sad to see how much of  
8 the infrastructure is in much need of repair and  
9 upgrades.

10 So this \$9.5 million is an important  
11 step, but it really doesn't solve the problem.  
12 There is a \$1 billion backlog in capital repairs  
13 for our New York State parks. And this is having  
14 a very detrimental effect. If you have visitors  
15 who are going to travel far to visit a state park  
16 for a camping trip or hiking or picnicking,  
17 they'll be very sad to see that maybe the  
18 facilities are not open, restaurants are not  
19 operating, concessions are not in full effect.

20 And that's why we owe it to the  
21 visitors of our state parks -- which generate a  
22 tremendous amount of tourist activity for our  
23 state, tremendous economic impact -- that we  
24 adequately fund capital improvements in our state  
25 parks and that we make this a priority, not only



1 for this budget but for future budgets going  
2 forward. That we look at this as a pillar within  
3 our budget, something that is not just nice if we  
4 can have it, but something that is extremely  
5 important to the economic future of our state.

6 I will vote yes. Thank you.

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

9 Senator Smith.

10 SENATOR SMITH: Thank you very  
11 much, Mr. President. On the bill.

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

14 SENATOR SMITH: Mr. President, I  
15 understand that in any budget process there are  
16 things that you like, things that you don't like.  
17 Usually when both sides are unhappy, that means  
18 negotiations were fair.

19 But as in all budgets and in all  
20 politics is local. So I just rise,  
21 Mr. President, just to highlight just a couple of  
22 items that I am appreciative that we have chose  
23 to put in this budget.

24 Number one on the capital side is  
25 York College, where I have been fighting, along

1 with my colleagues in the Assembly, for a number  
2 of years to try to get this academic learning  
3 center put in place. And I am pleased that in  
4 this budget, after about three years of fighting,  
5 we chose to put \$30 million toward that. That  
6 will go a long way for the community of Southeast  
7 Queens, York College, and many of my colleagues  
8 who have been fighting quite some time for that.

9           Also a little closer to home,  
10 actually within blocks, serving our veterans is  
11 the St. Albans Nursing Home, which also has been  
12 highlighted for some capital improvements, which  
13 I am very appreciative of.

14           And last but not least,  
15 Mr. President, early on in September I inquired  
16 to the Governor as well as to the Commissioner of  
17 Education about the inequities when it comes to  
18 technology and the various technological  
19 equipment that our public schools use. In  
20 particular, I cited even in my district where you  
21 can cross what is similar to the Mason-Dixon  
22 line, if you want to call it that -- but on one  
23 side of one street there are a number of schools  
24 that have SMART Boards, iPads, iPods, and then on  
25 the other side we have none.

1                   Well, I'm glad to see that the Smart  
2     School Bond Act is in here. And I would  
3     encourage all my colleagues to remind your  
4     constituents that come November they need to vote  
5     for that referendum.

6                   The only question I would raise  
7     here, Mr. President -- and I hope that Senator  
8     Flanagan and others will consider this -- the  
9     three-member board that will decide on how that  
10    resource is allocated is the Commissioner of  
11    Education, the Director of the Budget, and the  
12    chancellor of the State University of New York.

13                  I would appeal to my colleagues to  
14    give an opportunity for the Chancellor of the  
15    City of New York, who has oversight over  
16    1.2 million young people, to be a part of that,  
17    to make sure that that distribution and  
18    allocation of Smart School technology is  
19    appropriately appropriated to those school  
20    districts that need it and have nothing. And  
21    there are many that do not have.

22                  So I will be supporting this bill.  
23    There are a number of other capital projects in  
24    here that are critical to the state, critical to  
25    my district. And I thank my colleagues for the

1 time and effort, and the staff, that they put  
2 into putting this particular piece of legislation  
3 together.

4 Thank you, Mr. President.

5 ACTING PRESIDENT GRIFFO: Is there  
6 any other Senator wishing to be heard?

7 Seeing none and hearing none, the  
8 debate is closed and the Secretary will ring the  
9 bell.

10 Read the last section.

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

13 ACTING PRESIDENT GRIFFO: Call the  
14 roll.

15 (The Secretary called the roll.)

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

18 SENATOR CARLUCCI: Thank you,  
19 Mr. President.

20 This past winter New York saw one of  
21 the harshest winters on record. And for many  
22 municipalities throughout the state -- and I know  
23 particularly in the municipalities that I  
24 represent in the Lower Hudson Valley, they've  
25 been saddled with the need of preparing and

1 paying for these unanticipated costs related to  
2 this harsh winter.

3 And I want to thank my colleagues  
4 here for coming to the aid of localities, of  
5 municipalities, in providing another \$40 million  
6 to provide that relief to our municipalities.

7 I believe this will go a long way to  
8 make sure that we keep our roads safe and at the  
9 same time protecting our property taxpayers. So  
10 I want to thank my colleagues for working  
11 together to come to the need of our localities in  
12 meeting those unanticipated costs.

13 So, Mr. President, I'll be voting  
14 aye. Thank you.

15 ACTING PRESIDENT GRIFFO: Senator  
16 Carlucci to be recorded in the affirmative.

17 I would ask staff to please take  
18 conversations outside the chamber. It's getting  
19 a little noisy in here.

20 Senator Parker to explain his vote.

21 SENATOR PARKER: Thank you,  
22 Mr. President, to explain my vote.

23 You know, as I often say in this  
24 chamber, the most important thing that I think we  
25 deal with in the budget or anywhere is education.

1 In this capital part of the budget we are  
2 providing \$35 million to Brooklyn College to  
3 rebuild this Roosevelt Hall.

4 Particularly in this time when STEM  
5 education is really, really critical for the  
6 advancement of not just education but for the  
7 jobs that are being created in our society, you  
8 know, providing more access to the kind of labs  
9 and facilities that students are going to need to  
10 improve their standing as relates to science,  
11 technology and engineering as well as mathematics  
12 is going to be critical.

13 So I want to thank the authors of  
14 this budget for making sure that this important  
15 funding is provided this year.

16 Thank you.

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

19 Announce the results.

20 THE SECRETARY: Ayes, 60. Nays, 1.  
21 Senator Maziarz recorded in the negative.

22 ACTING PRESIDENT GRIFFO: The bill  
23 is passed.

24 SENATOR LIBOUS: Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 Libous.

2 SENATOR LIBOUS: Calendar 372 and  
3 373 will be laid aside temporarily, and we'll go  
4 on from there.

5 ACTING PRESIDENT GRIFFO: Calendar  
6 Numbers 372 and 373 will be laid aside  
7 temporarily.

8 SENATOR LIBOUS: And you can follow  
9 the order of the calendar.

10 ACTING PRESIDENT GRIFFO: We will  
11 return to the order of the calendar with Calendar  
12 Number 374.

13 The Secretary will read.

14 THE SECRETARY: Calendar Number  
15 374, Senate Budget Bill, Senate Print 6357D, an  
16 act to amend the Highway Law.

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

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

24 ACTING PRESIDENT GRIFFO: Thank  
25 you, Senator Gianaris.

1                   Can I have some order in the  
2                   chamber, please.

3                   Senator Gianaris, I have reviewed  
4                   your amendment and believe that it is not germane  
5                   to the bill and therefore out of order.

6                   SENATOR GIANARIS:   Mr. President, I  
7                   appeal the decision of the chair and I ask that  
8                   Senator Tkaczyk be heard on the appeal.

9                   ACTING PRESIDENT GRIFFO:   Senator  
10                  Tkaczyk, you may be heard on the appeal.

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

13                  My amendment to this budget bill is  
14                  germane because it does not unreasonably expand  
15                  the object of the underlying bill, maintains the  
16                  same purpose, and addresses the same areas of  
17                  law.

18                  The amendment that I offer today  
19                  provides for suspending the issuance of permits  
20                  for the drilling of wells for natural gas  
21                  extraction in low-permeability natural gas  
22                  reservoirs like the Marcellus and Utica Shale  
23                  formations. My amendment would also require a  
24                  school of public health to conduct a  
25                  comprehensive health impact assessment, complete



1 with public comment and review.

2 As members of this chamber well  
3 know, the prospect of permitting horizontal  
4 fracturing in this state has led to a robust  
5 debate over the safety of this natural gas  
6 extraction process and attendant environmental  
7 protections to safeguard our natural resources.

8 Local New York State municipalities  
9 have enacted 75 bans and 102 moratoria on  
10 high-volume hydraulic fracturing, while 87 more  
11 are currently moving ban and moratorium  
12 proposals.

13 Opponents of hydraulic fracturing  
14 point to environmental risks including  
15 contamination of groundwater, depletion of fresh  
16 water, contamination of the air, noise pollution,  
17 the migration of gases and hydraulic fracturing  
18 chemicals to the surface, and surface  
19 contamination from spills and flowback. There  
20 are also reported increases in seismic activity,  
21 mostly associated with deep injection disposal of  
22 flowback and produced brine from hydraulically  
23 fractured wells.

24 The Department of Environmental  
25 Conservation has failed to lay out a

1 comprehensive plan to review and analyze the  
2 cumulative impact of a full build-out of a  
3 multiple-well drilling program.

4           Instead, their model is based on  
5 reviewing well applications in isolation from one  
6 another. And despite the fact that many of the  
7 chemicals used in fracking are classified as  
8 hazardous before they are pumped into the ground,  
9 the produced waste from fracking that contains  
10 these same chemicals is not classified as  
11 hazardous.

12           Delaying the Department of  
13 Environmental Conservation's ability to issue  
14 permits will provide the Legislature with  
15 additional time to assess the true public health  
16 and environmental impacts of horizontal  
17 hydraulic fracturing and provide an opportunity  
18 for the completion of a comprehensive health  
19 impact assessment that, unlike the current  
20 process, provides opportunities for public  
21 comment, provides for baseline community health  
22 analysis, and offers a transparent path for data  
23 collection.

24           Thank you.

25           ACTING PRESIDENT GRIFFO:    Thank

1       you, Senator Tkaczyk.

2                   All those in favor of overriding the  
3       ruling of the chair signify by saying aye.

4                   (Response of "Aye.")

5                   SENATOR GIANARIS:    Show of hands,  
6       Mr. President.

7                   ACTING PRESIDENT GRIFFO:   Opposed?

8                   SENATOR GIANARIS:    Show of hands,  
9       Mr. President.

10                  ACTING PRESIDENT GRIFFO:   A show of  
11       hands has been requested. All those in favor of  
12       overruling the ruling of the chair please raise  
13       your hand.

14                  Announce the results.

15                  THE SECRETARY:    Ayes, 30.

16                  ACTING PRESIDENT GRIFFO:   The  
17       ruling of the chair stands.

18                  Senator Gianaris, why do you rise?

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

24                  ACTING PRESIDENT GRIFFO:   Senator  
25       Gianaris, I am reviewing the amendment and rule

1     that it is not germane to the bill and therefore  
2     out of order.

3                 I will call upon Senator Avella --  
4     Senator Gipson.   Senator Gipson.

5                 SENATOR GIANARIS:   That was the  
6     last bill.

7                 (Laughter.)

8                 ACTING PRESIDENT GRIFFO:   Senator  
9     Gipson.

10                SENATOR GIPSON:    Thank you,  
11     Mr. President, for recognizing the difference  
12     between Senator Gipson and Senator Avella.  I  
13     appreciate that.

14                My amendment to this budget bill is  
15     germane because it does not unreasonably expand  
16     the object of the underlying bill, maintains the  
17     purposes and addresses the same areas of law.

18                The amendment that I offer would  
19     allow our state to invest directly in New Yorkers  
20     to create jobs in New York by authorizing zero  
21     percent interest rate loans to businesses with  
22     fewer than five employees as an incentive to hire  
23     New York residents.  The objective is to grow  
24     small business in the state, the backbone of our  
25     economy, and to get our New Yorkers back to work.

1 We need to incentivize small business growth.

2           There are far too many unemployed  
3 New Yorkers right now, and as a result New York's  
4 economy is suffering. Getting unemployed  
5 New Yorkers back to work is the key to our  
6 state's future economic development. Startups  
7 and businesses with fewer than five employees  
8 lack access to capital required to hire new  
9 employees. And I know this because I used to be  
10 a small business owner.

11           Unfortunately, New York's current  
12 economic incentives fail to target these  
13 businesses because most of them lack the taxable  
14 income to take full advantage of available tax  
15 credits.

16           While microbusinesses are the  
17 backbone of our communities and the engines of  
18 tomorrow's economy, we are failing to provide  
19 them with the necessary support required to spur  
20 significant job creation across the state. To  
21 get people back to work, we need to offer  
22 economic incentives that provide capital to  
23 microbusinesses for their use in hiring new  
24 employees, instead of relying almost entirely on  
25 tax credits that amount to feel-good measures and

1 cannot actually be used by the businesses to  
2 which we are trying to provide assistance.

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

5 All those in favor of overruling the  
6 ruling of the chair signify by saying --

7 Senator Gianaris.

8 SENATOR GIANARIS: Show of hands,  
9 Mr. President.

10 ACTING PRESIDENT GRIFFO: A show of  
11 hands has been requested. All those in favor of  
12 overruling the ruling of the chair signify by  
13 raising your hands.

14 Announce the results.

15 THE SECRETARY: Ayes, 26.

16 ACTING PRESIDENT GRIFFO: The  
17 chair's ruling stands.

18 Senator Krueger on the bill before  
19 the house.

20 SENATOR KRUEGER: Through you,  
21 Mr. President. Even though there is much to be  
22 pleased with in this bill, I want to highlight  
23 one particularly disturbing omission, and that is  
24 a continuing delay yet again in requiring  
25 compliance with the Diesel Emissions Reduction

1 Act, which was passed in this house in 2006,  
2 sponsored by Senators Marcellino, DeFrancisco,  
3 Flanagan, LaValle and Young as cosponsors.

4 This will be the fourth time in a  
5 row we are using the budget to inappropriately  
6 delay this important law which will require  
7 compliance for clean diesel fuel from heavy  
8 trucks.

9 My district, on the East Side of  
10 Manhattan, along with Harlem, Central Harlem, the  
11 Bronx, are disproportionately harmed by the rate  
12 of diesel fuels in our air quality. It has an  
13 impact on children, disproportionately, and the  
14 elderly from asthma because of the transportation  
15 routes where these trucks cannot take the FDR or  
16 the Harlem River Drive, they go on the avenues  
17 down straight through Upper Manhattan, down the  
18 East Side all the way down, sometimes then  
19 crossing over to Queens or Brooklyn or  
20 New Jersey.

21 And so there has been documented  
22 studies of the negative impact on the diesel  
23 trucks going through these communities.

24 I find no justification for using a  
25 budget to continue to delay something that was

1 supposed to go into effect starting in 2008.  
2 This will move it to 2016. You have to -- yes,  
3 sir, Mr. President.

4 ACTING PRESIDENT GRIFFO: May I  
5 have order in the house, please.

6 Senator Krueger.

7 SENATOR KRUEGER: Thank you.

8 The irony is because much of the  
9 responsibility was on retrofitting, one wonders  
10 if one will even have any trucks to be  
11 retrofitted by the time this law ever comes into  
12 effect.

13 According to the Clean Air Task  
14 Force, New York ranks second in the nation in  
15 terms of negative health impacts from diesel  
16 pollution, including respiratory diseases, heart  
17 attacks, premature deaths and numerous other  
18 health problems estimated to cost the country  
19 nearly \$13 billion per year.

20 Frankly, it is an embarrassment that  
21 we yet again delay this important environmental  
22 law from going forward within a budget document,  
23 which is not the right place to reverse a law  
24 that this Senate carried in 2006. And my  
25 understanding is it is my colleagues in the



1 Senate Majority who have continued to push to  
2 have this section of the law reversed each year  
3 in the budget.

4 It's not a reason for me to vote  
5 against this same bill, but I felt it was very  
6 important to highlight my objection to this and  
7 to ask my colleagues, What do we have against  
8 trying to ensure we are not being poisoned and  
9 our children are not being poisoned by dirty  
10 diesel trucks? There is no excuse for this  
11 delay.

12 Thank you, Mr. President.

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

15 Is there any other Senator wishing  
16 to be heard?

17 Seeing and hearing none, debate is  
18 closed and the Secretary will ring the bell.

19 Read the last section.

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

22 ACTING PRESIDENT GRIFFO: Call the  
23 roll.

24 (The Secretary called the roll.)

25 ACTING PRESIDENT GRIFFO: Senator

1 Kennedy to explain his vote.

2 SENATOR KENNEDY: Thank you very  
3 much, Mr. President.

4 This important budget bill is going  
5 to help to strengthen our transportation  
6 infrastructure and speed the growth of our  
7 economy, especially in Western New York. With  
8 this vote we ensure New York State fulfills the  
9 billion-dollar commitment to Western New York  
10 through the Buffalo Billion initiative.

11 This budget includes \$680 million in  
12 capital appropriations for the Buffalo  
13 billion-dollar program, in addition to the  
14 \$320 million already invested in our community.  
15 This funding stream provides the state with more  
16 flexibility to ensure we can attract growing  
17 industries to Buffalo along with companies that  
18 will help create thousands of good-paying jobs  
19 for hardworking Western New Yorkers. With  
20 Governor Cuomo's support, the Buffalo Billion is  
21 rebuilding and revitalizing our reimagined local  
22 economy.

23 This budget also provides increased  
24 support for the Centers of Excellence in  
25 Western New York and across the state. Centers

1 of Excellence translate to research happening at  
2 our universities, like the University at Buffalo,  
3 into growing industries that create jobs and  
4 opportunities.

5 In Buffalo this funding will ensure  
6 continued groundbreaking research into the life  
7 sciences, as well as material informatics, and  
8 support the development of high-tech industries.  
9 They help to bridge the gap between academic  
10 research and companies that can create jobs in  
11 our community.

12 ACTING PRESIDENT GRIFFO: Senator  
13 Kennedy, excuse me.

14 Can I please have order in the  
15 chamber so we can hear the member explain his  
16 vote.

17 Senator Kennedy.

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

20 Also, the over \$50 million  
21 investment in the New York Genomic Medicine  
22 Network partnering the University at Buffalo and  
23 the New York Genome Center will speed the  
24 development of Buffalo's life sciences industry  
25 and lead to new discoveries that will save lives.

1                   And I know, as our colleagues in  
2                   this chamber already mentioned, the \$40 million  
3                   that's going to go to improving our roads and our  
4                   infrastructure across Western New York and across  
5                   New York State, with the allocation of another  
6                   \$40 million due to the severity of the weather  
7                   and due to the major improvements that need to  
8                   happen to our infrastructure.

9                   Mr. President, I vote aye.

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

12                  Senator Gipson to explain his vote.

13                  SENATOR GIPSON:    Thank you,  
14                  Mr. President, for the opportunity to explain why  
15                  I will be supporting this bill and voting yes.

16                  As a former small business owner, I  
17                  know how difficult it is to make a living here in  
18                  this state. And the fact that we were  
19                  aggressively taxing our businesses for simply  
20                  turning on the lights so they could do business  
21                  is really just not the way to incentivize  
22                  business growth.

23                  And I'm so glad to see that in this  
24                  budget we're building on what we started last  
25                  year and continuing to accelerate the complete

1 repeal of the 18A utility tax. I hope that we  
2 can repeal it completely. But I am very much  
3 happy to see that we are moving it forward even  
4 faster than we had planned last year.

5 This is going to save our  
6 hardworking families and businesses over  
7 \$600 million over the next three years, and that  
8 is certainly a way to move towards making this  
9 state more affordable to live in and more  
10 affordable to do business in.

11 I'm also very happy to see that we  
12 have increased funding to the Environmental  
13 Protection Fund. Building upon what we did last  
14 year and improving our environmental  
15 infrastructure is really critical to having  
16 strong and vital communities where these  
17 businesses can grow and thrive.

18 I will be voting yes, and I am very  
19 happy to support this bill. Thank you.

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

22 Announce the results.

23 THE SECRETARY: Ayes, 61.

24 ACTING PRESIDENT GRIFFO: The bill  
25 is passed.

1                   The Secretary will continue to read.

2                   THE SECRETARY:    Calendar Number  
3   375, Senate Budget Bill, Senate Print 6358D, an  
4   act to amend the Education Law.

5                   SENATOR GIANARIS:   Explanation,  
6   please.

7                   ACTING PRESIDENT GRIFFO:    An  
8   explanation has been requested by Senator  
9   Gianaris.

10                  Senator DeFrancisco.

11                  SENATOR DeFRANCISCO:    Yes.   The  
12   education part of the budget was a real challenge  
13   because there was a lot of different priorities  
14   out there.   Some were pushing for pre-K, some  
15   were pushing for gap elimination, some were  
16   pushing for formula aid, and all were pushing for  
17   more money.

18                  SENATOR RIVERA:    Excuse me,  
19   Mr. President.

20                  ACTING PRESIDENT GRIFFO:    Senator  
21   Rivera, why do you rise?

22                  SENATOR RIVERA:    A point of  
23   clarification.

24                  ACTING PRESIDENT GRIFFO:    Point of  
25   information?

1                   SENATOR RIVERA:    Yes.  I understood  
2   that that bill was high.

3                   ACTING PRESIDENT GRIFFO:    Correct,  
4   Senator Rivera.  Your point of information is  
5   well taken.

6                   Senator DeFrancisco, we are on  
7   Calendar Number 375, the health bill.

8                   SENATOR DeFRANCISCO:    Mr.  
9   President, never mind.

10                  (Laughter.)

11                  ACTING PRESIDENT GRIFFO:    Senator  
12   DeFrancisco, one second.

13                  Senator Gianaris, should I call upon  
14   Senator Hoylman?

15                  SENATOR GIANARIS:    Yes,  
16   Mr. President.

17                  ACTING PRESIDENT GRIFFO:    Senator  
18   Hoylman.

19                  SENATOR HOYLMAN:    Thank you,  
20   Mr. President.  I rise to thank my colleagues --

21                  ACTING PRESIDENT GRIFFO:    Senator  
22   Hoylman, are you on the bill?

23                  SENATOR HOYLMAN:    On the bill, sir.

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

1                   SENATOR HOYLMAN:    I was getting to  
2   that.

3                   I rise on the bill to thank my  
4   colleagues, Mr. President, to thank the Governor,  
5   to thank Mayor de Blasio for this historic  
6   inclusion of the 30 percent rent cap for  
7   low-income New Yorkers with HIV/AIDS.

8                   I've spoken on this before.  It is  
9   an incredibly important addition to our budget.  
10   It's an important addition to our healthcare  
11   policy.  Because really, at the end of the day,  
12   stable housing is good healthcare policy.  And  
13   people who are low-income and have HIV/AIDS now  
14   will no longer have to live off of \$11 a day.  
15   They will have additional funds to pay for  
16   things, basic necessities like transportation and  
17   clothing and food, because of this inclusion.

18                  And it's so important because I  
19   think, Mr. President, it's going to show over  
20   time that we're actually saving money.  This is  
21   going to be an incredibly cost-effective  
22   procedure that's going to keep people, keep  
23   people who are HIV-positive on their medications.

24                  And as Dr. Shah, the Health  
25   Commissioner, has unveiled in the last couple of



1 weeks, New York State now has a plan to end AIDS.  
2 And if we keep people on their medications, they  
3 can bring their viral loads to virtually zero.  
4 And if their viral loads are zero, they're no  
5 longer infectious. And from that standpoint we  
6 could potentially, potentially, Mr. President,  
7 eliminate HIV transmission in our lifetime.

8                   And the 30 percent rent cap which is  
9 in this budget -- and due to the credit and the  
10 foresight of the Governor, the mayor and my  
11 friends on both sides of the aisle, will help  
12 achieve that goal. So I vote aye, Mr. President.

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

15                   Is there any other Senator who  
16 wishes to be heard?

17                   Seeing or hearing no other Senator  
18 wishing to be heard, the debate is closed the  
19 Secretary will ring the bell.

20                   Read the last section.

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

23                   ACTING PRESIDENT GRIFFO: Call the  
24 roll.

25                   (The Secretary called the roll.)

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Parker to explain his vote.

3                   SENATOR PARKER:    Thank you,  
4   Mr. President, to explain my vote.

5                   I'm voting aye on this bill.  You  
6   know, one of the things that we don't do nearly  
7   enough in this chamber and in this body is to  
8   deal with the issues of people who are mentally  
9   challenged in our society.  We oftentimes deal  
10  with situations where police are coming upon  
11  people who are in the middle of mental health  
12  crises.  Up until this point, very few  
13  municipalities have had an ability to deal with  
14  those crises in the way they need to be.

15                  There is a new method that we are  
16  going forward with, and hopefully we'll get the  
17  support of this chamber over the course of this  
18  year to do more and more around crisis  
19  intervention teams.  The County of Albany has a  
20  great crisis intervention team, which is a  
21  training and collaboration between mental health  
22  professionals and police departments, to deal  
23  effectively with mental health crises.

24                  We have in this budget, although in  
25  the Aid to Localities bill -- not in this bill,

1 but I wanted to speak because I thought it was  
2 germane to mental health now, to say that I want  
3 to thank the authors of the budget for putting in  
4 \$400,000 for crisis intervention teams. That's  
5 really going to be a great start, but not nearly  
6 the end of what we need to do around making sure  
7 that people are safe when they have a mental  
8 health crisis.

9 Thank you very much. I vote aye.

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

12 Announce the results.

13 THE SECRETARY: Ayes, 61.

14 ACTING PRESIDENT GRIFFO: The bill  
15 is passed.

16 The Secretary will read.

17 THE SECRETARY: Calendar Number  
18 376, Senate Budget Bill, Senate Print 6359D, an  
19 act to amend the Tax Law.

20 ACTING PRESIDENT GRIFFO: Senator  
21 Krueger.

22 SENATOR KRUEGER: Thank you,  
23 Mr. President. I will happily --

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

1                   Can I have some order in the house,  
2                   please.

3                   SENATOR KRUEGER:    Thank you.

4                   I'll skip the explanation, but I do  
5                   have a series of questions for the sponsor.

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

8                   SENATOR DeFRANCISCO:    Yes, if  
9                   someone will tell me what the correct bill is.

10                  (Laughter.)

11                  ACTING PRESIDENT GRIFFO:    We're on  
12                  Calendar Number 376, the revenue bill.

13                  SENATOR DeFRANCISCO:    Thank you.

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

16                  ACTING PRESIDENT GRIFFO:    Senator  
17                  Krueger.

18                  SENATOR KRUEGER:    When the Governor  
19                  first proposed his Executive Budget he actually  
20                  put out a five-year plan for revenue reductions  
21                  starting at \$496 million reduced revenue this  
22                  year, rising over four years to \$2.58 billion in  
23                  revenue reductions by 2017-2018.

24                  Can the sponsor explain to me what  
25                  the four-year revenue reduction projections are

1 based in this budget we're voting for?

2 SENATOR DeFRANCISCO: May I seek a  
3 clarification, Mr. President?

4 ACTING PRESIDENT GRIFFO: Senator  
5 Krueger, would you clarify for  
6 Senator DeFrancisco?

7 SENATOR DeFRANCISCO: Are you  
8 referring to tax cuts?

9 SENATOR KRUEGER: Yes. Revenue  
10 reduction, yes.

11 SENATOR DeFRANCISCO: Okay. All  
12 right. I call them tax cuts. You got me  
13 confused. All right. Okay.

14 ACTING PRESIDENT GRIFFO: Senator  
15 DeFrancisco.

16 SENATOR DeFRANCISCO: What the  
17 total number is of tax cuts over the next four  
18 years? It starts off this year at 532, and  
19 through 2018-2019 it's a reduction of  
20 \$906 million.

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

24 ACTING PRESIDENT GRIFFO: The  
25 sponsor yields.

1                   SENATOR KRUEGER:    Thank you.

2                   My numbers don't exactly jibe, so  
3   I'll just for the record -- although I don't wish  
4   to get into an argument.  That it starts at  
5   \$511 million in this fiscal year, growing to  
6   \$1.187 billion by 2017-2018.

7                   But I guess I would just like to  
8   reaffirm that the Governor originally proposed  
9   this revenue reduction growing to almost  
10  \$2.6 billion in 2017-2018.  And according to my  
11  colleague, instead of \$2.6 billion by 2017-2018,  
12  it would just be \$906 million?  I just wanted to  
13  reiterate that that's what you're saying.

14                  SENATOR DeFRANCISCO:   Well, I will  
15  yield.  And, Mr. President, it kind of goes up  
16  and then it kind of levels out.  Maybe that's the  
17  confusion.  2014-2015, \$532 million.  2015-2016,  
18  \$757 million.  2016-2017, \$1.21 billion.  
19  2017-2018, \$1.202 billion.  And then in 2018-2019  
20  it goes back down to \$906 million.  And that may  
21  be the confusion.

22                  SENATOR KRUEGER:    Through you,  
23  Mr. President, I appreciate the clarification.  
24  Yes, my colleague went into the fifth year and  
25  skipped the fourth year.  So I think our numbers

1 do relatively -- they compare relatively. So I  
2 want to thank him for that.

3 And to highlight again, we are being  
4 asked to vote for a budget that would over a  
5 four-year period lead to an annual reduction in  
6 revenue, which means less money for the state to  
7 spend each year, up to a total of \$1.2 billion  
8 less to spend on state expenses in the fourth  
9 year. Even though we only do annual budgets with  
10 education and healthcare appropriations being  
11 allowed to be for two years.

12 So now I would like to ask a series  
13 of questions around specific proposals within the  
14 revenue bill, if the sponsor would yield.

15 SENATOR DeFRANCISCO: Yes, I would.

16 ACTING PRESIDENT GRIFFO: The  
17 sponsor yields.

18 SENATOR KRUEGER: Thank you.

19 Could the sponsor explain to me what  
20 Part A, the corporate tax reform package, does  
21 and how much revenue the state will not be  
22 collecting per year, when fully implemented,  
23 because of this change?

24 SENATOR DeFRANCISCO: The corporate  
25 tax reform, if you're referring to that, this

1 year there's actually no effect in this budget  
2 year. But the savings start or the reduction in  
3 taxes for corporations start, in 2015-2016,  
4 \$205 million; 2016-2017, 346; and the same in  
5 2017-2018 and 2018-2019. And that's from  
6 reducing the rate from 7.1 to 6.5.

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

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The  
12 sponsor yields.

13 SENATOR KRUEGER: And who is it  
14 that -- what types of corporations specifically  
15 save the annualized \$365 million in taxes?

16 SENATOR DeFRANCISCO: This is  
17 combining the bank taxes and the corporate tax  
18 rate. Because mainly -- and the real importance  
19 of this isn't necessarily the reduction in the  
20 amount of income, the importance is to simplify  
21 the manner in which taxes are reported and  
22 calculated. And that was the main reason.

23 SENATOR KRUEGER: Through you,  
24 Mr. President, just on this section before I  
25 continue my questions.



1           If in fact it had simply been a  
2       simplification and reform of the way we require  
3       corporate taxes to be filed, I would be in total  
4       agreement with my colleague that this would have  
5       been an acceptable proposal. If and when we can  
6       simplify the process of paying your taxes in  
7       New York State and modernize and make New York  
8       State taxes parallel with federal and local for  
9       the purposes of accounting and filing one's  
10      taxes, I'm with him completely.

11           But this in fact also reduces the  
12      tax rate of large corporations and primarily  
13      financial institutions by \$365 million  
14      annualized.

15           And in fact, for the record,  
16      New York State has reduced corporate taxes fairly  
17      radically over the last several years. Corporate  
18      taxes as a percentage of total state tax revenue  
19      dropped from 16 percent in 1980 to 10 percent in  
20      2013, and with these tax reductions will drop  
21      corporate taxes to being only 8 percent of the  
22      state's total tax revenue as compared to, at one  
23      time, 16 percent.

24           So I am very concerned about how we  
25      decide who is getting a tax reduction and why.

1 And again, it's \$365 million less in our budget.

2 And yes, the Senator is right when  
3 he says revenue reduction means tax cut. So yes,  
4 this is a tax cut for large corporations and  
5 financial institutions.

6 Through you, Mr. President, if the  
7 sponsor would continue to yield.

8 SENATOR DeFRANCISCO: Yes.

9 ACTING PRESIDENT GRIFFO: The  
10 sponsor yields.

11 SENATOR KRUEGER: Thank you.

12 In the original Executive Budget the  
13 Governor proposed a statewide circuit breaker for  
14 homeowners and a renters circuit breaker for  
15 renters throughout the state. That seems to have  
16 morphed into a loss of the circuit breaker  
17 proposal and a significant decrease in usefulness  
18 and value for the renters tax credit.

19 Can the sponsor help me understand  
20 what happened to the, in my opinion, better  
21 proposals that were in the original  
22 Executive Budget?

23 SENATOR DeFRANCISCO: Yes, I can.

24 But let me just clarify something on the last  
25 issue.

1           There were winners and losers by the  
2 bank tax consolidation. And the losers were  
3 primarily the smaller banks. The reason for the  
4 reduction in the corporate rate for everyone was  
5 so that everyone was held harmless and none of  
6 the smaller banks actually realized an increase  
7 in taxes as a result of this simplification of  
8 the reporting requirements.

9           As to the second point, what  
10 happened was that there was compromise. The  
11 Governor wanted a tax freeze, and the tax freeze  
12 applied only to those jurisdictions outside of  
13 New York City that actually had a tax cap  
14 increase of 2 percent.

15           So obviously the whole Governor's  
16 proposal was literally dependent upon keeping  
17 people upstate -- schools, counties and  
18 municipalities -- from raising tax above the cap.  
19 And municipalities, through the citizens that are  
20 paying these taxes, are going to get rebates. So  
21 those increases in taxes up to 2 percent would be  
22 paid for by the state as long as they kept the  
23 rate down and showed consolidation of services  
24 and the like.

25           New York City did not -- there's no

1 way to have a similar system if there's no cap in  
2 the first place. So the compromise was for the  
3 circuit breaker to be used for homeowners and  
4 renters in the City of New York. Then there had  
5 to be a determination as to how much this all  
6 could play out to, how much we could afford, so  
7 Senator Krueger and others wouldn't say "We're  
8 reducing taxes and we're going to be in trouble  
9 in the outyears."

10 So they balanced the numbers, came  
11 up with a plan that saved New York City residents  
12 money, as well as the state with the freeze that  
13 the Governor wanted very badly.

14 SENATOR KRUEGER: Through you,  
15 Mr. President, if the sponsor would continue to  
16 yield.

17 SENATOR DeFRANCISCO: Yes.

18 ACTING PRESIDENT GRIFFO: The  
19 sponsor yields.

20 SENATOR KRUEGER: Thank you.

21 So I actually think in the last  
22 question we were getting at three separate  
23 issues. So just for the record, since the  
24 Senator went back to my previous question about  
25 the winners and losers in the corporate tax

1 break, he said he thought the losers were the  
2 small banks. But I think he meant the losers  
3 were the big banks. You said the losers in the  
4 tax changes were the small banks?

5 SENATOR DeFRANCISCO: Mr.  
6 President, the smaller banks were not getting --  
7 the smaller banks would have ended up paying more  
8 taxes. And since the smaller banks would have  
9 been paying more taxes, the fix to that would be  
10 to lower the tax rate on all corporations so at  
11 least they would be held harmless and not show an  
12 increase. And that's why the corporate tax rate  
13 was changed in that fashion.

14 Obviously the larger corporations  
15 realized a benefit as well. But it would have  
16 been a nightmare trying to change -- have  
17 different tax rates depending upon the size of  
18 the various corporations.

19 SENATOR KRUEGER: Through you,  
20 Mr. President, continuing on questioning the  
21 Senator -- excuse me, the sponsor on the  
22 disappearance and changes in the tax credit.

23 ACTING PRESIDENT GRIFFO: The  
24 sponsor yields.

25 SENATOR KRUEGER: So I think I'm

1 continuing the question. So he answered that the  
2 circuit breaker for homeowners statewide  
3 disappeared because the tax freeze won out, so to  
4 speak, over the circuit breaker, because  
5 originally they were two different proposals. My  
6 understanding is the property circuit breaker was  
7 by and large for the capped areas anyway, the  
8 renters credit was for the city.

9 But I'll just leave it as now we  
10 have the tax freeze proposal, we have no  
11 circuit breaker proposal for the outside-of-  
12 New York City homeowners.

13 When you looked at the original  
14 circuit breaker proposal, it actually translated  
15 in a model that the higher your property taxes  
16 were in proportion to your income, the more help  
17 you could get through a circuit breaker model.

18 When we look at the tax freeze  
19 proposal -- which is, I agree, quite confusing --  
20 it appears to be the opposite in outcome. The  
21 greater the value of your home, the greater a tax  
22 reduction or rebate you may see, but not a  
23 relationship between your being in trouble with  
24 your ability to pay your property taxes.

25 So I'm wondering why, given there

1 were two options, and accepting the possibility  
2 that in negotiations, because we did see a  
3 loss -- we did see a reduction in the amount of  
4 revenue cuts, that in negotiations one won and  
5 one lost. How come the one that would have  
6 mattered more for people who really needed help  
7 with their property taxes was the one that fell  
8 off the table and lost?

9 SENATOR DeFRANCISCO: Mr.  
10 President, I don't think that is the case, that  
11 they actually lost.

12 The whole purpose of the tax freeze  
13 is to maintain taxes at a reasonable level. And  
14 another component of the tax freeze was to  
15 provide a plan, a plan would have to be provided  
16 by the municipalities, school districts and  
17 counties as to how they're going to further  
18 consolidate and keep these taxes under control.

19 So it's tax relief over a period of  
20 time with more of a chance of it actually  
21 happening. Municipalities could still raise  
22 their taxes to 10 percent; their residents won't  
23 get the benefit of the freeze, and they can  
24 continue on doing what they're doing, which will  
25 result in people leaving their homes.

1                   So I don't think there's any losers  
2 here. I think you can make a case for either  
3 plan. But the concept that the Governor had for  
4 the freeze is to make sure this is not just going  
5 to go away by the wayside by municipalities  
6 increasing taxes at a much higher rate. Which  
7 would be a greater savings by not allowing them  
8 to do that.

9                   SENATOR KRUEGER: Through you,  
10 Mr. President, if the sponsor would continue to  
11 yield.

12                  SENATOR DeFRANCISCO: Yes.

13                  ACTING PRESIDENT GRIFFO: The  
14 sponsor yields.

15                  SENATOR KRUEGER: I have to  
16 disagree with the analysis of who are the winners  
17 and who are the losers between the tax freeze and  
18 the circuit breaker. The data actually shows  
19 that in the tax freeze the wealthier the  
20 homeowner and in fact the wealthier the specific  
21 school district, the larger the amount of money  
22 coming back.

23                  As opposed to in the circuit breaker  
24 proposal, it would have provided the property tax  
25 relief to those most burdened by high property



1 taxes relative to their income.

2 And yet this tax freeze also has all  
3 the additional complications of the taxpayer  
4 having to, I guess, hope they live in different  
5 districts of government, and it can be  
6 multiple-layered districts of government that in  
7 fact are able to meet the tests of this tax  
8 freeze over a period of years.

9 And so can the sponsor help me  
10 understand what I, as a taxpayer who's really  
11 hoping I do see some kind of property tax relief  
12 through a rebate check, what can I do to assure  
13 that if I live in school district X, town Y,  
14 county Z, and special taxing district E, what can  
15 I do to make sure that I actually could get this  
16 tax rebate, since it requires all these things of  
17 each individual government district I might live  
18 within?

19 SENATOR DeFRANCISCO: As you  
20 recall, Senator, during the budget hearings I  
21 think it was my comment to the Commissioner of  
22 Taxation that this proposal will be a nightmare  
23 in administration.

24 SENATOR KRUEGER: We agreed then.

25 SENATOR DeFRANCISCO: And we

1     agreed.

2                     Unfortunately, we are not the only  
3     people in government. And there are others who  
4     disagreed with us even though we were absolutely  
5     right.

6                     So the fact of the matter is how a  
7     taxpayer can find out if they're entitled to  
8     this, well, they will know that if their school  
9     taxes or municipal taxes or county taxes are  
10    raised between zero percent and 1.9999 percent,  
11    they should be getting a check, because the state  
12    is going to be paying for that additional tax so  
13    long as it stays under 2 percent.

14                    And I would imagine, in view of the  
15    transparency that government is moving more and  
16    more towards, that there will be some help on the  
17    Internet for the individuals to try to figure out  
18    whether they have gotten what they should be  
19    getting, to figure that out.

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

23                    SENATOR DeFRANCISCO:   Only if  
24    you're going to point out other areas that we  
25    agree.

1 (Laughter.)

2 ACTING PRESIDENT GRIFFO: The  
3 sponsor yields.

4 SENATOR KRUEGER: We might,  
5 actually. I might be pointing out other.  
6 Because I do appreciate the sponsor and I both  
7 sat through the budget hearings and shared many  
8 and perhaps disturbingly many agreements around  
9 tax policy and other issues.

10 So I also share with him that this  
11 isn't really going to work as people think. But  
12 I am disproportionately concerned that we had a  
13 better option on the table, the circuit breaker,  
14 and that's what fell off.

15 But perhaps another issue we could  
16 agree on is the new version of the renter/owner  
17 circuit breaker only for New York City that has  
18 been reduced from I think a total of a billion  
19 dollars in tax relief over a series of years to  
20 simply \$85 million in tax relief per year for  
21 two years for renters and owners in New York  
22 City.

23 My calculations are that the average  
24 renter/owner could expect to see a \$50 tax  
25 reduction a maximum credit of \$150. Do we really

1 think that's a great idea, Senator?

2 SENATOR DeFRANCISCO: Mr.

3 President, I don't know whether it's a great idea  
4 or not, but it's the idea that was worked out in  
5 this budget process. And the fact of the matter  
6 is it was never over a billion dollars, it was  
7 between a high of \$400 million, if I'm not  
8 mistaken, and now around 160, according to our  
9 numbers.

10 Now, why does this happen? Well,  
11 there are other needs in the budget. People want  
12 highway money. The mayor of New York City wants  
13 a pre-K program, wants that funded. School  
14 districts want GEA to be reduced, they want more  
15 Foundation Aid.

16 So there's a balance that you have  
17 to make so that the cost of some of these tax  
18 cuts are not too great to provide -- not to allow  
19 us not to be able to provide for the other needs  
20 in the budget. And that's basically what  
21 happened.

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

25 SENATOR DeFRANCISCO: Yes.

1                   ACTING PRESIDENT GRIFFO:    The  
2   sponsor yields.

3                   SENATOR KRUEGER:    Thank you.

4                   We agreed it's \$170 million over two  
5   years, 85 million per year.  But previously I  
6   believe it was to up to \$800 million a year.  So  
7   that's a reduction.

8                   So we've moved the property tax  
9   credit for manufacturers from outside the MTA  
10   districts to statewide.  Can you explain what the  
11   reduction in revenue will be for the state from  
12   that change?

13                  SENATOR DeFRANCISCO:   By the way,  
14   we really did that to make it statewide because I  
15   was very concerned about New York City and I  
16   wanted to make sure they got their fair share.

17                  SENATOR KRUEGER:    Thank you.

18                  SENATOR DeFRANCISCO:   In any event,  
19   it's \$100 million.

20                  SENATOR KRUEGER:    A hundred million  
21   dollars annually?  Just double-checking.  When  
22   it's phased in completely?  Just one second.  
23   Because I'm looking at something saying the  
24   revenue loss is \$193 million a year.  Reduces  
25   manufacturing corporate tax rates to zero for the

1 entire state.

2 SENATOR DeFRANCISCO: One hundred  
3 ninety-eight, I think, if you're looking at the  
4 same chart I have. It's actually one spot down,  
5 statewide manufacturing at zero percent. That's  
6 not the property tax credit.

7 SENATOR KRUEGER: Oh, I'm sorry,  
8 it's combined, excuse me. So the property tax is  
9 a hundred million, and then the zero tax rate for  
10 manufacturing is another 190 -- excuse me, you're  
11 right, two different pieces. So it's  
12 approximately 293 to 298 million annualized?

13 SENATOR DeFRANCISCO: That is  
14 correct.

15 SENATOR KRUEGER: Okay. And while  
16 I'm delighted --

17 ACTING PRESIDENT GRIFFO: Senator  
18 Krueger.

19 SENATOR KRUEGER: Through you,  
20 Mr. President, excuse me.

21 So while I'm delighted to see that  
22 it is statewide --

23 SENATOR DeFRANCISCO: Mr.  
24 President, just take a break. We'll resolve  
25 this. Just take a break.

1                   SENATOR KRUEGER:    I didn't want to  
2 cut you out. I didn't mean to.

3                   ACTING PRESIDENT GRIFFO:   We're  
4 giving you great flexibility and leniency, but  
5 please continue to --

6                   SENATOR KRUEGER:    I share my  
7 colleague's analysis that tax policy should be  
8 statewide, particularly when it comes to business  
9 taxes. But I'm just curious, did we really think  
10 that we needed to do across-the-board tax cuts of  
11 this level?

12                   Again, the last discussion about  
13 corporate tax rate reduction translated to over  
14 \$350 million a year in tax reduction, and this  
15 proposal reduces tax revenue for manufacturers a  
16 total of almost 300 million a year.

17                   I believe in fairness in  
18 distribution of tax obligations, but this is a  
19 pretty big reduction in taxes. Do we think this  
20 is actually going to increase the number of  
21 people who come here and open up manufacturing or  
22 is this just reducing taxes for businesses that  
23 are already here operating in our state? Is it  
24 going to -- or how would it lead to expansion by  
25 these businesses or new businesses being

1 encouraged to come in?

2                   SENATOR DeFRANCISCO:   Well,  
3 Mr. President, we had hearings throughout the  
4 state on tax cuts. And the whole concept of our  
5 hearings was we should have broad-based tax cuts  
6 as opposed to credits and other groups that will  
7 get -- or the haves and the have-nots and that  
8 sort of thing.

9                   But with the manufacturing credit, I  
10 don't quite frankly think it's enough. We in  
11 Central New York used to have Syracuse China, we  
12 used to have New Venture Gear, later Magna. We  
13 used to have Carrier, we used to have all these  
14 major manufacturers. And they all went  
15 elsewhere.

16                  And we've got to maintain the  
17 manufacturing base and increase that base so that  
18 we -- and to do that, we have to make it more  
19 financially feasible for companies to stay and  
20 companies to come. And it's particularly  
21 important with manufacturing because they're the  
22 highest-paying jobs. And, as importantly, they  
23 need raw product or components from other  
24 companies to make their product, and the spin-off  
25 of other jobs from other companies is



1 substantial.

2           So I quite frankly thought that this  
3 was a wonderful thing, and I think it was  
4 definitely needed, and I think it's really too  
5 low.

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

9           SENATOR DeFRANCISCO: Yes.

10          ACTING PRESIDENT GRIFFO: The  
11 sponsor yields.

12          SENATOR KRUEGER: So yet again,  
13 sometimes we agree, or we agree on half the pie.  
14 The sponsor and I agree that we believe in  
15 broad-based, fair distribution of taxes and  
16 business taxes.

17          So while we were increasing this  
18 from just upstate to the full State of New York,  
19 why weren't we also then looking at existing tax  
20 expenditures and business tax credits that are  
21 special interest and not broad-based and across  
22 the board?

23          There was a report put out by the  
24 New York State Tax Reform and Fairness Commission  
25 in November 2013, "New York State's Business Tax

1 Credits Analysis and Evaluation," that  
2 recommended that there were \$1.7 billion of lost  
3 tax revenue through special interest credits to  
4 corporate entities, sole proprietors,  
5 partnerships and S corporations that in fact  
6 could be better utilized if we distributed that  
7 revenue fairly either within the budget or  
8 through models of tax reduction that had a fair  
9 impact for everyone.

10               Would the sponsor agree with me that  
11 we got half a loaf here and we should have been  
12 looking at billions of dollars of tax  
13 expenditures and credits that it's very hard to  
14 justify are on our books?

15               SENATOR DeFRANCISCO:    A half a loaf  
16 in one year is pretty good. In view of some of  
17 the other years, we've had no loaf or not even a  
18 slice of bread.

19               So I think sure, it's a half a loaf.  
20 Sure, I would always like to have more and change  
21 some of these credits into broad-based tax cuts.  
22 But again, it was a negotiated budget that we got  
23 substantial relief. And I'm happy with the half  
24 a loaf. And hopefully next year and the year  
25 after, we get the other half.

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

4                   SENATOR DeFRANCISCO:    Yes.

5                   ACTING PRESIDENT GRIFFO:    The  
6   sponsor yields.

7                   SENATOR KRUEGER:    Okay.  So we're  
8   again sort of agreeing, but he said it was  
9   negotiated.  Well, so the Assembly rejected this  
10  property tax cut totally.  And so how did we end  
11  up with this deal?  So would he agree that it was  
12  the Senate who was actually carrying this  
13  version?

14                  SENATOR DeFRANCISCO:    The  
15  Governor -- Mr. President, the Governor actually  
16  had the original manufacturer tax cut, two of  
17  them, I think, in the original budget.  He just  
18  had it only for upstate as far as the one  
19  component.  And quite frankly, it was made to  
20  apply everywhere else.

21                  And yes, I proudly say that the  
22  Senate is standing for tax cuts for  
23  manufacturers, and the Assembly would rather  
24  spend it for something else.  And we're looking  
25  long-term here, attempting to change the economic

1 climate around the State of New York.

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

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The  
7 sponsor yields.

8 SENATOR KRUEGER: Thank you.

9 So reducing this manufacturing tax,  
10 and adding also reducing the corporate financial  
11 reform tax cuts we discussed earlier, what impact  
12 is that going to have on the surcharge in place  
13 on corporate taxes to be applied as a dedicated  
14 funding stream to the MTA in the 12 MTA counties?

15 Because my understanding is if you  
16 eliminate corporate taxes, you've have actually  
17 reduced the base of what they owe in their MTA  
18 employer tax. Has anybody calculated what loss  
19 the MTA takes on these tax reductions?

20 SENATOR DeFRANCISCO: Mr.  
21 President, I think the answer is there's a little  
22 confusion on this one. The difference in  
23 revenues that are projected from the surcharge at  
24 the same rate that we have right now for the tax  
25 is approximately \$300 million. That's my best

1 answer.

2 SENATOR KRUEGER: So the -- I'm  
3 sorry, Mr. President, I just need a clarification  
4 on the answer.

5 Could you just repeat that, Senator?

6 SENATOR DeFRANCISCO: That's my  
7 best answer.

8 SENATOR KRUEGER: Could you repeat  
9 it for me? Because I couldn't quite understand  
10 it.

11 SENATOR DeFRANCISCO: There is --  
12 it's purported to be, let me put it this way,  
13 revenue-neutral. Purported to be. And I'm not  
14 sure I understand how it could be, because there  
15 will definitely be a reduction in revenue at the  
16 rates that are being paid currently.

17 So I can't clarify more than that.  
18 Because if it's revenue-neutral, there's a  
19 missing piece that I haven't figured out. And I  
20 don't want to give you an answer that doesn't  
21 make any sense. So that's the best answer that I  
22 could give you.

23 SENATOR KRUEGER: Through you,  
24 Mr. President, on the bill.

25 ACTING PRESIDENT GRIFFO: Senator

1 Krueger on the bill.

2 SENATOR KRUEGER: First I want to  
3 thank my colleague John DeFrancisco for doing his  
4 best to enlighten me.

5 As usual, I remain perplexed about a  
6 number of the proposals being offered to us  
7 within the budget, particularly each year, it  
8 seems, on revenue.

9 I'm going to end up voting no,  
10 Mr. President, on this bill. Because while  
11 people debate whether one thing is a tax cut or a  
12 reduction in revenue for important public  
13 services, people debate progressive versus  
14 regressive in tax policy, I highlight each and  
15 every year that we have large numbers of tax  
16 expenditures and credits that each year go  
17 unevaluated, unquestioned, and continued despite  
18 little or no evidence that there is public policy  
19 good coming from the reduction in so much revenue  
20 to the State of New York.

21 I referenced one report because it  
22 was a Governor's commission report listing  
23 \$1.7 billion in unjustified business tax  
24 expenditures. If I had referenced -- and I can  
25 now -- the advocacy report that has been out for

1 approximately a year by a group called Align,  
2 they talk about our having \$7 billion in business  
3 tax subsidies and expenditures.

4 And please, although I will be  
5 misquoted later, this is not a question of  
6 believing that we just should raise everyone's  
7 taxes or business taxes. It is my continued  
8 argument that New York State should have a fair  
9 and even playing field for taxation when it comes  
10 to our citizens as individuals and businesses.

11 And New York State has gone so far  
12 afield from having an even playing field. And I  
13 believe if we did a true and honest evaluation of  
14 these up to \$7 billion in special interest tax  
15 expenditures and credits, we would find that we  
16 could actually lower the tax rate on businesses  
17 throughout the State of New York in a fair and  
18 equitable way even more than these small  
19 individual items within this state budget. And  
20 we would all be better for it.

21 But yet again, another year comes  
22 and goes and we don't see ourselves evaluating or  
23 even putting on the table any of these changes.  
24 Instead, we're being offered a revenue package  
25 that is by and large disproportionately

1     advantageous to wealthy New Yorkers, whether it's  
2     corporations in finance being given large tax  
3     cuts, manufacturers -- some of whom desperately  
4     need some help and, to be honest, some of whom  
5     are large corporations being very successful  
6     already.

7                     It's a serious question why those  
8     are the taxes we are reducing, why we are setting  
9     ourselves up with this complicated, perhaps  
10    impossible tax-freeze system where the only thing  
11    I know for sure is that the wealthiest homeowners  
12    in the wealthy communities are the ones who are  
13    the winners, and those people who truly are  
14    having trouble paying their property taxes  
15    throughout much of the state are the losers.  
16    Although I suspect we will see that not so  
17    many people are really winners at the end of the  
18    day either.

19                    It's particularly frustrating to me  
20    that there were circuit breaker proposals in the  
21    original Executive Budget that in my opinion  
22    needed some fixing also to become more  
23    progressive, both the renters statewide tax  
24    circuit breaker -- which could have been more  
25    progressive but instead has been diminished to



1     being irrelevant -- and the circuit breaker for  
2     property owners throughout the state, which could  
3     have had a dramatic impact on helping those most  
4     in need of assistance to pay their property  
5     taxes. And that is the proposal that fell off  
6     the table.

7                     We also are including an estate tax  
8     reduction which will cost us I think \$375 million  
9     a year or \$400 million a year when fully  
10    implemented. Again, going to a small number of  
11    the wealthiest New Yorkers in the state.

12                    We have made a series of changes,  
13    some bigger and some smaller, in tax loopholes  
14    that, again, are frankly completely unjustified.

15                    I bring it up, but I'll bring it up  
16    again. The concept that if you buy your soda,  
17    your potato chips, your candy, your ice cream in  
18    a vending machine, you will not pay sales tax.  
19    And if you go to your local mom-and-pop store  
20    that hires someone and is dependent on sales of  
21    these small items to stay in business, you do pay  
22    a tax.

23                    So we are yet again, even in those  
24    small changes, making our tax system more  
25    regressive, more disadvantaged to smaller

1 businesses and lower-income taxpayers while  
2 advantaging larger businesses and corporations.

3 I wish one year we could do a  
4 revenue bill that I could support. This is not  
5 the year, Mr. President. I must vote no. Thank  
6 you very much.

7 ACTING PRESIDENT GRIFFO: Senator  
8 Squadron.

9 SENATOR SQUADRON: Thank you. If  
10 the sponsor would yield.

11 SENATOR DeFRANCISCO: Yes.

12 SENATOR SQUADRON: I appreciate  
13 that. I know the sponsor has been doing a great  
14 deal of yielding. And this issue was briefly  
15 touched on by my colleague Senator Krueger.

16 But just to understand this New York  
17 City so-called enhanced real property tax circuit  
18 breaker credit for renters and homeowners, just  
19 take me through briefly how this would work  
20 for -- I guess there are sort of three  
21 categories, four categories in New York City,  
22 three of which are sort of different than the  
23 rest of the state. Because obviously the  
24 individual homeowner and -- you know, that would  
25 apply, I'm sure, in many of the same ways it

1 would elsewhere in the state. There are also  
2 co-operators, condo owners and renters. So for  
3 condo owners, how would it work?

4 SENATOR DeFRANCISCO: Senator  
5 Squadron, I have no idea.

6 SENATOR SQUADRON: If the sponsor  
7 would continue to yield.

8 SENATOR DeFRANCISCO: I have no  
9 idea. I can't break it down. I know the general  
10 concept of a circuit breaker. I can't go through  
11 the calculations nor say how it differs between  
12 the various types of property in the city. I  
13 just can't.

14 SENATOR SQUADRON: If the sponsor  
15 would continue to yield.

16 ACTING PRESIDENT GRIFFO: The  
17 sponsor yields.

18 SENATOR SQUADRON: So I suppose the  
19 same applies to co-operators who own shares in a  
20 larger housing corporation and don't actually pay  
21 property tax on the ownership of their unit.

22 SENATOR DeFRANCISCO: That's  
23 correct. I simply can't. And I'm sure if -- you  
24 know, we can contact the Tax Department and get a  
25 detailed explanation, or we can get the

1 information for you. But I just don't have it at  
2 this moment.

3 SENATOR SQUADRON: If the sponsor  
4 would continue to yield.

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The  
7 sponsor yields.

8 SENATOR SQUADRON: Just to clarify,  
9 the sponsor is not suggesting that we pause in  
10 the debate for that decision from the Tax  
11 Department; that would be subsequent to the vote.

12 SENATOR DeFRANCISCO: It's up to  
13 you. But if counsel is not versed in it, your  
14 counsel, we could certainly get you together with  
15 one of our analysts and explain it much better  
16 than I could attempt to.

17 SENATOR SQUADRON: If the sponsor  
18 would continue to yield.

19 And just as a brief prelude to the  
20 next question, I'm asking because I think it's  
21 important to get on the record how these things  
22 work. We actually have some understanding of it.  
23 In fact, in the case of co-ops, we think that the  
24 legislation has identified the issue and solved  
25 it. I wanted to make sure that that was in fact

1 the sponsor's intent as well.

2 SENATOR DeFRANCISCO: May I  
3 interrupt a moment?

4 ACTING PRESIDENT GRIFFO: Senator  
5 DeFrancisco.

6 SENATOR DeFRANCISCO: Would you  
7 yield for a question?

8 ACTING PRESIDENT GRIFFO: Senator  
9 Squadron, do you yield?

10 SENATOR DEFRANCISCO: In order to  
11 simplify this, would you mind stating your  
12 understanding that I could listen to and the  
13 analysts can listen to, and I can tell you  
14 whether it's correct or not and we can get the  
15 answer that you really need.

16 SENATOR SQUADRON: I'm happy to  
17 yield to the sponsor's question.

18 There's language in the proposal  
19 that identifies the federally deductible property  
20 tax amount that would be attributable to the  
21 co-operator as a way of defining the  
22 co-operator's property tax payment. I just  
23 wanted to make sure that that was consistent with  
24 the sponsor's understanding of how this would  
25 work.

1           SENATOR DeFRANCISCO:    It's not  
2 consistent with my understanding. But the  
3 analysts have told me that that's exactly what it  
4 does.

5           SENATOR SQUADRON:    Clearly the  
6 framework consistent with the sponsor's  
7 understanding is not one that's going to get me  
8 very far in this conversation.

9           If the sponsor would continue to  
10 yield.

11          SENATOR DeFRANCISCO:    Yes.

12          ACTING PRESIDENT GRIFFO:    The  
13 sponsor yields.

14          SENATOR SQUADRON:    As applies to  
15 renters, how would this credit work for renters  
16 who lived in a subsidized housing situation such  
17 as Section 8? Would it apply to the overall  
18 rent, would the calculation apply to the overall  
19 rent or just the rent paid by the recipient of  
20 the Section 8 voucher?

21          SENATOR DeFRANCISCO:    Mr.  
22 President, it applies only to the portion of the  
23 rent that they actually pay.

24          SENATOR SQUADRON:    If the sponsor  
25 would continue to yield.

1                   ACTING PRESIDENT GRIFFO:    The  
2   sponsor yields.

3                   SENATOR DeFRANCISCO:    Meaning not  
4   including the subsidy.

5                   Yes, I will continue to yield.

6                   SENATOR SQUADRON:    And I'll come  
7   back to that, because I'm not sure that's so  
8   clear.  I'm not sure that that's great policy  
9   either.

10                  How about renters who are paying  
11   rent to non -- to entities that don't pay  
12   property taxes, such as the New York City Housing  
13   Authority?  Would they be eligible?

14                  SENATOR DeFRANCISCO:    Mr.  
15   President, could you please ask Senator Squadron  
16   whether he'd repeat the question.

17                  ACTING PRESIDENT GRIFFO:    Senator  
18   Squadron, could you repeat the question?

19                  Before that, though, it's getting a  
20   little noisy in the chamber.  Can I ask  
21   conversations to be taken outside the chamber so  
22   that the members can continue to engage in  
23   debate.

24                  Senator Squadron, can you repeat  
25   your question, please.

1                   SENATOR SQUADRON:    Sure.  Through  
2   you, Mr. President, how would the renters tax  
3   credit apply to the 500,000 or so residents of  
4   the New York City Housing Authority properties?

5                   SENATOR DeFRANCISCO:   Mr.  
6   President, I think the general rule, what I'm  
7   being told here, is that they get the credit  
8   based upon the portion of rent that they actually  
9   pay.

10                   The credits are not being given for  
11   rents that are actually paid by the government,  
12   because the dollars are not coming out of their  
13   pockets.  It's the -- whatever portion they would  
14   be required to pay, if any.

15                   SENATOR SQUADRON:    If the sponsor  
16   would continue to yield.

17                   SENATOR DeFRANCISCO:   Yes.

18                   SENATOR SQUADRON:    I'm sorry, that  
19   was sort of the question to the Section 8 piece.

20                   In the case of the New York City  
21   Housing Authority, it's an entity that doesn't  
22   pay property tax.  It has a PILOT agreement, a  
23   much-criticized PILOT agreement with the City of  
24   New York, one that many of us don't think should  
25   exist in its form.  But that's what it has.  It



1 doesn't pay property tax.

2 I want to make sure that those  
3 renters, who are paying a lot of their income,  
4 30 percent of their income in rent in many, many,  
5 many cases, are going to be eligible for this tax  
6 credit. Despite the fact that it doesn't seem to  
7 be a type of property that the sponsor, anyway,  
8 had an opinion on prior.

9 SENATOR DeFRANCISCO: Right.

10 The answer is whether it's a PILOT  
11 or not a PILOT, the portion that's being paid by  
12 the resident is what gets the credit. Just on  
13 the portion that they pay.

14 And you said 30 percent? Of what?

15 SENATOR SQUADRON: Thirty percent  
16 of their income.

17 SENATOR DeFRANCISCO: Oh, I see  
18 what you're saying.

19 No, whatever portion that they pay.  
20 And I'm not that familiar with various housing  
21 programs in the City, but that's the rule. If  
22 you pay something out of your pocket, whether the  
23 tax is a straight tax or a PILOT or whatever it  
24 might be, that is what the credit would be based  
25 on.

1                   SENATOR SQUADRON:    If the sponsor  
2 would continue to yield.

3                   SENATOR DeFRANCISCO:   Yes.

4                   ACTING PRESIDENT GRIFFO:   The  
5 sponsor yields.

6                   SENATOR SQUADRON:    And just to get  
7 a sense of this, and I don't want to put an  
8 example in the sponsor's voice, but are there any  
9 examples of, for a renter -- or a co-operator,  
10 for that matter, in New York City, you know, a  
11 hypothetical one -- sort of what they would get  
12 in a tax credit? And I'll take any example that  
13 the sponsor considered when considering whether  
14 to support this proposal that was reduced from  
15 the Governor's.

16                  SENATOR DeFRANCISCO:   Mr.  
17 President, this first of all was a negotiated  
18 amount. I don't know what went into  
19 consideration.

20                  But as far as the specific numbers,  
21 I don't think I could give you any numbers on any  
22 examples. The fact of the matter is there was a  
23 certain amount of dollars put into the tax  
24 freeze, a certain number of dollars put into the  
25 renters credit circuit breaker. And as far as

1     how it's going to play out for different  
2     individuals depending upon their different  
3     housing requirements, I couldn't tell you that.

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

6                 SENATOR DeFRANCISCO:     Yes.

7                 ACTING PRESIDENT GRIFFO:     The  
8     sponsor yields.

9                 SENATOR SQUADRON:     Just to make  
10    sure I understand that answer, the way that this  
11    formula was created was to -- what you would call  
12    maybe backing into it. A dollar amount was  
13    assigned to help New York City homeowners and  
14    renters, and then the formula was created in  
15    order to, you know, predictably meet that amount.

16                SENATOR DeFRANCISCO:     Mr.  
17    President, I think the best way I can answer it  
18    is the way I've tried to before. And that is  
19    it's based upon what people actually pay. And  
20    the percentages were determined after to fit  
21    within the total dollars that are available for  
22    that tax relief. That's the best I could answer  
23    it.

24                SENATOR SQUADRON:     Thank you.

25                On the bill.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Squadron on the bill.

3                   SENATOR SQUADRON:    I have to say  
4   that when you're talking about the largest city  
5   in the state, when you're talking about the place  
6   in the state and just about in the country -- or  
7   at least within the top three or four -- with the  
8   highest housing costs, the idea that how this  
9   will actually work for the many, many New Yorkers  
10   who live in condominiums, co-ops and in different  
11   kinds of rentals is an important fact here.

12                  And it's not an esoteric question,  
13   it's not a meaningless question, it's a question  
14   that for my constituents has a direct impact on  
15   their ability to stay in their homes, at a time  
16   that it's harder and harder for folks to stay in  
17   neighborhoods that they've invested in for years,  
18   at a time that it's harder and harder for people  
19   to stay in their homes as we see the homelessness  
20   crisis just continue to explode, as I've  
21   mentioned on the floor today and in the past.

22                  And the details really do matter  
23   here.  I think it's not nearly so clear that the  
24   subsidy amount can't be calculated to the benefit  
25   of renters.  Although I'd be happy to continue to

1 look at this language; I know that this is a new  
2 proposal.

3 And that leads me to my next point.  
4 The Governor was very clear that renters and  
5 other homeowners in New York City should be  
6 included in his push to keep property taxes down  
7 and give some relief, and he proposed this at a  
8 \$200 million level in the first year,  
9 \$400 million moving forward.

10 And there were details to that  
11 proposal that I think we all could have quibbled  
12 with or suggested modifications to. But at the  
13 end of the day, based on the sponsor's  
14 description, that was a proposal that was four to  
15 five times per year better for those folks in  
16 New York City who are suffering under the highest  
17 housing costs in this state than what we see here  
18 before us today.

19 Now, look, I'm glad we see this,  
20 despite the fact that we haven't learned much  
21 about it on the floor today. I think that it's  
22 going to be a couple of hundred dollars,  
23 hopefully -- maybe as little as \$50 for a lot of  
24 folks who need it. But the Governor's original  
25 proposal was a lot better and had a lot more

1 money.

2                   And let's be clear, when you look at  
3 the Governor's proposal and you look at what we  
4 have today, this was more taxes for New York City  
5 residents. Renters, co-operators, homeowners,  
6 condo dwellers. And that's hard to justify and  
7 hard to understand.

8                   And I do appreciate the frankness of  
9 the sponsor in saying, look, the formula here  
10 doesn't necessarily make sense for renters, it  
11 doesn't necessarily make sense for co-operators  
12 who are struggling under the burden of their  
13 housing costs. It's just the formula that was  
14 created based on the much-reduced pot of money  
15 that was allowed to go forward.

16                   That's not the way to set tax  
17 policy. It's certainly not the way to give aid  
18 to folks who desperately need it in a city with a  
19 homelessness crisis, in a city where  
20 neighborhoods are becoming increasingly out of  
21 reach for an increasing number of people month to  
22 month to month.

23                   So it's disappointing not to learn a  
24 little bit more about this complicated credit  
25 today. It's really disappointing that the

1 Governor's proposal of \$200 million in the first  
2 year and \$400 million a year going forward has  
3 been so cut down. And I do hope that in the  
4 future we'll see aid that will make a  
5 fundamental, meaningful difference for those  
6 folks in New York City and across state, but in  
7 this case in New York City, who really need it.

8 Thank you, Mr. President.

9 ACTING PRESIDENT GRIFFO: Senator  
10 Hoylman.

11 SENATOR HOYLMAN: Thank you,  
12 Mr. President. On the bill.

13 I feel compelled to rise about the  
14 estate tax portion, which will in my opinion  
15 create greater disparities between the very  
16 wealthy and the very poor in our state.

17 Somebody said once that a  
18 progressive and meaningful estate tax is needed  
19 to curb the movement from a democracy to a  
20 plutocracy. And that wasn't some left-wing  
21 activist, that was billionaire Warren Buffett.  
22 And he, along with a group of other billionaires,  
23 have signed a pledge to make certain that we  
24 reexamine our state tax policies. Warren  
25 Buffett, Bill Gates, Bob Rubin, Abigail Disney,

1 the descendant of Walt, and one of the  
2 Rockefeller descendants as well.

3           They know, as we should, that we  
4 need continued revenue for deficit reduction, for  
5 public investment, for our public schools, our  
6 roads, our police forces. And it's shameful,  
7 Mr. President, in my opinion, that we're leaving  
8 so much revenue, so much revenue on the table in  
9 this bill, to the tune of \$600 million in the  
10 fourth year.

11           Now, why, why are we allowing the  
12 rich to get richer here? I don't quite  
13 understand it, Mr. President. It's kind of like  
14 you're in the line for the airplane and you're in  
15 coach and you see some folks in business, and the  
16 folks in business get the upgrade to first class.

17           Well, in my opinion, the guys in  
18 coach need the upgrade. And those upgrades are  
19 generally free, by the way. And that's exactly  
20 what we're doing here. We're giving away \$600  
21 million a year.

22           Now, the other argument is that  
23 these rich people -- and believe me, a lot of  
24 them live in my district, they live in Senator  
25 Squadron's district, Senator Krueger's. The



1 argument is that they're all going to move to  
2 Florida.

3 Well, there was a study by the  
4 Governor's own Tax Commission which said  
5 "Migration studies regarding the impact of taxes  
6 such as the estate tax have shown that taxes  
7 generally are not a major factor in the decision  
8 of where to live or retire. These papers  
9 generally show that taxes have very little impact  
10 on cross-state migration and estate tax  
11 revenues."

12 So the scholarly material is at best  
13 mixed and, in my opinion, weighs in favor of  
14 keeping the estate taxes as they are.

15 And finally, it's just a matter of  
16 simple fairness. The super-rich in our society  
17 have benefited from the government investments  
18 that we want our kids to benefit from -- the  
19 schools, the infrastructure, the police forces.  
20 And I believe that it is morally and economically  
21 imperative to have estate taxes that require a  
22 significant contribution.

23 You know, I begin to think that  
24 there's a motive to starve government, to starve  
25 government of resources to protect the very

1     wealthy in our society. It should not be the  
2     fact that you're a member of the lucky sperm or  
3     the lucky egg club in terms of being --  
4     maintaining your estate. You should pay your  
5     taxes just like everyone else, Mr. President.

6                 I believe this policy should be  
7     reexamined, especially in light of the fact that  
8     we have 7.7 percent unemployment in this state,  
9     8.9 percent in New York City, and, as Senator  
10    Squadron alluded to, increasing homelessness to  
11    the extent of 14 percent over the last two years.

12                Thank you.

13                ACTING PRESIDENT GRIFFO:     Senator  
14    Sanders.

15                SENATOR SANDERS:     On the bill,  
16    Mr. President.

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

19                SENATOR SANDERS:     Although I cannot  
20    come up with a wittier line than the "Lucky Sperm  
21    and Egg Club," I too must speak on this bill,  
22    sir.

23                There are many good things about  
24    this bill that we can point to. We can point to  
25    corporate regulation reform. You can point to

1 closing of the resident loophole trust. You can  
2 point to many things about this bill.

3           However, what I would consider the  
4 distinguishing features of this bill would have  
5 to be twofold. The renters tax cut, this is  
6 totally inadequate. It went from a proposed, I'm  
7 hearing, \$800 million for New York City to  
8 \$85 million over, I believe, two years. Totally  
9 inadequate and will not be able to meet the needs  
10 of the people in New York City.

11           Incidentally, what about the people  
12 outside of New York City? Are there not renters  
13 outside New York City? Do they not deserve a tax  
14 break? Well, that question is left to be  
15 answered, but not by this group.

16           The other point that has come out,  
17 of course, is the estate tax. Let's be clear  
18 what we have done. The reduction in the estate  
19 tax has shifted the tax burden from the very  
20 wealthy to the backs of the middle class and the  
21 working people. Somebody is going to have to  
22 carry the burden, and we have decided that, in  
23 our wisdom, that the wealthy need not apply.  
24 They don't have to carry their fair share, that  
25 the rest of us are better fit to do these things.

1                   I don't think that that's the way we  
2                   should do things in New York State. And my vote  
3                   will reflect that.

4                   Thank you very much, Mr. President.

5                   ACTING PRESIDENT GRIFFO: Thank  
6                   you, Senator Sanders.

7                   Senator Gipson.

8                   SENATOR GIPSON: On the bill,  
9                   Mr. President.

10                  ACTING PRESIDENT GRIFFO: Senator  
11                  Gipson on the bill.

12                  SENATOR GIPSON: I can remember a  
13                  time as a business owner when it seemed like  
14                  New York State knew nothing more than to try to  
15                  come up with creative ways to tax business  
16                  owners, to tax property owners. But over the  
17                  last four or five years, this body, working in a  
18                  bipartisan fashion, really has begun to take the  
19                  issue of tax relief seriously.

20                  And you're beginning to see the  
21                  results of that over and over again. And this  
22                  bill demonstrates even further how committed we  
23                  all are to bringing tax relief to our various  
24                  communities. The fact that we now have a zero  
25                  percent manufacturing tax statewide is

1 phenomenal.

2           In my district alone, it will bring  
3 an enormous amount of jobs, it will bring an  
4 enormous amount of revenue, and it will encourage  
5 those who have good ideas about designing  
6 creative products and services that will lead to  
7 creating even more jobs, it will encourage them  
8 to come to New York State. And hopefully it will  
9 encourage them to come to my district in Dutchess  
10 and Putnam County, which was originally left out  
11 of this proposal.

12           But again, in working with the  
13 Governor's office and the other members of this  
14 body on both sides of the aisle, we have come  
15 together with a really good idea that is going to  
16 drive this state forward and make it competitive  
17 with all the other states, and I am very excited  
18 about this.

19           I also want to commend this body in  
20 providing \$1.5 billion in property tax relief.  
21 This is going to build the foundation, the  
22 foundation that we have needed for so long to  
23 begin the real discussion, which is changing the  
24 way that we fund our public education system.  
25 Now that we have this foundation of solid

1 property tax relief, we can begin to really deal  
2 with the very complex issue of changing the way  
3 we fund public education to try to find a way to  
4 get it off of the backs of the property owners.  
5 And that's when we will achieve significant,  
6 significant property tax relief here in New York  
7 State.

8 I'm very excited about the  
9 opportunities this bill brings to my district and  
10 to New York State, and I look forward to  
11 continuing to work with my colleagues on both  
12 sides of the aisle to move in this direction.  
13 And I am be voting yes.

14 ACTING PRESIDENT GRIFFO: Senator  
15 Parker.

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

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

20 SENATOR PARKER: First, let me  
21 again congratulate the members of both the Senate  
22 and the Assembly for the hard work that was done  
23 on this budget. Putting together a \$143 billion  
24 package of priorities is not an easy task,  
25 particularly trying to figure out to pay for it

1 all. I am catching heck trying to figure out how  
2 I'd do it on far less every month. So I do have  
3 an appreciation for the process that it takes to  
4 get here.

5                   However, I am somewhat critical, I  
6 think, of what we've done from a revenue  
7 perspective in the State of New York, and I  
8 certainly think that we can do better. I stand  
9 to rise to add my voice to the chorus of my  
10 colleagues who are getting up and talking about  
11 things about, you know, protecting tenants, about  
12 the estate tax, but certainly want to associate  
13 myself with the comments that Senator Krueger  
14 made when she talked about the fact that we are  
15 doing so much for the richest New Yorkers in the  
16 state. We certainly shouldn't be penalizing  
17 people just because they're rich, but those folks  
18 who have more certainly have an obligation to  
19 contribute more. And that's not the value system  
20 that we've set up vis-a-vis this budget that we  
21 are voting on today.

22                   And certainly let me also just  
23 comment that we are doing a better job than the  
24 Executive Budget first proposed. The Governor  
25 initially proposed a \$350 million cash giveaway

1 to banks and to rich people across the state, and  
2 that's been modified significantly. But we  
3 certainly don't go far enough to make sure that  
4 we have a budget that is balanced in a way that  
5 in fact makes sure that people who have the most  
6 pay the most and those who have the least, you  
7 know, are relieved of some of the burden of  
8 having to maintain the costs of the state.

9 In particular, I think that we ought  
10 to look at some things that are innovative. I  
11 mean, I think that if we want to help businesses  
12 that we really ought to be looking at the  
13 businesses that employ the most kinds of people.  
14 Right? So, I mean, most of us talk about  
15 business in the context of employment and we  
16 assume that the larger the employer, the more  
17 people they employ. And that's in fact not in  
18 fact the case.

19 That when we look at where people  
20 are employed in the State of New York, as is  
21 around the country, it is small and mostly  
22 microbusinesses that in fact are doing the vast  
23 majority of that employment. But we do nothing  
24 in this budget to help microbusinesses for their  
25 tax burden, nor do we do anything really to help



1 small businesses in their tax burden.

2 But if you're a large corporation  
3 who really doesn't employ as many people and, you  
4 know, making most of the profits, you get the  
5 most help. It's really not a -- you know, this  
6 is not a common-sense approach to how we ought to  
7 be doing budgeting in the State of New York. We  
8 certainly ought to be looking at ways to help  
9 micro- and small businesses much more from their  
10 tax burden and their healthcare burden and some  
11 of the regulatory burdens that they have so that  
12 they can in fact not just do more business but  
13 continue the pattern that they already have of  
14 employing our constituents and making sure that  
15 the tax bases in our communities remain strong.

16 Also I want to comment on the stock  
17 transfer tax. And some of you who have been here  
18 for a minute know that this is my favorite tax if  
19 you've got to have a tax. I actually think we  
20 ought to raise the stock transfer tax and just  
21 collect that and just get rid of all other taxes,  
22 is really my proposal. But we'll get to that in  
23 later budgets.

24 Before I go to the stock transfer  
25 tax, though, Mr. President, one of the things

1     that we could do, Mr. President, is that we  
2     really could spend some time looking at every tax  
3     break we give to large corporations. And if we  
4     eliminate those tax breaks to large corporations,  
5     we actually could take the pool of money that we  
6     spend with these large tax breaks and these  
7     schemes to put, you know, businesses here and  
8     businesses there, and lower everybody's taxes,  
9     including micro, small and corporate taxes across  
10    the board. Right?

11                 Instead of just figuring out  
12    targeted here, targeted here, just get rid of all  
13    of the specialties, how much that money is. You  
14    know, so figure out how many billions of dollars  
15    in breaks that we're giving for all these various  
16    categories. Eliminate all the categories and  
17    say, look, there's no special interest, there's  
18    no special interest that's going to get a special  
19    tax break because, you know, you're a left-handed  
20    person living in Brooklyn on this street. You  
21    know, like we have ridiculous things like that on  
22    the books. Get rid of all of that and just lower  
23    everybody's taxes. Right? It would be a much  
24    easier way to simplify the tax code and certainly  
25    I think get us to a place that we have a

1 common-sense tax approach.

2 But as relates to the stock transfer  
3 tax, the Governor was going to get rid of it. I  
4 thought that was a bad idea; I did mention that  
5 during the Senate budget resolution debate. I'm  
6 glad to see that we have not taken it off the  
7 books. But we're still not collecting any of it.

8 So again, as I have said before, you  
9 know, you're talking about somewhere between  
10 \$16 billion to \$18 billion that we would have  
11 collected from the stock transfer tax. This is a  
12 tax that is about a cent and a half per  
13 transaction that maxes out at \$150 dollar per any  
14 one transaction. So if you're buying a trillion  
15 shares, it's still not more than \$150. Right?

16 And then the beauty of it is  
17 95 percent of the people who are paying the tax  
18 don't live in the State of New York.

19 The other piece is that every other  
20 major exchange in the world has a sales tax that  
21 looks similar to the stock transfer tax. They  
22 may call it something else, but it actually works  
23 in the same way.

24 And some might say, well, the moment  
25 you do it, everybody's going to run to Jersey or

1 everybody's going to do everything online.  
2 That's not true. Because people are not doing it  
3 in other places.

4 And the moment that you send it to  
5 Jersey, you know what? The day after, Jersey is  
6 going to have a stock transfer tax. And they'll  
7 be getting the revenue that we should be  
8 collecting here in the State of New York.

9 And again, I'm not saying that we  
10 should go back and collect the whole \$16 billion  
11 to \$18 billion. But a Nobel laureate economist  
12 has said that if you collect 20 percent of it,  
13 which would be approximately \$3 billion, we could  
14 do that and we'd have a very, very minimal effect  
15 on the exchange.

16 And so, you know, what could we  
17 possibly do with \$3 billion? There's plenty of  
18 things that we'd like to see done as relates to  
19 education, healthcare, affordable housing, public  
20 protection, transportation that certainly could  
21 get done if we had -- you know, debt reduction;  
22 you know, mandate relief -- if we just had that  
23 extra money that we're now forgoing,  
24 inexplicably, in our budget.

25 And so because of the ways that I

1 think that we are not in fact handling our  
2 revenues, Mr. President, as efficiently and  
3 effective and in the common-sense way that I  
4 think we could, I'll be voting no on this  
5 section.

6 Thank you.

7 ACTING PRESIDENT GRIFFO: Senator  
8 Stavisky.

9 SENATOR STAVISKY: Thank you,  
10 Mr. President. If the sponsor would yield.

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: Senator  
13 DeFrancisco yields.

14 SENATOR STAVISKY: My question  
15 concerns the enhanced real property tax circuit  
16 breaker. Regrettably, my income is under  
17 \$200,000 a year, but on the other hand, I happen  
18 to be a shareholder in a co-op. How would I  
19 benefit from the circuit breaker?

20 SENATOR DeFRANCISCO: Mr.  
21 President, you're under \$200,000 but you have  
22 income from a co-op? Are you asking whether that  
23 co-op income is added to the 200,000?

24 SENATOR STAVISKY: No, no, no, no.  
25 No, no. My question is my income is under

1     \$200,000 a year. So I would benefit presumably  
2     from the circuit breaker as a shareholder in a  
3     co-op.

4                 SENATOR DeFRANCISCO:     It's my  
5     understanding that there's a tax for the co-op as  
6     whole, correct? And they apportion the tax  
7     benefit based upon, I believe, the values of the  
8     property or the taxes -- of how many residents  
9     there are, how many units, and they prorate it.

10                SENATOR STAVISKY:     And if I may --  
11     then let me rephrase my question. The answer is  
12     yes, toward the end of the tax year we do get a  
13     statement on what part of our maintenance and  
14     whatever -- because obviously we own shares in a  
15     corporation. A shareholder in a co-op does not  
16     own the property itself, simply shares in the  
17     corporation.

18                But how would I benefit on my  
19     personal income tax filing from this circuit  
20     breaker? Or would I benefit?

21                SENATOR DeFRANCISCO:     I don't know  
22     if I can answer it any better. There's a tax --  
23     if the tax increase for the whole co-op is  
24     1 percent and it's under -- no, you don't have to  
25     be under. Circuit breaker.

1           So whatever the tax increase is,  
2     there would have to be a proration of what you're  
3     entitled to. If there's a hundred members of the  
4     co-op, I would imagine you'd get a one-hundredth  
5     of the benefit. You get credited to have paid  
6     one-hundredth of the tax, and then you make the  
7     circuit breaker calculation based upon that tax.

8           SENATOR STAVISKY: If the Senator  
9     would continue to yield.

10          SENATOR DeFRANCISCO: Yes.

11          ACTING PRESIDENT GRIFFO: The  
12     sponsor yields.

13          SENATOR STAVISKY: In that section  
14     of the revenue bill that deals with the circuit  
15     breaker, it's part -- it looks like K.

16          SENATOR DeFRANCISCO: Okay.

17          SENATOR STAVISKY: In line 33, it  
18     appears that I would have to claim this circuit  
19     breaker on my personal income tax. Is that the  
20     way it would work?

21          SENATOR DeFRANCISCO: Yes.

22                 The report would be based upon your  
23     pro rata share of the tax, and then you would  
24     report it on your tax return.

25          SENATOR STAVISKY: And we have no

1 idea what that benefit would be.

2 SENATOR DeFRANCISCO: We don't  
3 know. It depends upon the amount of the tax and  
4 what your share of that tax would be.

5 You will, once you get your  
6 statement from the co-op saying what your portion  
7 of the tax would be, sure.

8 SENATOR STAVISKY: If the Senator  
9 would yield to a last question.

10 SENATOR DeFRANCISCO: Sure.

11 ACTING PRESIDENT GRIFFO: The  
12 Senator yields.

13 SENATOR STAVISKY: How is this  
14 circuit breaker going to be implemented? Are  
15 there going to be rules from one of the agencies  
16 or from city or state?

17 SENATOR DeFRANCISCO: I'm informed  
18 that there's currently a circuit breaker in  
19 New York City.

20 SENATOR STAVISKY: For renters.

21 SENATOR DeFRANCISCO: Well, it's  
22 done precisely the way that the current circuit  
23 breaker that's in existence is computed. Now, I  
24 don't know that what is because we don't have a  
25 circuit breaker upstate.



1                   SENATOR STAVISKY:   All right, thank  
2   you, Mr. President.  On the bill very briefly.

3                   ACTING PRESIDENT GRIFFO:   Senator  
4   Stavisky on the bill.

5                   SENATOR STAVISKY:   This highlights  
6   the needs of co-op and condo shareholders and  
7   unit owners.  Because while the figure of  
8   15.75 percent of a renter's income theoretically  
9   goes for property tax, and homeowners in New York  
10   City are capped at 6 percent, it's the co-op and  
11   the shareholder that really suffer.  And we pay a  
12   disproportionate share of the property tax.

13                   And the resolution of this  
14   difficulty should not really be in the  
15   State Senate, but in the City, where they have a  
16   classification system.  And that's what's at  
17   fault with the whole system of property taxes for  
18   co-ops and condos.  It's the way the taxes are  
19   calculated, based upon the classification system,  
20   that really cries out for change.  And I hope in  
21   the future that legislation in the state can be  
22   developed so that this inequity can be resolved.

23                   Thank you.  I will be voting for  
24   this bill.

25                   ACTING PRESIDENT GRIFFO:   Senator

1       Nozzolio.

2                       SENATOR NOZZOLIO:     Mr. President,  
3       on the bill.

4                       ACTING PRESIDENT GRIFFO:     Senator  
5       Nozzolio on the bill.

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

8                       Mr. President and my colleagues, I  
9       fully support this measure and rise to indicate  
10      that I believe it's critically important if  
11      New York is to be competitive ever again with  
12      other states.

13                      That I hadn't intended to speak, but  
14      when hearing a discussion of academic studies  
15      that say or that are quoted as saying that tax  
16      policy doesn't motivate individuals into  
17      behavior, particularly leaving a state, I just  
18      had to rise and voice a concern that I've had for  
19      many years.

20                      Students often ask me,  
21      Mr. President, those who wish to enter public  
22      service, what course of study would I recommend  
23      they participate in. Should they engage in  
24      studies involving government, should they study  
25      political science? Those are the typical

1 questions that young people entering into college  
2 and want to enter into public service often ask.

3 Well, my answer to them is clear,  
4 it's direct, and it bears no relationship to any  
5 of those subjects, however they may be  
6 interesting. A person involved in public service  
7 should be schooled in economics. Because every  
8 economic decision we have has a direct impact on  
9 the people that are served.

10 And that it's clear to me, in  
11 hearing some of the debate, that some of our  
12 colleagues could benefit from the experience of  
13 learning basic economics. Basic economics which  
14 would indicate that there are causes and effects,  
15 that policies do matter, and that one only need  
16 to do the math presented to us from the Census  
17 Bureau that shows New York State first was the  
18 largest state in this country, the largest of the  
19 50 states, we were the Empire State, but we've  
20 lost our status as number one, we've lost our  
21 status as the second-largest state. We are now  
22 the third-largest state, and we are very close to  
23 being overtaken in population by other states.

24 And all the so-called economic  
25 theories that are being quoted for some reason

1 must be missing the fact that people are  
2 migrating from New York to other states because  
3 the taxes are too high in New York State. The  
4 property taxes, the business taxes, the taxes  
5 that you pay when you have to leave this earth  
6 are too high.

7                   And it's not just the rich that  
8 you're talking about that are impacted by the  
9 estate tax. Go up and down the district that I  
10 have the honor of representing and talk to some  
11 of the farmers whose large capitalization  
12 requirements to run an average farm are causing  
13 serious questions as to whether or not they can  
14 pass the farm along to their family because of  
15 the large estate tax.

16                   Mr. President and my colleagues, I  
17 don't want to belabor this, but I do believe it's  
18 so important. New York has to return to a place  
19 of competitiveness. This measure puts us on the  
20 right track. These tax cuts put us in the right  
21 direction. And, Mr. President, they're well  
22 deserving of our support. We want to become the  
23 Empire State once again. We need to be more  
24 competitive. That's why this is important.

25                   Thank you, Mr. President.

1           ACTING PRESIDENT GRIFFO:   Seeing  
2   and hearing no other Senator -- Senator Rivera.

3           SENATOR RIVERA:   Thank you,  
4   Mr. President.   Just something quick.

5           I actually would like to commend  
6   Senator Nozzolio, because he actually pointed out  
7   something that I only became aware of when  
8   farmers that don't live in my district and might  
9   live in yours came to my office and actually told  
10   me about this particular issue.

11           And one thing that I told them was  
12   that it was not something I was aware of as it  
13   relates to estate taxes and, second, that it  
14   would be a good idea, as my good colleague  
15   Senator Smith has said before, to actually take  
16   that notion and try to put it into the discussion  
17   of whether, when we're talking about estate  
18   taxes, whether there's a way to actually take  
19   farmers and particular situations with farmers  
20   and take them out of that.

21           And so I would say that I would give  
22   him the credit that that is a good point.  
23   However, as opposed to trying to take those  
24   particular individuals and trying to take them  
25   out of this consideration, Mr. President, instead

1 we're saying that because it will impact this  
2 small number of farmers that we shouldn't  
3 implement it at all.

4           And when we're talking about, as a  
5 lot of my colleagues have already pointed out,  
6 the extreme inequality that exists in this  
7 state -- and yes, Senator Nozzolio, many people  
8 are leaving the state. I would argue that many  
9 people are leaving the state -- certainly they're  
10 hard-pressed in the Bronx, where the median  
11 income for my district is \$25,000 a year in 2014  
12 in the City of New York. And these are folks  
13 that make the city work. They are the working  
14 men and women that actually make the city run and  
15 certainly provide so much economic activity in  
16 the State of New York.

17           So I would say that it is one of the  
18 things that we should consider when we're talking  
19 about this tax policy. But overall, I think the  
20 points have been made amply by all my colleagues  
21 that unfortunately this particular revenue bill  
22 does not take into account how tax breaks or the  
23 impact of taxes must be -- we must take into  
24 account what this has on our revenue, what impact  
25 does it have on our revenue, and, most

1     importantly, the impact that it has on the  
2     majority of the people in the state. And  
3     certainly the folks that I represent in my  
4     district I don't believe are well served by this  
5     particular budget bill at all.

6                 So although I have voted in the  
7     affirmative on the other budget bills, I have to  
8     say as it relates to revenue I am in agreement  
9     with a lot of my colleagues on this side. And  
10    even though I'm in agreement on one point with  
11    Senator Nozzolio, I must vote in the negative on  
12    this bill.

13                Thank you, Mr. President.

14                ACTING PRESIDENT GRIFFO:   Hearing  
15    and seeing no other Senator who wishes to be  
16    heard, debate is closed.

17                The Secretary will ring the bell.

18                Read the last section.

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

21                ACTING PRESIDENT GRIFFO:   Call the  
22    roll.

23                (The Secretary called the roll.)

24                ACTING PRESIDENT GRIFFO:   Senator  
25    Young to explain her vote.

1                   SENATOR YOUNG:    Thank you,  
2   Mr. President, to explain my vote.

3                   It's always interesting to hear the  
4   exchange of ideas that we hear during the debate  
5   in this great chamber.   However, I do want to  
6   point out the statement that people don't leave  
7   because of the tax burden is one that I strongly  
8   disagree with.

9                   And I don't have to see a study to  
10   know that people have fled this state, jobs have  
11   left this state, companies have left this state  
12   because of the heavy tax burden.

13                  And that's why this budget is so  
14   great.   People are suffering in New York State.  
15   Seniors are suffering, families are suffering,  
16   homeowners are suffering, businesses are  
17   suffering because of the tax burden.   This budget  
18   bill helps to turn that situation around.   It  
19   will save jobs, it will help grow jobs, and it's  
20   a step, a major step in the right direction.

21                  So I'm proud to stand up today to  
22   commend everyone who worked so hard to make this  
23   progress.   This is truly great for the people of  
24   New York State and our economy.   And I will be  
25   proudly voting aye.



1                   Thank you, Mr. President.

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

4                   Senator Parker to explain his vote.

5                   SENATOR PARKER:    Thank you,  
6   Mr. President, to explain my vote.

7                   I'm voting no, but I think there's  
8   actually more agreement in this chamber than the  
9   recent dialogue is indicating. I think the  
10   members of the Democratic Conference certainly  
11   think there ought to be tax reform, certainly  
12   there ought to be some tax relief, there ought to  
13   be mandate relief. We all agree with those.  
14   Those are core principles of our conference.

15                   However, we can't start from the  
16   top. Right? I think, you know, we're kind of  
17   like, you know, we want to start from the bottom  
18   and then wind up here, right, where we let  
19   everybody share in it.

20                   This budget in fact does not do  
21   that. When we look at and when we talk about  
22   economics -- and I know people don't want to see  
23   studies. But unless somebody here has a degree  
24   in economics and has been around the state  
25   collecting the aggregate data, at some point we

1 actually have to look at the professionals that  
2 have looked at this.

3           And when the professionals look at  
4 this, what they say is in fact, one, taxes are  
5 not what drives people out of state. And I know  
6 that our upstate economy is not doing as well as  
7 it should be, but that's because of years of  
8 benign neglect, frankly, by the state, at times  
9 when we did not manage the outpouring of  
10 manufacturing jobs and agriculture jobs from  
11 upstate, our underutilization of SUNY as a  
12 primary resource. All things that we're now  
13 turning around.

14           But, you know, when we look at why  
15 people have left, the tax burden certainly wasn't  
16 there.

17           And certainly when we talk about the  
18 tax burden, you cannot say that normal everyday  
19 people left and they had a problem with tax  
20 burden, but then so we're going to give all the  
21 money back to large corporations and giving it to  
22 large corporations is going to bring back regular  
23 people. It just is a mismatch there in terms of  
24 what we are saying the analysis is and where we  
25 ought to be going.

1                   And so I vote no on this. I'm  
2                   hoping that we do better as we go forward as  
3                   relates to our revenue.

4                   ACTING PRESIDENT GRIFFO: Thank  
5                   you, Senator Parker.

6                   Senator Parker to be recorded in the  
7                   negative.

8                   I want to remind all members that  
9                   there will be a two-minute explanation allowed on  
10                  the explanation of votes.

11                  Senator Espaillat to explain his  
12                  vote.

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

15                  I join Senator Parker in voting in  
16                  the negative on this bill.

17                  Some of the factors that are  
18                  considered when someone leaves the state are  
19                  things like public safety. We can all agree that  
20                  someone will leave a neighborhood or the state if  
21                  they felt that their community was not a safe  
22                  community.

23                  Another factor that can drive a  
24                  family out of a state is the fact that there is a  
25                  poor equality of education for their children.

1 In fact, when people buy homes in a particular  
2 neighborhood, two of the factors that they look  
3 at are safety -- nobody wants their house broken  
4 into in the middle of the night -- and the  
5 quality of education you have for your children.  
6 And the taxes that you pay, the real estate taxes  
7 that you pay, you would like for them to go  
8 towards a good quality of education for your  
9 children.

10 So if these services are impacted by  
11 any budget, if we have a model that is reversed  
12 that is not a progressive tax reform model, then  
13 we will have certainly a reduction in services  
14 that are vital for families to stay in this  
15 state.

16 I don't think the rich will leave,  
17 you know, the cultural center of New York City.  
18 I don't think that they will leave the  
19 Metropolitan Opera House or the Metropolitan  
20 Museum of Art or the Guggenheim. I think that  
21 they like to be in New York City and they like to  
22 be in Manhattan because it provides all of these  
23 amenities.

24 So to say that people will run in  
25 droves out of the state because of our taxes I

1 think is mistaken. I think they will leave our  
2 state if our services are deplorable, if they are  
3 so bad that their families can no longer stay  
4 here. I remember my brother and sister left the  
5 state in the '70s when crime was really --

6 ACTING PRESIDENT GRIFFO: Senator  
7 Espaillat, how do you record your vote?

8 SENATOR ESPAILLAT: I vote in the  
9 negative, Mr. President.

10 ACTING PRESIDENT GRIFFO: Senator  
11 Espaillat to be recorded in the negative.

12 Senator Marchione to explain her  
13 vote.

14 SENATOR MARCHIONE: Thank you,  
15 Mr. President. I rise to --

16 SENATOR LIBOUS: Mr. President, can  
17 we have some order in the chamber please.

18 SENATOR MARCHIONE: Thank you. I  
19 rise to explain my vote.

20 You know, in the State of New York  
21 farming is still the number-one industry. And in  
22 my district, it's the number-one industry. And  
23 when you look around and the age, the average age  
24 of the person who are owning farms now is 57 or  
25 58 years old, and their equipment and their land

1 and their buildings, everything you need to run a  
2 farm is so expensive. But they're not cash-rich.  
3 And you say when the farmer dies it's \$1 million,  
4 and you have to pay 16 percent after that, that's  
5 absolutely ridiculous.

6                   We are losing our family farms.  
7 This is an absolute necessity. You talk about  
8 the very rich. What about our family farmers?  
9 What about the businesses that help feed each and  
10 every one of us in this room? What about the  
11 extra work they do, how it's a family farm, a  
12 family business? And we're looking at those  
13 people and saying, well, because someone in  
14 New York City is very rich and we don't want to  
15 start with people who are very rich, what about  
16 the farmers? What about the people who live in  
17 our districts?

18                   It's critically important that this  
19 piece of legislation go through. You know,  
20 manufacturing as well, you talk about we're not  
21 successful upstate? You're absolutely right. We  
22 need help. And manufacturing taxes that will go  
23 down or become eliminated is a huge help to those  
24 of us who don't live downstate.

25                   This is a terrific bill. I

1 compliment all of those who worked on it, and my  
2 vote will be aye.

3 ACTING PRESIDENT GRIFFO: Senator  
4 Marchione to be recorded in the affirmative.

5 Senator O'Mara to explain his vote.

6 SENATOR O'MARA: Well, I could just  
7 say "What she said" --

8 (Laughter.)

9 SENATOR O'MARA: -- because that  
10 pretty well sums it up.

11 But I think this bill clearly  
12 focuses on the two most important industries in  
13 our state, agriculture and manufacturing. It's  
14 what everything else is built off of.

15 Manufacturing, adding value to our  
16 economy, creating good-paying jobs with good  
17 benefits. The manufacturing jobs that are  
18 created in this state are the very best of jobs  
19 that we have. This legislation, in providing  
20 this broad-based tax support to the manufacturing  
21 industry, is going to help create opportunity for  
22 everyone in this state to earn a living on their  
23 own and not be supported by the state.

24 It's going to enable, with the  
25 inheritance tax, our family farms to be able to

1 hand their farm down to the next generation,  
2 which is critically important to our agricultural  
3 community. As well as the initiatives that we  
4 have in this budget for young farmers and  
5 beginning farmers, to help improve that, we are  
6 making a very strong step in the right direction  
7 here today.

8                   While every building is a compromise  
9 and I think we need to do more in many areas --  
10 particularly in the area of property tax relief,  
11 to provide meaningful property tax relief through  
12 mandate relief rather than the proposal we have  
13 here today -- although it's a compromise, it's a  
14 step in the right direction, and I will vote yes  
15 on this part of the budget.

16                   Thank you.

17                   ACTING PRESIDENT GRIFFO:    Senator  
18 O'Mara to be recorded in the affirmative.

19                   Senator Martins to explain his vote.

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

22                   I rise as well to support this piece  
23 of legislation. I'll be voting yes.

24                   You know, when we talk about  
25 progressive, regressive -- we use terms like this



1 often in this chamber. But I represent a  
2 community of blue- and white-collar  
3 middle-America New Yorkers. People who are  
4 struggling to make ends meet, struggling to make  
5 their mortgage, raise their kids, maybe put a few  
6 dollars aside for education down the road. Those  
7 are the people I represent.

8           And when we talk about leaving money  
9 on the table, we don't leave money on the table.  
10 Every dollar beyond that which is necessary to  
11 support our education system here in New York  
12 State, every dollar beyond that which is  
13 necessary to support our local communities in  
14 providing vital services, every one of those  
15 dollars belongs to the taxpayers of New York  
16 State, they do not belong to us in this chamber.

17           So, Mr. President, I will be  
18 supporting this piece of legislation because  
19 there are tax credits, there is tax relief, there  
20 is real property tax relief in a meaningful way  
21 that puts money back where it belongs in the  
22 pockets of those people who are struggling to  
23 make ends meet in New York State. I vote aye.

24           ACTING PRESIDENT GRIFFO: Senator  
25 Martins to be recorded in the affirmative.

1                   Senator DeFrancisco to close  
2       explanations.

3                   SENATOR DeFRANCISCO:     Yes, I would  
4       just like to point out that sometimes we are  
5       involved in this business of government and we  
6       wonder whether we're accomplishing anything,  
7       whether anything gets done, whether things that  
8       we want actually happen.

9                   Well, over the summer last year  
10      Senator Marcellino and I and many of you went  
11      around the state, all ends of the state, having  
12      hearings about tax cuts. And not knowing what  
13      the result was going to be or not knowing whether  
14      anything was going to go anywhere.

15                  And when we look at this budget  
16      today, it's very interesting to see that many of  
17      these tax cuts were recommended in the course of  
18      those hearings by citizens in all parts of the  
19      state, including reduction in the manufacturers  
20      tax, the corporate tax, the real property tax.  
21      We also got involved in simplification of tax  
22      filings. We got recommendations and pleas for  
23      18A, reduction of the utility tax. We got  
24      farmers telling us about the estate tax. And we  
25      got people, those horrible rich people who want

1 to stay in New York rather than leave the state  
2 because their estates would be substantially  
3 wiped out by staying in New York. And we came up  
4 with a package much of which became part of this  
5 bill.

6 So I really am very happy that we  
7 were able to participate in this in a very, very  
8 real way, and thank my colleagues for the job  
9 well done.

10 Lastly, there was a comment that --  
11 I don't know the context, but it was mentioned  
12 that we shouldn't base tax policy on the lucky  
13 sperm or the lucky egg club. Well, let me tell  
14 you something. Some people have gotten that luck  
15 based upon who they were born to, there's no  
16 question about that. But the people that I'm  
17 mostly concerned about is those people who came  
18 from parents like mine that didn't graduate high  
19 school, that worked like animals painting houses,  
20 seven days a week, until they were in their late  
21 sixties, people who worked hard, had no  
22 education, had nothing, and succeeded to have  
23 their three children go to college and make  
24 something of themselves.

25 Those are the people I'm concerned

1 about. And that isn't lucky sperm. That happens  
2 to be people that did the right thing, that  
3 worked hard, that took advantage of what this  
4 state had to offer. And they are being rewarded  
5 today as well by these tax cuts.

6 Thank you.

7 ACTING PRESIDENT GRIFFO: Senator  
8 DeFrancisco to be recorded in the affirmative.

9 Senator Latimer.

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

12 I rise in support of this bill. I  
13 must say I haven't said anything yet today, I've  
14 been listening. And then in the last debate I  
15 hear the fissures that exist in this state.

16 We have a state that stretches over  
17 400-some-odd miles from one end to the other.  
18 Bronxville and the Bronx and Ray Brook in the  
19 Adirondacks are three very different places. We  
20 all come from all those different places.

21 This budget, in the aggregate,  
22 compromises the interests of those different  
23 areas. There are things in this budget that  
24 every one of us will hate, there are things in  
25 this budget that every one of us will like, and

1     there is not one of the 63 of us that's going to  
2     walk out of here believing that we've gotten  
3     everything we believe or that we would argue that  
4     our people believe in.

5                     Now, I'm in the same business the  
6     other 62 of us are in. I know what it's like to  
7     get up and give speeches and write quotes and all  
8     that. But I think today is a day where once we  
9     say what we have to say, we have to remember that  
10    there is more that unites us than divides us.  
11    And we can work those divisions, but that does  
12    not help us run this state.

13                    We have to understand that other  
14    parts of the state are different, from the parts  
15    we represent, the most urban and the most rural.  
16    As one member, I'm going to do my best to respect  
17    the urban and the rural, as well as the suburban,  
18    where I come from.

19                    I repeat that I vote in the  
20    affirmative. And I encourage my colleagues to  
21    remember that we are in the same state, not in  
22    two and three different states.

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

25                    Senator Boyle to explain his vote.

1                   SENATOR BOYLE:    To explain my vote,  
2   Mr. President.

3                   New Yorkers need tax relief no  
4   matter what income bracket they're in. I can  
5   tell you that in my district on Long Island I've  
6   represented many people selling their house,  
7   senior citizens -- usually widows -- that I look  
8   at the title report and the mortgage is long paid  
9   off. They owe nothing on their house, but  
10  they're selling their house and leaving.

11                  And they're usually very emotional  
12  about it, crying. And I ask them why they're  
13  selling the house, and they tell me "Because I  
14  literally cannot afford the taxes." They are  
15  being taxed out of their homes, something the  
16  government should never do. This is a good step  
17  in the right direction to stop that.

18                  And it also happens at the high-end  
19  income. I have a number of very wealthy  
20  constituents who moved to Florida. I distinctly  
21  remember last year one of my wealthier  
22  constituents said, "Phil, I cannot afford to die  
23  in New York State."

24                  Well, we may not think that people  
25  are leaving here because of taxes; I do. And

1 they do it in Florida too. You remember the  
2 commercial where Wayne Huizenga, the owner of the  
3 Dolphins, said "Come to Florida, because it's not  
4 what you make, it's what you keep"? They're  
5 stealing our people, they're stealing our  
6 constituents. We need to keep them here in  
7 New York State with the lower taxes.

8 I vote in the affirmative.

9 ACTING PRESIDENT GRIFFO: Senator  
10 Boyle to be recorded in the affirmative.

11 Announce the results.

12 THE SECRETARY: In relation to  
13 Calendar Number 376, those recorded in the  
14 negative are Senators Espaillat, Hoylman,  
15 Krueger, Montgomery, Parker, Perkins, Rivera,  
16 Sanders, Serrano and Squadron.

17 Ayes, 51. Nays, 10.

18 ACTING PRESIDENT GRIFFO: The bill  
19 is passed.

20 Senator Libous.

21 SENATOR LIBOUS: Mr. President,  
22 could we go back to motions and then please call  
23 on Senator Valesky.

24 ACTING PRESIDENT GRIFFO: We will  
25 return to motions.

1 Senator Valesky.

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

4 On behalf of Senator Avella, on  
5 page 20 I offer the following amendments to  
6 Calendar Number 278, Senate Bill 6599B, and ask  
7 that said bill retain its place on the Third  
8 Reading Calendar.

9 ACTING PRESIDENT GRIFFO: The  
10 amendments are received, and the bill shall  
11 retain its place on third reading.

12 Senator Libous.

13 SENATOR LIBOUS: Mr. President, at  
14 this time could we please call up Calendar Number  
15 373.

16 ACTING PRESIDENT GRIFFO: Calendar  
17 Number 373 will be called before the desk.

18 The Secretary will read.

19 THE SECRETARY: Calendar Number  
20 373, Senate Budget Bill, Senate Print 6356D, an  
21 act to amend the Education Law.

22 ACTING PRESIDENT GRIFFO: Senator  
23 Libous.

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



1           ACTING PRESIDENT GRIFFO:   There is  
2   a message of necessity before the desk.

3           SENATOR LIBOUS:    Thank you.  I move  
4   to accept the message of necessity at this time.

5           ACTING PRESIDENT GRIFFO:   All those  
6   in favor of accepting the message of necessity  
7   indicate by saying eye.

8                               (Response of "Aye.")

9           ACTING PRESIDENT GRIFFO:   Opposed?

10                              (No response.)

11           ACTING PRESIDENT GRIFFO:   The  
12   message is accepted, and the bill is before the  
13   house.

14           SENATOR LIBOUS:    The bill is before  
15   the house, thank you.

16           ACTING PRESIDENT GRIFFO:   The  
17   Secretary will read the last section.

18                              Senator Gianaris, why do you rise?

19           SENATOR GIANARIS:   Mr. President, I  
20   believe there's an amendment at the desk.  I ask  
21   that the reading be waived and that I may be  
22   heard on the amendment.

23           ACTING PRESIDENT GRIFFO:   Senator  
24   Gianaris, I have reviewed your amendment and rule  
25   that it is not germane to the bill and therefore

1 out of order.

2 SENATOR GIANARIS: I'd like to  
3 appeal the decision of the chair and ask that I  
4 heard on the appeal.

5 ACTING PRESIDENT GRIFFO: You may  
6 be heard, Senator Gianaris.

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

9 My amendment to the budget bill is  
10 germane because it does not unreasonably expand  
11 the object of the underlying bill, maintains the  
12 same purpose, and addresses the same areas of  
13 law.

14 The purpose of my amendment is to  
15 eliminate proposals in the budget bill that would  
16 provide charter schools with special treatment  
17 and hurt public schools.

18 The underlying legislation contains  
19 significant changes, including a requirement that  
20 charter collocations approved prior to January 1,  
21 2014, cannot be altered by New York City without  
22 the consent of the charter school, which has  
23 significant and long-term implications.

24 And the amendment that I'm offering  
25 is not about charter school kids. They deserve

1 the best education possible. This is about  
2 making sure that all the schools in our system  
3 are treated fairly and equally.

4 I was a little bit surprised at how  
5 quickly this body moved with respect to dealing  
6 with this issue in reaction to a controversy that  
7 emerged a couple of weeks ago. I only wish that  
8 the same action would have been taken to address  
9 the Campaign for Fiscal Equity court case that's  
10 been dragging on for years and years.

11 Charter schools were created as a  
12 model of innovation and to discover new tools in  
13 teaching, not to become a parallel system of  
14 publicly supported quasi-private schools. The  
15 budget language would allow charters to challenge  
16 a school district if a collocation offer is not  
17 to their liking, and potentially force New York  
18 City to pay for any private rent charters would  
19 owe.

20 It is unfathomable, in an era where  
21 almost 90 percent of the space in New York City  
22 classrooms is already in use and we have severe  
23 overcrowding problems in all of our schools, that  
24 funds would be used to pay charter school leases  
25 instead of addressing overcrowding generally.

1 It's important that our traditional public  
2 schools don't have the ability of refusal of a  
3 collocation request the way charters would be  
4 granted in the underlying legislation.

5 And just one example of the problems  
6 that this would create involves the Mickey Mantle  
7 School in P.S. 149 for disabled students, who are  
8 scheduled to lose programs and space for their  
9 services if the collocation proposed at that  
10 school proceeds.

11 Charter schools make up about  
12 4 percent of the total school population.  
13 Instead of providing rental assistance to charter  
14 schools, this budget should focus more on all  
15 public schools, and any monies dedicated in the  
16 budget bill to supporting only charters should be  
17 redirected for the benefit of all public schools  
18 regardless of their status as a charter or not.

19 And that's what the amendment would  
20 do. I thank my colleagues for their time, and I  
21 ask for their support on this amendment.

22 ACTING PRESIDENT GRIFFO: This is a  
23 vote on the ruling of the chair. All --

24 SENATOR LIBOUS: Can we have a show  
25 of hands on this vote, please.

1           ACTING PRESIDENT GRIFFO:    Yes,  
2   Senator Libous.

3           This is a vote on the ruling of the  
4   chair. All those in favor of overruling the  
5   ruling of the chair signify by raising your hand.

6           Announce the results.

7           THE SECRETARY:    Ayes, 25.

8           ACTING PRESIDENT GRIFFO:    The  
9   ruling of the chair stands.

10          Senator Gianaris, why do you rise?

11          SENATOR GIANARIS:   Mr. President, I  
12   believe there's another amendment at the desk. I  
13   ask that its reading be waived and that  
14   Senator Parker may be heard on the amendment.

15          ACTING PRESIDENT GRIFFO:    Senator  
16   Gianaris, upon review of the amendment that is  
17   before the desk, I rule that it is not germane to  
18   the bill and therefore out of order.

19          SENATOR GIANARIS:    I appeal the  
20   decision of the chair and I ask that  
21   Senator Parker be heard on the appeal, please.

22          ACTING PRESIDENT GRIFFO:    The  
23   decision is appealed.

24          Senator Parker, you may be heard.

25          SENATOR PARKER:    Thank you,

1 Mr. Chairman.

2 My amendment to this budget bill is  
3 germane because not only does it not unreasonably  
4 expand the object of the underlying bill but also  
5 maintains the same purpose and addresses the same  
6 areas of law.

7 The purpose of my amendment is to  
8 ensure that teachers and principals will not be  
9 penalized for testing results over the proposed  
10 three-year student testing moratorium, and to  
11 eliminate the use of merit pay for certain  
12 schools and school districts.

13 The Majority should be applauded for  
14 listening to the concerns of New Yorkers and  
15 applying a three-year moratorium to high-stakes  
16 testing consequences for students. However, the  
17 Majority failed to apply that moratorium to  
18 teachers and principals.

19 The result is that during this  
20 three-year period teachers and principals could  
21 be subjected to negative employment consequences  
22 due to testing results from their classes. It  
23 makes no sense at all to impose a moratorium on  
24 testing results for students but not do the same  
25 thing for teachers and principals.

1           Because of the student moratorium,  
2     the results of the first three years will not  
3     properly demonstrate what students are actually  
4     learning. If the Legislature is concerned with  
5     the rollout of Common Core, then testing  
6     consequences should also apply to everyone.  
7     Instead, the Legislature is simply placing the  
8     entire burden of Common Core and high-stakes  
9     testing problems squarely on teachers and  
10    principals.

11           Teachers and principals should be  
12    given the same three-year moratorium that  
13    students are receiving. It's the fair thing to  
14    do for educators and the right move to protect  
15    our children from the negative consequences of  
16    the Common Core rollout.

17           Mr. President, thank you.

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

20           Again, the vote is on the ruling of  
21    the chair. All those in favor of overruling the  
22    ruling of the chair signify by saying aye.

23           Senator Gianaris.

24           SENATOR GIANARIS:    Show of hands,  
25    please.

1           ACTING PRESIDENT GRIFFO:   A show of  
2 hands has been requested. All those in favor of  
3 overruling the ruling of the chair raise your  
4 hand.

5           Announce the results.

6           THE SECRETARY:   Ayes, 27.

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

9           The bill is before the house.

10          Senator Tkaczyk.

11          SENATOR TKACZYK:   Thank you,  
12 Mr. President. I have a few questions, if the  
13 sponsor would yield.

14          ACTING PRESIDENT GRIFFO:   Senator  
15 Tkaczyk, Senator Flanagan to speak without  
16 objection.

17          Senator Flanagan.

18          SENATOR DeFRANCISCO:   Mr.  
19 President, I was going to do that. I was going  
20 to refer questions on education to our education  
21 expert, Senator Flanagan.

22          ACTING PRESIDENT GRIFFO:   Senator  
23 DeFrancisco defers to Senator Flanagan without  
24 objection.

25          Senator Flanagan will yield.



1                   SENATOR FLANAGAN:    Yes.

2                   ACTING PRESIDENT GRIFFO:    Senator  
3   Tkaczyk.

4                   SENATOR TKACZYK:    Thank you.

5                   One of the challenges we face as  
6   lawmakers is to make sure that our public schools  
7   have the resources they need to adequately  
8   educate our kids without overburdening our  
9   property owners.  Can you tell us how many of our  
10   K through 12 public --

11                  ACTING PRESIDENT GRIFFO:    Senator  
12   Gianaris, why do you rise?

13                  SENATOR GIANARIS:    Mr. President,  
14   Senator Tkaczyk's mic doesn't appear to be  
15   working properly.  It's difficult to hear her.

16                  ACTING PRESIDENT GRIFFO:    Can we  
17   adjust that, please, for the mic of Senator  
18   Tkaczyk.

19                  And may I continue to have order in  
20   the house, please.

21                  Senator Tkaczyk, would you try?

22                  SENATOR TKACZYK:    Thank you,  
23   Mr. President.  Is that better?

24                  ACTING PRESIDENT GRIFFO:    It's  
25   still not on, one second.

1                   SENATOR TKACZYK:    Testing.

2                   ACTING PRESIDENT GRIFFO:    I think  
3 the light is not on but the mic is working.  Is  
4 that correct?

5                   SENATOR TKACZYK:    The light is not  
6 on.  But is the mic working?

7                   ACTING PRESIDENT GRIFFO:    Okay, the  
8 mic is working.  Technical glitch.

9                   Senator Tkaczyk, you may continue.

10                  SENATOR TKACZYK:    Thank you.  If I  
11 could ask my question to the sponsor.

12                  ACTING PRESIDENT GRIFFO:    The  
13 sponsor yields.  You may ask your question.

14                  SENATOR TKACZYK:    How many of our K  
15 through 12 public schools are facing educational  
16 and fiscal insolvency in New York State today?

17                  SENATOR FLANAGAN:    Mr. President,  
18 through you, there are a number of schools who  
19 have come to you, to my colleagues, and have  
20 spoken about the costs of properly educating  
21 students.  I believe that there are a number of  
22 different ways to look at how people view that.  
23 The Comptroller has his own definition.  There  
24 are various outside entities that have their own  
25 interpretation.

1                   And what I would offer is that in  
2                   this budget we're providing, between aid to  
3                   education and STAR funding, \$25.7 billion to  
4                   public schools all across the State of New York.  
5                   We have over a 5 percent increase in this year's  
6                   budget, which is by far the single largest growth  
7                   area in the entire budget. We have a personal  
8                   growth income index to provide protections to  
9                   schools.

10                   Last year and this year we, in  
11                   concert with the Executive, advanced more money.  
12                   We are going to spend well over \$1.1 billion,  
13                   closer to \$1.2 billion. And I have school runs  
14                   for many districts, and I can look in -- frankly,  
15                   all across the state there are a number of  
16                   schools who did quite well in this budget, and I  
17                   believe that addresses many of the concerns that  
18                   they continue to raise.

19                   And I will clearly say that the  
20                   single largest obligation we have is the proper  
21                   funding of education in the State of New York.

22                   If you want to get to specifics, I  
23                   believe the Comptroller in their report said it  
24                   was approximately 90 districts. They have a  
25                   different definition than the school business

1 officials. There is no -- as you are well aware,  
2 school districts legally cannot go insolvent or  
3 declare bankruptcy in the State of New York. How  
4 you want to debate educational insolvency may be  
5 a different matter.

6 But let's be clear, there's  
7 \$25.7 billion, and this year's increase is again  
8 the single largest growth area in the entire  
9 budget.

10 SENATOR TKACZYK: Thank you.

11 If the sponsor will continue to  
12 yield.

13 SENATOR FLANAGAN: Yes.

14 ACTING PRESIDENT GRIFFO: The  
15 sponsor yields.

16 SENATOR TKACZYK: One of the  
17 organizations that did look at educational and  
18 fiscal insolvency was the school business  
19 administrators, and they did come out with a  
20 report. And one of the things they did point out  
21 is that there are about 206 schools that they  
22 show are facing fiscal and educational  
23 insolvency, that they're cutting their  
24 educational programming and not able to make up  
25 the budget gaps that they've had to deal with

1 over the years.

2 We still have, in this budget,  
3 bullet aid; is that correct?

4 SENATOR FLANAGAN: There is  
5 educational grant funding in this budget.

6 SENATOR TKACZYK: Would the sponsor  
7 continue to yield.

8 SENATOR FLANAGAN: Yes.

9 ACTING PRESIDENT GRIFFO: The  
10 sponsor yields.

11 SENATOR TKACZYK: How much money is  
12 dedicated to bullet aid in the Assembly and  
13 Senate budget bill?

14 SENATOR FLANAGAN: \$19 million.

15 SENATOR TKACZYK: Would the sponsor  
16 continue to yield.

17 ACTING PRESIDENT GRIFFO: The  
18 sponsor yields.

19 SENATOR FLANAGAN: Yes.

20 SENATOR TKACZYK: Wouldn't it be  
21 appropriate for that bullet aid to go to those  
22 schools that are obviously facing fiscal and  
23 educational insolvency?

24 SENATOR FLANAGAN: Senator Tkaczyk,  
25 we heard Senator DeFrancisco have a colloquy with

1 Senator Krueger or Senator Stavisky on a related  
2 matter involving higher education. There is --  
3 and we have passed this in the past, which I  
4 believe you supported, and your colleagues; we  
5 did a resolution last year for a distribution of  
6 that funding.

7                   The Assembly last year, they decided  
8 to line certain things out in the budget. And  
9 yet they had a pot of money that was set aside as  
10 well.

11                   What we are endeavoring to do is to  
12 be responsive to schools that come to us and say  
13 we have a potential problem. And if you look at  
14 the school runs, we have about 700 school  
15 districts in the State of New York. Not  
16 everybody does as well as they would like, and  
17 sometimes not everybody does as well as we would  
18 like them to do. So there will be an agreement,  
19 there will be an understanding. Whatever that  
20 money and the distribution of that money will  
21 come before this body for a full discussion and  
22 debate at the appropriate time.

23                   SENATOR TKACZYK: Thank you. Would  
24 the sponsor continue to yield.

25                   SENATOR FLANAGAN: Yes.

1                   ACTING PRESIDENT GRIFFO:    The  
2   sponsor yields.

3                   SENATOR TKACZYK:    I have a couple  
4   of questions on the pre-K proposal in the budget.

5                   The budget proposes to fund  
6   \$340 million to 3-and-4-year-olds under the pre-K  
7   program.   How many children would this be  
8   assisting who are eligible in New York City?

9                   SENATOR FLANAGAN:    I'm not sure of  
10   the exact number.   But this is based on  
11   discussions with our colleagues who represent the  
12   City of New York, based on discussions with the  
13   Executive and, frankly, with the City of  
14   New York.

15                  And I should be clear that there's a  
16   differentiation for the City of New York and the  
17   rest of the state.   And essentially this is a  
18   reimbursable program for schools that will be  
19   involved.   The City of New York has made this a  
20   top priority.

21                  For many of the districts outside of  
22   the City of New York, they embrace the idea of  
23   pre-K but they are grappling with whether or not  
24   they can maintain their core academic program  
25   right now.

1                   So this is sort of a spend-to-get  
2                   proposal. I don't have a finite number for the  
3                   City of New York, for the rest of the state. But  
4                   what I do know is this. If they decide to access  
5                   the program, their needs will be met.

6                   SENATOR TKACZYK: If the sponsor  
7                   will continue to yield.

8                   SENATOR FLANAGAN: Yes.

9                   ACTING PRESIDENT GRIFFO: The  
10                  sponsor yields.

11                  SENATOR TKACZYK: Just so I  
12                  understand, 88 percent of the funding is going to  
13                  pre-K in New York City. And we recognize that  
14                  New York City doesn't have 88 percent of the  
15                  children who might be eligible for pre-K. Are  
16                  you saying that if there are more than -- more  
17                  children upstate than the 40 million that is  
18                  geared towards upstate would be eligible, those  
19                  schools will get funded?

20                  SENATOR FLANAGAN: I believe there  
21                  are couple of a factors that are involved. One  
22                  is timing, one is flexibility, one is financing.  
23                  And financing right now is probably the most  
24                  challenging. Because even if we are passing this  
25                  budget today, it would be very difficult for a



1 number of schools all across the state to create  
2 and build up a pre-K program.

3 I believe that for schools that are  
4 interested in that, that they will be able to do  
5 that, that the requisite funding will be  
6 available. And, you know, this is an annual  
7 document. If next year for some reason we come  
8 back and there seems to be a lot more people  
9 interested in a lot more school districts, and  
10 they make that a priority, that's something we  
11 could certainly discuss at the time.

12 But I'm confident -- and by the way,  
13 this is not just me, this is my colleagues  
14 listening and responding to many of our  
15 constituents. When schools came to us, when they  
16 were talking about pre-K, what they were saying  
17 is the pre-K proposal from the Governor was not  
18 helpful. It was not helpful because it was a  
19 mandate, it was underfunded and not properly  
20 funded in any way, shape or form.

21 We listened to them, and their  
22 number-one priority was GEA relief, which we have  
23 obviously very clearly and strongly delivered in  
24 this budget.

25 SENATOR TKACZYK: If the sponsor

1 will continue to yield.

2 SENATOR FLANAGAN: Yes.

3 ACTING PRESIDENT GRIFFO: The  
4 sponsor yields.

5 SENATOR TKACZYK: How will the  
6 funding for pre-K programs outside of New York be  
7 distributed?

8 SENATOR FLANAGAN: It's based on a  
9 number of factors. It is a \$40 million pot  
10 that's available. Schools can make application.  
11 And, you know, I should bring up as well we don't  
12 want to lose sight of the fact that we spend  
13 approximately \$385 million statewide right now on  
14 pre-K funding. This is a new pot of money  
15 available.

16 I believe that schools will be able  
17 to make an application. SED will have to review  
18 those applications, and they will be the ones  
19 determining the final approval as to the validity  
20 or the merits of whatever the program may be.

21 SENATOR TKACZYK: Thank you.

22 On the bill, Mr. President.

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

25 SENATOR TKACZYK: This budget is

1 far from perfect, but it is also better than the  
2 one-house budget resolution that we passed a  
3 couple of weeks ago. It does provide, as was  
4 noted, \$1.1 billion for school aid, about  
5 \$300 million more than what was in the Senate  
6 resolution and \$500 million more than what was  
7 initially proposed in the Executive Budget.

8           While I'm very pleased to see the  
9 education aid increase, I have conferred with  
10 school superintendents in my district who believe  
11 that for some schools the increase will not  
12 forestall layoffs and educational programming  
13 cuts. And the pre-K funding is not fair and  
14 equitable in our state.

15           I just want to share some of the  
16 comments I've received from my school districts.  
17 One, a small city school district, would receive  
18 an additional \$1.1 million in aid, but the gap  
19 with their levy limit is still over \$2.9 million  
20 this year. "Teachers will be cut, programs will  
21 be sacrificed and our students will suffer. We  
22 have done the hard work. We've closed schools,  
23 consolidated resources, eliminated positions and  
24 become more efficient. This is not helping us  
25 deal with educating our kids."

1                   From an average-needs school  
2     district, they expect that they'll be laying off  
3     about 10 positions, or 7 percent of their staff.  
4     The increase does not cover their health  
5     insurance increases.

6                   And lastly, a rural school district  
7     is reducing their two-day pre-K/kindergarten  
8     program to a one-day kindergarten program and  
9     laying off a couple of teachers.

10                  And I found what they said profound,  
11     and something that a lot of schools are dealing  
12     with: "Our fund balance and reserve accounts are  
13     depleting rapidly. At the current rate, we will  
14     deplete these accounts in two to three years. We  
15     are essentially balancing our budget on reserves  
16     and programming cuts, and this is a trend we  
17     cannot continue."

18                  And I would just urge my colleagues,  
19     as we finish this budget, that we look to the  
20     future and make sure that we're working with our  
21     school districts throughout the state to make  
22     sure that they're adequately being funded without  
23     overburdening local property owners, who we can't  
24     do that without making sure that they have the  
25     state aid support that they need.

1                   Thank you, Mr. President.

2                   ACTING PRESIDENT GRIFFO:    Senator  
3 Peralta.

4                   SENATOR PERALTA:    Thank you,  
5 Mr. President.   On the bill.

6                   ACTING PRESIDENT GRIFFO:    Senator  
7 Peralta on the bill.

8                   SENATOR PERALTA:    I know most of  
9 you are probably expecting fire and brimstone  
10 from me right now.   After all, here we are, yet  
11 another year, another education budget bill,  
12 another missed opportunity to pass the DREAM Act.

13                   And don't get me wrong.   I'm very  
14 angry and I'm still very disappointed, because I  
15 believe that all New York students who meet state  
16 residency and income requirements should be able  
17 to access state higher education financial aid  
18 regardless of immigration status.   Because I  
19 believe that the DREAM Act is a logical extension  
20 of the laws already in place for universal  
21 primary and secondary education and in-state  
22 college tuition for undocumented students, I  
23 believe that the DREAM Act belongs in the final  
24 enacted budget.

25                   But I also know that, like educating

1 a child, the process of guiding a policy as  
2 important as the DREAM Act from an idea to a bill  
3 to an enacted law takes time, patience, and a lot  
4 of hard work.

5 I recognize that the bill we vote on  
6 here today is far from perfect. I am deeply  
7 concerned about the potential erosion of mayoral  
8 control, and I believe the failure to include the  
9 DREAM Act was a complete mistake. But this bill  
10 also represents the enormous strides progressive  
11 ideals and long-cherished priorities have made in  
12 just the last few months.

13 Primary among those progressive  
14 ideals is equality of opportunity and ensuring  
15 that every child, every child has the same  
16 opportunity to learn and grow and get ahead. And  
17 that starts with the most important building  
18 block of all, a great education for every  
19 New York child from preschool through college.

20 While universal pre-K has been  
21 policy in New York since 1997, it has never been  
22 adequately funded. Today we take an important  
23 step toward changing that and making pre-K in  
24 New York truly universal. But for me, as  
25 important as anything else in this budget is

1 something that has largely gone unnoticed:  
2 language in the Smart Schools Bond Act that will  
3 help get kids out of trailers and into real  
4 classrooms.

5           For decades -- not years, decades --  
6 the children of hardworking immigrant families in  
7 the Corona and Elmhurst neighborhoods that I  
8 represent have had to try to learn in deplorable  
9 facilities no one would expect to find in the  
10 wealthiest city in the world. Forget  
11 state-of-the-art technology; the dilapidated  
12 classroom units many of our kids are stuck in do  
13 not even have bathrooms. Many of those so-called  
14 temporary classrooms have been used for more than  
15 15 years.

16           If all children, no matter where  
17 they live or how much money their parents have,  
18 are to get a genuine chance to succeed in school,  
19 we need to provide them with real classrooms in  
20 which to learn. The bottom line here, folks, is  
21 until there's a seat for every child, it's a game  
22 of musical chairs. No matter what you do or how  
23 you zone or rezone, someone is left standing.

24           I have been saying for years that  
25 there has to be a state of emergency declared to

1 finally end three decades of school overcrowding  
2 and conditions you would expect to see in  
3 undeveloped countries, not the greatest city in  
4 the world. Doing away with the worst of these  
5 temporary classrooms is a long overdue first  
6 step, a very long overdue first step.

7           So for all the low-income working  
8 families in my district who couldn't afford to  
9 send their kids to pre-K, so for all the kids  
10 whose growth is stunted by overcrowded schools  
11 and makeshift classrooms, so for everyone who has  
12 fought to give our kids a leg up early in life so  
13 they don't fall behind later, today is a step  
14 forward. It is progress. Today we have achieved  
15 hope that tomorrow will be better.

16           But beyond making UPK a reality,  
17 beyond taking a step toward ending school  
18 overcrowding, this bill does another thing that  
19 is just as important. It brings us one step  
20 closer to writing the DREAM Act into the books of  
21 law. With this bill we ensure that every  
22 4-year-old will get quality public pre-K  
23 education regardless of immigration status. We  
24 take a critical step toward ensuring every  
25 elementary, middle and high school student will



1 be taught in a real classroom regardless of  
2 immigration status.

3           While two weeks ago my colleagues  
4 across the aisle decided en masse that a group of  
5 hardworking teens and 20-somethings should be  
6 punished for the acts of their parents, every  
7 single yea vote today is a victory for the  
8 families of those same hardworking young people.  
9 You see, you may have deferred the American dream  
10 for kids 17 and up, but you're opening the door  
11 for their little brothers and sisters to seize on  
12 the dream.

13           The DREAM Act is a continuation of  
14 the work we do today, as it is a continuation of  
15 the bill this body passed with bipartisan support  
16 in 2002 that gave undocumented students access to  
17 in-state tuition, which afforded those students  
18 an opportunity to attend college. Now it's up to  
19 us to step up to the plate and give them an  
20 opportunity to finish college so they can become  
21 productive members of society.

22           Two weeks ago we fell two votes  
23 short of passing the DREAM Act into law. Today  
24 we take a step closer. With the exception of two  
25 mention of this chamber who were absent two weeks

1     ago, every currently elected New York State  
2     legislator is on the record. We have the vocal  
3     support of the Governor, we have the vocal  
4     support of the Comptroller, the Attorney General,  
5     and two of three legislative majority leaders.

6                 I look forward to passing this  
7     budget bill today and then getting back to work  
8     on making the DREAM Act a reality. We have  
9     nearly three months left to make the New York  
10    State DREAM Act the law in New York. This has  
11    been a difficult and deeply disappointing month  
12    for all New York Dreamers, but today we take  
13    another step forward. Tomorrow we begin the  
14    final push.

15                Mr. President, I vote yea.

16                ACTING PRESIDENT GRIFFO:     Senator  
17    Espaillat.

18                SENATOR ESPAILLAT:     Thank you,  
19    Mr. President. On the bill.

20                This is a bill that proposes to have  
21    an increase in the Foundation Formula of  
22    \$250 million. In addition to that, there is  
23    \$720 million in the appropriation bill. And  
24    there's language on this part of the bill for  
25    after-school programs which the City of New York

1 will be able to access for their schools.

2           Moreover, I want to congratulate  
3 both houses, Mayor Bill de Blasio, and the  
4 Governor for being able to get \$300 million, a  
5 commitment of five years, and for the next two  
6 years \$300 million for universal pre-K. All data  
7 shows that children that attend these classes  
8 have an advantage, a clear advantage. In fact,  
9 the Head Start program, which is the only  
10 surviving program from the '60s for the federal  
11 government, says exactly that, they have a head  
12 start.

13           And so they will have -- it  
14 manifests itself in their vocabulary, in their  
15 analytical reasoning, in their ability to do well  
16 academically. So this is a major, major  
17 accomplishment for the City of New York to have  
18 this \$300 million for five years. I think we  
19 will be able to go back to it five years from now  
20 and see the importance of this budget  
21 appropriation.

22           However, Mr. President, some of  
23 those young children that will benefit from the  
24 universal pre-K money or from the after-school  
25 programs or from the increase in the Foundation

1 Aid are undocumented. And they may very well be  
2 undocumented when they finish high school. And  
3 then they will not be able to access higher  
4 education because we do not have a DREAM Act.

5 A \$25 million investment -- now, let  
6 me return to the numbers. A \$250 million  
7 increase in the Foundation Formula, \$720 million  
8 for after-school programs statewide, and  
9 \$300 million per year for five years for  
10 universal pre-K. And yet we didn't have the  
11 political will in this body to come up with  
12 \$25 million for Dreamers, young men and women  
13 many of whom attended kindergarten through the  
14 eighth grade, high school, graduated from a  
15 New York State high school or got their general  
16 equivalency diploma, and now their backs are up  
17 against the wall. They can no longer access  
18 higher education, they can't afford it, and we're  
19 shutting the doors down on them.

20 This is a travesty, Mr. President.  
21 We expected much more from this body. I will be  
22 voting yes on this bill because of the commitment  
23 to education, but we must never forget that we're  
24 leaving behind 8,000 Dreamers that should also  
25 have an opportunity.

1                   Thank you, Mr. President.

2                   ACTING PRESIDENT GRIFFO:    Senator  
3   Hoylman.

4                   SENATOR HOYLMAN:    Thank you,  
5   Mr. President.   On the bill.

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

8                   SENATOR HOYLMAN:    Echoing my  
9   colleagues, I wanted to congratulate the chamber,  
10   my friends on the other side of the aisle, and my  
11   colleagues in the conference on the successful  
12   initiative for pre-K, and of course Governor  
13   Cuomo and Mayor de Blasio.

14                   I am concerned about aspects of the  
15   charter school management that are in the bill.  
16   In particular, Mr. President, this bill  
17   institutionalizes collocations, and the impact in  
18   my district is very concerning.

19                   The process that's been put forward  
20   in terms of the city having to accommodate  
21   collocations or it going to arbitration or  
22   private rental space being found elsewhere was  
23   done without any consultation, I'd like to note,  
24   with teachers or principals or students.

25                   And more importantly is that

1 New York City doesn't have the space for these  
2 collocations. The New York City Department of  
3 Education's own statistics show that elementary  
4 schools are at 96.8 percent utilization and high  
5 schools are at 94.8 percent utilization. So I  
6 don't know where these charter schools are going  
7 to go except in private locations.

8                   And if you do collocate a charter  
9 school, Mr. President, what happens,  
10 unfortunately, is that you often end up losing a  
11 music room or an arts room, and that's to the  
12 detriment of the kids who are there, whether they  
13 be in the charters or in the traditional public  
14 school. And class sizes increase, too. So I  
15 think we should be mindful of these impacts.

16                   We should also, though, be concerned  
17 about the issue of mayoral control, an issue  
18 that's going to be coming up for reauthorization  
19 here in a couple of years. I mean, this is  
20 basically mayoral lack of control, if you ask me.

21                   We passed this -- this chamber  
22 passed it in 2002, and I believe in 2009. But  
23 now we're creating a dynamic, Mr. President,  
24 where again we're institutionalizing  
25 divisiveness, where charters will have an

1 incentive to litigate, to arbitrate against  
2 traditional public schools. And I think this  
3 runs counter to the theory of charter schools.

4 And I am a strong supporter of them.  
5 Charters are meant to complement, not compete.  
6 Charters and the charter school advocates will  
7 tell you they are public schools, they're not  
8 private schools.

9 The Department of Education, the  
10 mayor of the City of New York should have control  
11 over where these schools are located. He or she  
12 should be working with the charter schools to  
13 make that determination. There should not be the  
14 divisiveness, there should not be the  
15 institutionalized antagonism. And I'm sorry to  
16 say that I think this bill will result in that,  
17 and therefore I'll be voting no.

18 ACTING PRESIDENT GRIFFO: Senator  
19 Díaz.

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

22 Today is one of those days when I  
23 feel happy, one of those days when I raise my  
24 hand to heaven and say "Praise the Lord." Today  
25 is one of those days, and I'll tell you why.

1           As you know, ladies and gentlemen,  
2     for the past three years I always stood up here  
3     and I blast everyone, all my colleagues. And I  
4     was the only Democratic Senator that voted  
5     against the whole bill because of the DREAM Act.  
6     For the past three years. And I asked all my  
7     colleagues, join me, vote against the budget  
8     because of the DREAM Act. They all believed all  
9     the promises that were given to them, with cocoa  
10    butter and whatever, and they never follow me. I  
11    was the only one.

12           But today, today everything changes.  
13    Today I'm proudly voting yes. And I'll tell you  
14    why I'm proudly voting yes. Because the Governor  
15    of the State of New York, the Honorable Andrew  
16    Cuomo, and the leaders of this chamber, the  
17    Honorable Dean Skelos and Honorable Jeff Klein,  
18    has done an excellent job in protecting every  
19    single student in public school, every one.

20           Senator Hoylman just said charter  
21    schools are public school. And they are  
22    protecting every single student, especially,  
23    especially the black and Hispanic children in my  
24    district. And that's why I'm so happy today.

25           I'm happy, Mr. President, because



1 Mayor Bill de Blasio will be able to get the  
2 money he wanted for UPK. I'm happy because  
3 parents of children in New York City will see and  
4 have the opportunity to give an early childhood  
5 education to their loved ones because our  
6 Governor -- I'm praising the Governor today. I'm  
7 praising the Governor today. After three years,  
8 I'm praising the Governor today. And I'm  
9 praising Jeff Klein and I'm praising Dean Skelos.

10 And I want to repeat that as many  
11 times as I could today. Because the Governor and  
12 the leaders of this chamber found money, found  
13 money to establish UPK without increasing taxes.

14 I'm happy, Mr. President, because  
15 black and Hispanic children in charter schools in  
16 New York City no longer have to be afraid of  
17 losing their godsend opportunity. Charter  
18 schools are a godsend blessing to black and  
19 Hispanic children in my district and in poor  
20 districts.

21 We keep fighting every year,  
22 fighting, fighting, fighting to protect children,  
23 to protect the minorities. And when the minority  
24 got a good opportunity, we want to deny those  
25 opportunity. That's pure hypocrisy. Oh,

1 everybody come here, everybody come and make  
2 their business fighting this case, fighting this  
3 case for the poor black and Hispanic children.  
4 Everybody come. And everybody come here asking  
5 for money because black and Hispanic children  
6 have been left behind. And now when we have an  
7 opportunity to help black and Hispanic children,  
8 now they want to take that away.

9           You should know, you should know  
10 that I was one of the initial proponents of  
11 charter schools. Reverend Floyd Flake from  
12 Queens, Reverend Wyatt Tee Walker from Manhattan,  
13 and myself from the Bronx, the three of us  
14 together we fought for charter schools. And we  
15 established the first charter school in Harlem,  
16 Canaan, Canaan Charter School.

17           And I was one of the only two  
18 Democratic Senators, one of the only two  
19 Democratic Senators that voted to increase the  
20 number of charter schools from 200 to 460. Only  
21 two Senators, Democratic, voted for that,  
22 Senator Craig Johnson and myself. The rest of  
23 the Democratic Senators voted against to increase  
24 charter schools.

25           And I kept saying, Mr. President and

1 ladies and gentlemen, charter schools are mainly,  
2 mainly, not totally but mainly are located in  
3 minority neighborhoods, in black and Hispanic  
4 neighborhoods. Ninety percent, 90 percent of  
5 those students are black and Hispanic. Charter  
6 schools is a blessing. And you can see there are  
7 50,000 waiting children and their mothers and  
8 fathers waiting to see their kids, their children  
9 goes in.

10                   Somebody might say, somebody might  
11 say -- and I heard that before -- Oh, but charter  
12 schools is only for the lucky ones because it's  
13 by lottery. It's by lottery, so not everyone  
14 have the opportunity.

15                   Well, hello, what about housing? I  
16 created -- ladies and gentlemen, I created  
17 Reverend Díaz Plaza. I created Reverend Díaz  
18 Plaza, a building with 50 units for 50 families,  
19 low-income. I got, we got 3,000 applications for  
20 50 apartments. We got 3,000 applicants.

21                   The line was all the way around the  
22 block for Reverend Díaz Plaza. Fifty, only  
23 50 apartments, and we got 3,000 applications.  
24 And then I created Reverend Díaz Apartments for  
25 97 apartments, and I got close to 4,000

1 applications.

2           So what would I say -- Oh, because  
3 everyone cannot get an apartment, we should not  
4 do it, and we should stop creating low-income  
5 houses for the community because this is a  
6 lottery and because not everyone will be able to  
7 get an apartment, we should stop?

8           No, on the contrary, we should  
9 continue fighting, we should continue creating,  
10 we should continue building low-income family  
11 housing. Even though, even though, ladies and  
12 gentlemen, not everyone will be able to benefit.

13           So that's the case here with charter  
14 schools. It's a lottery. Not everyone will be  
15 able to benefit. But, ladies and gentlemen,  
16 let's save, let's save whatever we can. Stop  
17 this nonsense of trying to kill black and  
18 Hispanic children especially, forget about the  
19 rest of you, in my district.

20           I got 21 charter schools in my  
21 district. I want more. Give me all those  
22 charter schools in my district. Let all of the  
23 black and Hispanic children in my district  
24 benefit from this. They all children from God,  
25 black and white, brown and black and yellow.

1 They're all children of God.

2 Ladies and gentlemen, that's why I'm  
3 happy today. And I praise the Governor.  
4 Governor, listen to me, I'm praising you today.  
5 And I'm praising Jeff Klein. Jeff Klein, Jeff,  
6 I'm praising you today. Thank you very much.  
7 And you, Senator Skelos, I'm praising you today,  
8 Senator Skelos. Thank you.

9 Thank you, ladies and gentlemen.  
10 And, Mr. President, let me see if I have  
11 something more to say here. You should know --  
12 what you should know. And today, Mr. President,  
13 you should know that I'm voting yes and that I am  
14 Senator Reverend Díaz, and this is what you  
15 should know. Thank you very much.

16 ACTING PRESIDENT GRIFFO: Senator  
17 Sanders.

18 SENATOR SANDERS: Thank you,  
19 Mr. President.

20 There are many good things that we  
21 can praise about this bill, and indeed I will end  
22 up agreeing with it and voting for it. But I  
23 would be remiss if I did not speak about the  
24 forced accommodation of charter schools this is  
25 going to impose on New York City.

1                   Now, I am not against charter  
2 schools. Indeed, I am a proponent that we have  
3 to have experimentation. You have to see what  
4 will work, and we should build on what works and  
5 move from there.

6                   And the evidence says that some  
7 charter schools work and this is good, we should  
8 go that way. It also says some do not, and we  
9 should be aware of that.

10                  I am saying that there's a couple of  
11 points that have been -- should be raised on this  
12 issue. Of course I'll start with why only  
13 New York City is forced to accommodate charter  
14 schools. If we think that this is a correct  
15 thing, then it should be made for the entire  
16 state. I believe that we are State Senators and  
17 not New York City Senators all.

18                  This, my friends, is an unfunded  
19 mandate. We are going against the thing that we  
20 say that we never do or should not do. We are  
21 saying that New York City has to accommodate or  
22 pay the rent of a charter school or any other  
23 type of school. My friends, if you're not coming  
24 up with a hundred percent of the rent, then it's  
25 an unfunded mandate or a mandate that is not

1 adequately funded.

2 This abuse of power, I would argue,  
3 will cause budgetary problems for the Department  
4 of Education in New York City.

5 I end where I began, and I encourage  
6 everyone that if we really think this is a worthy  
7 thing, then let's pass it for the entire state.  
8 Let's see if we can get every school district in  
9 the state to accept the same guidelines. Let's  
10 see how far that one will go.

11 Thank you very much.

12 ACTING PRESIDENT GRIFFO: Senator  
13 Stavisky.

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

16 While Senator Flanagan is returning  
17 to answer my question, let me just perhaps  
18 explain what I meant when I referred to bullet  
19 aid earlier.

20 I am not a proponent of bullet aid  
21 in K through 12, but I have never seen bullet aid  
22 used in the higher education budget for SUNY and  
23 CUNY capital construction. And that's the point  
24 I was making, that I think we need clarity and  
25 transparency, not backroom deals, so to speak, in

1 terms of aid to the colleges and universities.

2 If the Senator would yield for  
3 really just two areas, real quick.

4 SENATOR FLANAGAN: Yes.

5 ACTING PRESIDENT GRIFFO: The  
6 Senator yields.

7 SENATOR STAVISKY: Okay. Under the  
8 Higher Education Services Corporation budget,  
9 that's Part G, on the \$8 million appropriation  
10 for the STEM subjects -- and Senator LaValle has  
11 held hearings on how to encourage people to major  
12 in the STEM subjects, and it's an important  
13 issue, I think, for everybody.

14 But how do you account for the  
15 disparity in the level of high school achievement  
16 that you find throughout the state? STEM is for  
17 the top 10 percent, but the top 10 percent, there  
18 may be a wide variation in ability. That's my  
19 question: How do you account for the wide  
20 variation in high school programs throughout the  
21 state?

22 SENATOR FLANAGAN: Senator  
23 Stavisky, I'll be clear, I'm happy to answer your  
24 question. I'm going to give you my own opinion.  
25 I want to be clear I'm not speaking for anybody



1 else.

2 I think it's a far-reaching  
3 question. It could probably entail a long series  
4 of debates and hearings on that subject alone.  
5 And I know, for example, Senator DeFrancisco has  
6 constantly, in budget hearings and in the course  
7 of budget debates, has spoken to issues involving  
8 remediation, programs that go on through SUNY and  
9 CUNY.

10 But in relation to variation, I  
11 think it's a combination of things. One is  
12 educational leadership. Two is local control.  
13 School boards run school districts; they are the  
14 management team at the local level. They  
15 jealously guard that local control. You may have  
16 a school -- one of the schools in my area,  
17 Three Village, is renowned for its science  
18 program. That's a decision that they made, that  
19 they continue to make at the local level.

20 So educational leadership, local  
21 control vis-a-vis school boards. And there are a  
22 lot of demographic factors. Poverty is certainly  
23 an overarching problem in every corner of the  
24 State of New York. It's not isolated to any one  
25 given area.

1                   So it's not any one thing in  
2     isolation. I think there are a number of things  
3     in totality that have an effect not only in  
4     education, but in society in general. But  
5     certainly in education those are very relevant  
6     factors.

7                   SENATOR STAVISKY:    If the Senator  
8     will continue to yield.

9                   SENATOR FLANAGAN:    Yes.

10                  SENATOR STAVISKY:    My question  
11     really is targeted at the high schools and the  
12     disparity in achievement levels from one high  
13     school to the other throughout the state. And to  
14     give the top 10 percent may be unfair to other  
15     students in other parts of the state.

16                  SENATOR FLANAGAN:    Senator  
17     Stavisky, could you just repeat the last part? I  
18     want to make sure I'm answering properly.

19                  SENATOR STAVISKY:    There is a  
20     disparity in the achievement level between  
21     students -- since the STEM scholarships are  
22     provided for the top 10 percent in each school,  
23     how do you provide for the disparity between  
24     schools?

25                         In other words, a student in

1 School A -- it may be a very competitive school.  
2 Let me give you an example. I happen to be a  
3 graduate of the Bronx High School of Science.  
4 And to award the top 10 percent, I would never  
5 have received it. You know, those folks were --  
6 but those students are competing against students  
7 in other parts of the state where the students  
8 may not have received the kind of background and  
9 training that those other students received and  
10 therefore may not be in the top 10 percent.

11 SENATOR FLANAGAN: If I follow some  
12 of the logic of what you're advocating, it sounds  
13 to me as if you want to say that there should be  
14 a distinction based on the qualitative nature of  
15 the program. This proposal makes sure that  
16 10 percent of each school, that they are  
17 eligible.

18 It sounds like -- correct me if I'm  
19 wrong, but it sounds like you only want to be  
20 dealing with the top-flight schools. Because  
21 that -- the proposal is equitable in the sense  
22 that everyone is eligible, and it's the top  
23 10 percent in every school. We don't go and say  
24 that the Bronx High School of Science or  
25 Harborfields High School, where I happened to

1 graduate from, that we're now going to measure a  
2 qualitative difference and say, well, you know,  
3 Bronx is going to get more because it's a more  
4 rigorous program. I certainly would have no  
5 interest in doing that.

6 SENATOR STAVISKY: That's not what  
7 I'm suggesting at all. What I'm suggesting is  
8 perhaps there may be other standards that can be  
9 used in addition to the top 10 percent.

10 I'm going to vote for the bill, but  
11 I'm just throwing that out as a possibility.

12 SENATOR FLANAGAN: I am listening  
13 intently.

14 SENATOR STAVISKY: And in fact,  
15 there was a report in one of the newspapers where  
16 77 or something percent of the CUNY students at  
17 the community colleges required remediation.  
18 That, to me, is indicative of the problem.

19 SENATOR FLANAGAN: Yes. And I  
20 would respectfully offer that Senator LaValle has  
21 been extraordinarily outspoken in trying to  
22 address that, not only financially but  
23 policy-wise, along with Senator DeFrancisco.

24 There's no shortage of opinions in  
25 these areas. And I believe that all of our

1 colleagues share the same concerns. Because, you  
2 know, if you get through a high school and you're  
3 not college and career ready, as the saying goes,  
4 that's not really advantageous to that individual  
5 nor to the community or the society as a whole.

6 SENATOR STAVISKY: And we shouldn't  
7 be spending money on remediation when the tax  
8 dollars are needed at the high school level, in  
9 my opinion. Totally -- and I do appreciate the  
10 role that Senator LaValle has played in the whole  
11 issue of remediation, and hopefully we will  
12 continue to do that in the days ahead.

13 Second area, and that is the TAP  
14 increase also in the Higher Education Services  
15 Corporation budget. You're increasing TAP by  
16 \$150. If the Senator would yield.

17 SENATOR FLANAGAN: Yes.

18 ACTING PRESIDENT GRIFFO: The  
19 Senator yields.

20 SENATOR STAVISKY: Approximately  
21 how much has the tuition cost gone up in the past  
22 year?

23 SENATOR FLANAGAN: Approximately  
24 \$300. And the increase is 165, it's not 150.

25 SENATOR STAVISKY: I'm sorry, 165.

1                   But my point, if the Senator would  
2                   yield for a question.

3                   ACTING PRESIDENT GRIFFO:     The  
4                   Senator yields.

5                   SENATOR STAVISKY:     Would you agree  
6                   that the cost of tuition is rising faster than  
7                   the TAP reimbursement and therefore placing an  
8                   unfair burden on the students as they accept more  
9                   and more of the cost of higher education at SUNY  
10                  and CUNY?

11                  SENATOR FLANAGAN:     I'm going to say  
12                  a couple of things.   First of all, this is one of  
13                  the great aspects of this process.   Senator  
14                  LaValle, who I'm in a neighboring district, we  
15                  work together on a lot of different issues, he  
16                  and a number of the members of our conference --  
17                  and I would say he in particular has been the  
18                  most outspoken about tuition assistance.   He has  
19                  been passionate in terms of advocacy for  
20                  middle-class families.   And obviously that is  
21                  where TAP is directed.

22                  I love TAP.   I'm sure there's not a  
23                  member in this Senate here who wouldn't embrace  
24                  the idea of TAP.   And I would agree with you it  
25                  is about making sure there is no disparity.

1           In my priorities, certainly TAP is  
2   extraordinarily important. And yet I know  
3   for like my own family, I wouldn't be eligible.  
4   That's fine. But there are a lot of people,  
5   there are tens of thousands of people who can and  
6   should be eligible. And I believe that we have  
7   been very fair and very aggressive at the same  
8   time in terms of our advocacy in relation to TAP.

9           SENATOR STAVISKY: I happen to  
10  agree. I think this is a marvelous start, and I  
11  am delighted with the increase in TAP. And I  
12  thank you for your responses.

13          ACTING PRESIDENT GRIFFO: Thank  
14  you.

15          Senator LaValle.

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

18          Senator Flanagan, thank you for  
19  remarks that you made, and compliments. I  
20  appreciate that very much.

21          I just wanted to try and bridge a  
22  gap here with some comments, discussion that been  
23  made.

24          There is no bullet aid for higher  
25  education. There has been pots of money, and

1 those pots, both at SUNY and CUNY, have been  
2 largely delineated in terms of need by the  
3 members and by the central administration in both  
4 SUNY and CUNY as to what their needs are.

5 There's always been a robust discussion by the  
6 presidents, who have pointed out that they had  
7 certain needs, capital needs.

8           This year the Governor put money for  
9 both SUNY and CUNY for critical needs. And  
10 because of the debt cap that we have, I think we  
11 have had a robust discussion on the needs, that  
12 we have capital needs outside of the economic  
13 development needs that the Governor has addressed  
14 both in this budget and previous budgets.

15           And so we're beginning our way back  
16 toward -- and I think we see some light at the  
17 end of the tunnel in terms of the debt ceiling.  
18 And so this is the beginning of moving in steps  
19 towards meeting the capital needs.

20           And so what happened is that we took  
21 some of the money from critical maintenance and  
22 we put it into these pots to allow for other  
23 needs. But those decisions, as they have always  
24 been made, will be made by members in the area  
25 with their university, whether it be CUNY or



1 SUNY. And as we move forward, we will be meeting  
2 those needs.

3 For instance, I sent out to the  
4 campuses a letter asking what are your needs. So  
5 that this is not being made in the abstract, it's  
6 being made with the input of the campus  
7 presidents as to what their priorities are.

8 In regard to the tuition issue, I  
9 think both houses were critically focused on  
10 college affordability, people of all levels. And  
11 so if there were more money at the table, that  
12 area would have been even more robust than it  
13 was.

14 Tuition has gone up \$300. We placed  
15 \$165 in this budget. But each campus, each  
16 campus has adopted its own tuition credit  
17 program. And that was when we did SUNY 2020, it  
18 was critically important to the Legislature that  
19 while we were increasing tuition we were also  
20 ensuring that those who had the greatest need  
21 were being taken care of.

22 And so this budget will be very  
23 helpful to the campuses because it will take some  
24 of the pressure off that heretofore had been with  
25 the tuition credits.

1                   Lastly, the whole idea of STEM  
2 programs. Well, our young people have gotten a  
3 message in the last two years where 50 percent of  
4 graduates have been unemployed. And so starting  
5 at the high school level, students are beginning  
6 to focus their attention on STEM programs. In  
7 Suffolk County we actually in the fall of 2014  
8 will be opening a regional STEM high school. We  
9 have districts partnering with one another,  
10 sharing resources to provide STEM programs.

11                   And so I think you will see that  
12 greater focus in each and every high school on  
13 providing better programs, more programs, so that  
14 students can be competitive in some of these  
15 programs that hopefully will lead to jobs.

16                   I also say that we can't forget that  
17 we need philosophers and social workers and  
18 political scientists. But right now there is a  
19 great interest and young people are saying this  
20 is where the jobs are. And as I go around and  
21 talk to students at both the high school level  
22 and the college level, they talk about wanting to  
23 enter into some sort of STEM program when they go  
24 to college.

25                   As you know, Senator Stavisky, this

1 was one of the Governor's programs that he talked  
2 about both in his State of the State address and  
3 was very dogged in negotiations that this be  
4 included in the budget.

5           It's a first step. I'm very  
6 disappointed that we didn't have the resources to  
7 include the independent colleges in this program.  
8 But it's a first step, and we will flesh it out  
9 as we move forward. And we will also make sure  
10 that at the high school level that the programs  
11 are there for the students so that every student  
12 at every high school across the state will have a  
13 fair opportunity to get a STEM scholarship.

14           So to Senator Flanagan, he has done  
15 a remarkable job on the elementary and secondary.  
16 He deserves -- I think for most of us he stands  
17 10 foot tall in the job that he did in elementary  
18 and secondary.

19           I will be voting in the affirmative.

20           ACTING PRESIDENT GRIFFO:   Senator  
21 Latimer.

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

24           It could be fairly argued that for  
25 the first 90 days of this legislative -- I'm

1       sorry, on the bill, Mr. President.

2                   ACTING PRESIDENT GRIFFO:     On the  
3       bill.

4                   SENATOR LATIMER:     It could be  
5       argued that education issues have been front and  
6       center more than any other public policy area  
7       over the course of these 90 days of our  
8       legislative session.  And certainly the budget  
9       that we have before us touches on so many  
10      different public policy areas.  We've heard, in  
11      the hour that we've started to discuss the bill,  
12      discussions of UPK, of charter schools, the  
13      combination of Foundation Aid and GEA adjustment.

14                   I rise to address what this budget  
15      talks about regarding the Common Core.  And I've  
16      been a critic, pretty clearly over the course of  
17      this year, of the path that the Board of Regents  
18      and the State Education Department has taken on  
19      Common Core.

20                   And I think when we talk about  
21      Common Core, we're really talking about a  
22      combination of things that include, from the  
23      past, No Child Left Behind, Race to the Top, the  
24      APPR program, all of which has put before us a  
25      major change in the way we intend to educate our

1 kids in this state. It's something that can't be  
2 underestimated. It didn't end with the battle  
3 over who's going to be on the Board of Regents,  
4 it doesn't end with this particular budget.

5 But Senator Flanagan said something  
6 I thought was very prescient when we had  
7 Commissioner King into the Senate Education  
8 Committee meeting 60 days ago. He said, in  
9 essence -- I summarize what he said -- is that  
10 there needs to be change and action on the part  
11 of the Board of Regents and the Commissioner, or  
12 we, the Legislature and the Executive, will act.

13 What we have in this budget is part  
14 of that action. Because those of us who have  
15 been critical of this -- not because we hate the  
16 process, but because we care deeply about the way  
17 education is delivered in our own communities and  
18 for our children -- this is an example of us  
19 taking action in an important area.

20 And let me be clear. I'm a critic  
21 of what I've seen in Common Core because I  
22 believe, as I think most people in this room do  
23 believe, that there should be local control over  
24 schools. Because I think parents -- and I'll use  
25 the three communities I used in my earlier

1 comment. Whether you're in Brooklyn or Rye Brook  
2 or Ray Brook, in three parts of the state,  
3 parents want to have influence over the way their  
4 children are educated. They want to be able to  
5 go in and impact with a teacher, with an  
6 administrator, what they like and don't like  
7 about the way their kids are educated.

8               Because when it's all over with, a  
9 year of taxation, when we look cosmically about  
10 what we have left at the end of days, it is our  
11 children and their lives. And we care about that  
12 whatever our political party is, whatever our  
13 perceived ideology is, whatever the color of our  
14 skin is, wherever we may live in this state.

15              Rubén Díaz talked very passionately  
16 about the people in his district and the things  
17 that he's done for them. I don't have a George  
18 Latimer Plaza anyplace, probably never will, but  
19 I care just as passionately about the kids in my  
20 district, and I believe that every one of us has  
21 that sense.

22              In this budget there are some things  
23 that I think put the right balance on where we  
24 are heading in Common Core. Number one, and most  
25 importantly on this, I think this budget

1 articulates the concern that we have over data  
2 privacy and data collection. We want proper data  
3 that helps teachers teach. We do not want  
4 something intrusive that goes into people's  
5 lives, tracks them in ways that are  
6 inappropriate.

7                   And so this budget I'm very happy to  
8 see creates a Parents' Bill of Rights for data  
9 privacy and security. It establishes guidelines  
10 for data collection, transparency with  
11 restrictions. There's a chief privacy officer.  
12 All of this addresses very directly one of the  
13 major criticisms when I first saw what the  
14 rollout of Common Core would be -- 400 data  
15 points, loaded up in the Cloud and accessed by  
16 who, and to track what Johnny did in third grade  
17 well into his adult life. All those concerns, I  
18 think this is the right step that we're taking.

19                   I think it's correct for us to look  
20 at this and say we do not want to have the  
21 high-stakes testing in grades 3 through 8 reflect  
22 on the transcripts of students' performance  
23 records. And that's particularly important  
24 because we have said that they have not yet had  
25 the opportunity to be fully taught and go into

1 the pedagogy of what Common Core is. And to  
2 brand a child early in his career over this type  
3 of a sea change is inappropriate.

4 But I would also say -- this is at  
5 the heart of Senator Parker's amendment -- that  
6 it is also illogical and unfair for us to argue  
7 that the teachers can be judged by tests that we  
8 are not judging the children on. If our task is  
9 to change the way we delivery education and what  
10 we want is an intelligent way to make that sea  
11 change, then I don't think we want to track  
12 things, I think we want to properly implement  
13 them.

14 Senator LaValle first used the  
15 comment, at that Senate Education meeting, "We  
16 ought to hit the stop button." I repeated him,  
17 but I happened to slam the table, so I got the  
18 press, Ken, instead of you. You deserved it, it  
19 was your original thought. But I agreed with  
20 that.

21 And the bottom line is if it doesn't  
22 make sense for us to track the children until  
23 we're fully implemented, I don't think it makes  
24 sense to track the teachers.

25 I know we've got APPR and No Child



1 Left Behind. But you know something? Either we  
2 as intelligent people drive public policy or we  
3 use excuses for why we can't change public  
4 policy. And in this particular case, if we're  
5 going to redirect the way we teach kids from soup  
6 to nuts in all parts of this state, then I think  
7 we owe it to those children to have an  
8 intelligent, consistent rollout of what it is  
9 we're going to do. We're starting in the right  
10 direction on some of these things.

11 I will summarize, because the hour  
12 is getting late and we have other bills to deal  
13 with.

14 This is, in terms of Common Core, a  
15 first step in the right direction. However, what  
16 I hope, as has been expressed in other forums, is  
17 that the Commissioner and the Board of Regents  
18 understands that this legislative body and the  
19 other house and the Governor do not normally like  
20 to legislate in the area of legislation; this is  
21 not what we prefer to do for education. But we  
22 are doing it today in this budget because  
23 something is deficient and it needs to be  
24 corrected. And I hope that that message  
25 comes through loud and clear and we will see a

1 more responsive Board of Regents and a more  
2 responsive Department of Education on these  
3 issues.

4 With that, I will cede the  
5 microphone, and I intend to vote yes on this  
6 bill.

7 ACTING PRESIDENT GRIFFO: Senator  
8 Montgomery.

9 SENATOR MONTGOMERY: Thank you,  
10 Mr. President. Thank you, Mr. President. I rise  
11 to speak on the bill.

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

14 SENATOR MONTGOMERY: Yes, thank  
15 you. I want to just comment on a couple of areas  
16 that are of concern to me.

17 But before I do that, I want to just  
18 compliment the Governor on the fact that he has  
19 instituted for the state and the city to be  
20 authorized to audit the charter schools, the same  
21 as they are authorized to audit any school in the  
22 State of New York. So I appreciate that.

23 I am, however -- I have a great deal  
24 of concern for the way that this budget in fact  
25 encroaches on the authority of the Board of

1 Regents. I note, for example, there is a  
2 particular area of the budget, on page 62 of this  
3 budget, it says that the chief privacy officer --  
4 the Commissioner shall appoint a chief privacy  
5 officer. When did we ever encroach upon the  
6 ability of the Commissioner to appoint his staff?  
7 That seems to be very, very far-reaching into the  
8 authority of the Commissioner.

9 And there are a number of other  
10 areas that are specifically, it seems to me,  
11 under the purview, should be under the purview of  
12 the Board of Regents but we are now legislating  
13 it.

14 So certainly I agree that we,  
15 generally speaking, do not do education policy in  
16 this way. And I hope that we're not going to --  
17 this will not be a precedent being set here where  
18 it's in fact the Governor that legislates and the  
19 Legislature that legislates education policy to  
20 the point where we direct the Commissioner who to  
21 appoint on their staff. So that's one area.

22 The other area that I also am  
23 concerned about is the fact that this budget also  
24 legislates policy for the City Department of  
25 Education. So it's no longer even the mayoral

1 control, this is gubernatorial control that we  
2 have established. And the legislation  
3 specifically says -- and this is only for  
4 New York City. So every other part of the state,  
5 I'm assuming, will maintain, as Senator Latimer  
6 says, their local control, but New York City  
7 loses its local control in this legislation.

8           For instance, in Part BB on page 71  
9 in this bill it talks about the city school  
10 district in a city having a population of  
11 1 million or more. That's us, New York City  
12 only. And it says that we must, the New York  
13 City Department of Education must allow any  
14 charter school that wishes to collocate with an  
15 existing public school in that building, they  
16 must be allowed to do that.

17           And furthermore, if there's not  
18 space, they must be required to find space for  
19 that charter school at no cost to the charter  
20 school. And if the charter school is not happy,  
21 the charter school can take the Department of  
22 Education into arbitration. So that, to me, is  
23 specifically a policy that reaches way into  
24 New York City's local control of their schools.

25           The other issue that I have great

1 concerns about is the fact that these charter  
2 schools -- I do not see anywhere in this budget,  
3 while you're reaching in to force the charter  
4 school issue as it relates to New York City's  
5 Department of Education, there is no resources  
6 applied to forcing an integration of charter  
7 schools as a model -- and any other models --  
8 into the public school.

9           Everybody is saying that charter  
10 schools are public schools. Well, that's for  
11 sure. And we want the best models to come forth  
12 and to be integrated into schools broadly. I  
13 don't see any indication that budget enforces  
14 that process.

15           So while we are being forced to  
16 accept charter schools relocation, we are not  
17 being helped, nor are the charter schools being  
18 helped, to make sure that whatever it is that is  
19 so great about them becomes integrated into the  
20 larger public school system.

21           So in my mind, what we are doing in  
22 this budget is we are supporting the development  
23 of two separate systems. One, the charter  
24 system, and the other the so-called public  
25 charter system and the other public school

1 system.

2                   So we go backwards from Brown. We  
3 go backwards from the time that it was required  
4 that we have a single standard for all children  
5 that we fund through a public education system.

6                   So I'm very concerned, I'm very  
7 unhappy with this direction. It is not local  
8 control. It is establishing a central control  
9 located here in Albany, and especially the  
10 control of New York City.

11                  So, Mr. President, I'm not going to  
12 be supporting this education bill. And certainly  
13 I know that many of the constituents that I  
14 represent have come to me -- especially  
15 parents -- in tears, because we have set up a  
16 civil war among parents specifically around  
17 collocation. And that is very unfortunate,  
18 because this bill ensconces collocation as a  
19 procedure, a process, that the charter schools in  
20 that city will be able -- or the Department of  
21 Education will be forced to comply with and to  
22 accommodate this system that has created so much  
23 unhappiness and chaos and unfairness among  
24 children in the City of New York.

25                  So, Mr. President, I will be voting

1 no on the education bill.

2 ACTING PRESIDENT GRIFFO: Senator  
3 Krueger.

4 SENATOR KRUEGER: Thank you,  
5 Mr. President.

6 So, So many people have spoken, and  
7 I appreciate what they said, so I am not going to  
8 spend a lot of time going back over territory  
9 that has been raised. But yes, there are many  
10 improvements for education and related activities  
11 in this bill. Not far enough, but better than  
12 when we started. And I would like to highlight  
13 that I appreciate that we are making some  
14 progress on our commitments to education and  
15 higher education.

16 But I would also remind us as we do  
17 so that we were so far behind the ball of what we  
18 had already committed, we are still not where we  
19 expected to be in 2014-2015. But I do appreciate  
20 many important issues have been covered at least  
21 financially.

22 I share my colleagues' concerns both  
23 about Common Core and what more needs to be done  
24 there and what needs to be clarified in respect  
25 for our teachers and our students and our school

1 districts.

2 I share the concerns of my  
3 colleagues particularly from New York City  
4 vis-a-vis the yet to be completely understood  
5 language regarding charter schools. It actually  
6 is disturbing to me that on the day we are  
7 passing a budget bill relating to language going  
8 forward with collocations and rent obligations,  
9 no one can actually explain exactly how this will  
10 work, neither the Governor's people nor the City  
11 of New York nor anyone who I have chatted with  
12 who has actually read and reread the budget  
13 language when it comes to how the disputes will  
14 be resolved, what will be the future obligations  
15 of the City of New York vis-a-vis perhaps  
16 additional charters.

17 I think every schoolchild deserves  
18 the best education in a quality location. But  
19 speaking for New York City, our schools are  
20 already at 95 percent capacity and the schools in  
21 my district are actually at -- you can see the  
22 numbers in the blue books -- 115, 125 percent of  
23 capacity. So when you talk about wanting to add  
24 additional schools with collocation, without the  
25 ability of the City of New York to say this isn't



1 going to work -- does it worry me? It worries  
2 me. And the fact that the language here in the  
3 budget bills don't really give us a clear-cut  
4 explanation of how we're going to deal with it,  
5 that creates a real concern for me.

6 I wanted to highlight something that  
7 I believe was part of my colleague Senator  
8 Velmanette Montgomery's concerns, the concept  
9 that in this bill we are taking language  
10 supposedly to address the parental privacy  
11 concerns vis-a-vis giving private student data to  
12 shared learning infrastructure service providers,  
13 but we're not really explaining what the rules  
14 would be and how parents could opt out or how  
15 school districts could opt out.

16 And in fact there are bills much  
17 stronger than the language in this budget bill.  
18 There's a bill by my colleague Joe Robach and  
19 Assemblymember Danny O'Donnell that would go much  
20 further to explicitly explain what kind of  
21 student data could be shared with outside vendors  
22 and what kind of information could not. And the  
23 language in here is very gray area at best.

24 It also creates, as my colleague  
25 pointed out, some kind of privacy officer to be

1 appointed. But when I look up the information  
2 about who came up with the idea of privacy  
3 officers to oversee private data of students  
4 being distributed to middlemen or for-profit  
5 vendors, I learned that that proposal comes from  
6 the organization ALEC, and I tend to have a very  
7 knee-jerk negative reaction to proposals  
8 recommended by the organization ALEC because  
9 every time I read one of their proposals, I know  
10 I'm supposed to run the other direction.

11 And yet that language is within this  
12 bill. And it also leaves me with real concern  
13 about not having thought through the details  
14 enough.

15 So personally I believe I need to  
16 vote for this bill because the goods outweigh the  
17 bads. But I would urge my colleagues to  
18 immediately after the budget revisit the question  
19 of student privacy and distribution of their  
20 information to organizations like inBloom and  
21 other companies. And we can still fix this and  
22 get it right by bringing a separate bill to the  
23 floor.

24 And again, there are several in both  
25 houses that would address these concerns by

1 moving beyond the budget to address that specific  
2 set of privacy-rights issues on behalf of parents  
3 and students throughout the State of New York in  
4 a separate freestanding bill. We don't have to  
5 start from scratch. I'd be very happy to support  
6 Senator Robach's bill coming to the floor and  
7 being passed, and I bet many of my colleagues  
8 would share that view on both sides of the aisle.

9 I'll be voting yes, Mr. President.

10 Thank you.

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

13 Senator Parker.

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

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

18 SENATOR PARKER: I'll try to make  
19 this brief. My colleagues are telling me I'm  
20 talking today like we have "Free Nights and  
21 Weekends." Less is more as we wind up the  
22 budget.

23 But I felt like I really couldn't go  
24 pass this budget without making a couple of  
25 comments about some things that I think that are

1 actually really good in this budget. And I'm  
2 really pleased to stand up with my colleagues who  
3 are in fact, you know, lauding just some really,  
4 really good things that we are seeing here.

5 This budget is better on primary and  
6 secondary education than any other budget that  
7 we've seen in the last five years. And as you  
8 may remember, a large number of Democratic  
9 Senators and Assembly people joined me and  
10 Assemblywoman Cathy Nolan in the beginning of the  
11 session in signing a letter requesting  
12 \$1.9 billion additional money for this year's  
13 school funding.

14 Our goal was really to live up to  
15 the states's promise under the Campaign for  
16 Fiscal Equity to fully fund our schools. We  
17 haven't quite gotten there yet, but we did add  
18 another additional \$1.1 billion for schools this  
19 year.

20 And there's other good news in this  
21 budget, including the Smart Bond, which will  
22 allow our schools to upgrade their technology.  
23 These are really, really important and good  
24 things for the children of the State of New York.

25 As it relates to UPK, you know, we

1 all should be declaring victory. And I really  
2 want to congratulate not just the legislative  
3 leaders but, as well, the Governor and the Mayor  
4 for all the work they've done in terms of making  
5 sure that students and parents are able to ensure  
6 a good future for the children of our state.

7           We engaged in a lot of debate this  
8 year about universal prekindergarten and, you  
9 know, what plan was better and what we were going  
10 to get to -- you know, what was going to happen.  
11 But we worked that stuff out and I think we got  
12 to a place that we're on the right track. Three  
13 hundred forty million dollars statewide,  
14 \$300 million for New York City public schools  
15 this year, another \$300 million next year, I  
16 think is a very, very good start. But there's  
17 still much more to go.

18           In that debate that we had about  
19 funding and how we go forward, what we never  
20 debated was that universal pre-K works,  
21 point-blank, period. And we must continue as we  
22 go forward to live up to our responsibility to  
23 educate every single child in this state to the  
24 best of our ability.

25           We also do, I think, a good thing in

1     this budget about granting the authority in the  
2     budget to expand after-school programs. However,  
3     we don't fund it. And so after-school programs  
4     we must see, as we do our next budget, as an  
5     extension of the full school day. That as we  
6     look towards, you know, doing K through 12 and  
7     UPK and so on and so forth, we must extend the  
8     day by doing after-school programs and funding  
9     them.

10                     And then as we go to that, looking  
11     at our sports, athletics, arts and music and  
12     dance programs also as extensions of our  
13     educational programs to make sure that young  
14     people are being engaged, not just through test  
15     preparation but in terms of rounding themselves  
16     out as full people in our societies.

17                     As relates to charters, you know, I  
18     am somebody who supports charters, I'm on the  
19     record on that. I've worked, you know, with many  
20     of the charter schools in my district. But, you  
21     know, this is a microsolution. And we really  
22     shouldn't be giving so much, you know, energy to  
23     something that educates less than 4 percent of  
24     the children in our state.

25                     Again, if we put every charter in

1 New York City, you know, and they all did what  
2 they do now, you're talking about, you know,  
3 230 kids -- you're talking about, at most,  
4 37,000 kids in a system that has 1.2 million kids  
5 in it.

6 And, you know, it hasn't worked in  
7 the same way that it should actually work. And I  
8 think I share Senator Montgomery's concerns here  
9 that we're taking away local control from our  
10 School Chancellor and our Mayor to manage the  
11 schools and institutionalizing an educational  
12 apartheid that Mayor Bloomberg put in motion by  
13 elevating charter schools above traditional  
14 public schools in the system.

15 And again, I think that it's not  
16 about, you know, charter schools versus  
17 traditional public schools, but it's how you in  
18 fact manage that process. And when you create a  
19 system in fact in which you bring charter schools  
20 into a traditional public school setting and only  
21 rehab and paint and fix up and refurbish the  
22 areas where the charter schools are, you create  
23 an unequal system. And that's what educational  
24 apartheid is about. And that's unfortunately  
25 what we have done, and I'm scared that that

1 system is going to be institutionalized in this.

2 And again, this is not a knock on  
3 charter schools, but we need a better way to  
4 manage the system so that we don't create these  
5 civil wars over education in our districts.

6 I think, you know, Reverend Díaz is  
7 right when he in fact says that the people in our  
8 communities are fighting over these lotteries to  
9 have charter schools. But that's only because  
10 we've allowed the traditional public schools to  
11 fail. We've allowed them to fail. And if we  
12 keep saying, well, public schools are your only  
13 option but then your kids can't all get into the  
14 charter schools, what does that mean for the  
15 98 percent of the kids in the rest of the system  
16 who are not getting into charter schools?

17 They must maintain their intended  
18 role of being laboratories for educational  
19 progress that then gets duplicated into  
20 traditional public schools. And that's the  
21 process that I'm committed to and I'm looking  
22 forward to working with this body on doing so  
23 that we make sure that the successes of charter  
24 schools are in fact duplicated in other places.

25 But we should be wary as we have



1     this debate right now, when you look at the  
2     evaluation and test scores at charter schools,  
3     they're frankly doing no better than public  
4     schools. So, you know, people are desperate but  
5     they don't have all the facts. There are some  
6     charter schools that are doing well, but on  
7     average the charter schools are not really  
8     outperforming the traditional public schools. So  
9     buyer beware.

10                 As relates to Common Core, I want to  
11     associate myself with Senator Latimer's comments.  
12     And, you know, I think that we're on the right  
13     track when we say that we need to do a better job  
14     at managing the process of bringing Common Core  
15     into our schools across the state.

16                 And again, as I've said to some of  
17     my colleagues, you know, people are like, "How  
18     come you're not up in arms about Common Core?"  
19     Because in my neighborhood, which is primarily  
20     black and Latino kids, they've been failing the  
21     tests. And we've been yelling about that, you  
22     know, from the very beginning, that our kids are  
23     failing the tests. Now that good white kids are  
24     failing the tests upstate, now we have to stop  
25     everything and slow it down.

1                   And that's fine. And hopefully  
2   everybody will benefit from the slowdown and we  
3   will in fact implement this thing in a way that  
4   in fact takes into account the learning styles of  
5   every single child and makes sure that all  
6   communities get both testing and a curriculum  
7   that in fact addresses the educational needs of  
8   each community.

9                   That being said, to repeat my  
10   argument from the hostile -- which I'm  
11   disappointed did not pass today, the hostile  
12   amendment which I introduced that I'm  
13   disappointed did not pass today -- it is actually  
14   illogical to in fact say that we need a  
15   moratorium to implement Common Core for students  
16   and don't give teachers and principals the same  
17   kind of latitude to have a moratorium on the  
18   evaluations that take into account the children's  
19   performance on these same tests.

20                  And so I still continue to call for,  
21   after this budget process is over, an opportunity  
22   for us to fix this injustice to both our teachers  
23   and our principals. Because I think that if we  
24   don't do that, we're going to wind up again with  
25   additional problems.

1                   As I wrap up, I want to speak to  
2 something that again I am disappointed was not  
3 addressed, and this is the issue of the GED and  
4 the new Test Assessing Secondary Completion, the  
5 TASC. And the TASC is replacing the GED test.

6                   And, you know, again, like Common  
7 Core, we have failed to see the management  
8 problems in making TASC work and training and  
9 getting everybody up to speed on it before we  
10 started rolling it out. So we rolled this thing  
11 out on January 1, 2014, but we didn't train  
12 teachers, we didn't train test centers, we didn't  
13 train anybody on how this thing is actually going  
14 to work going forward.

15                  And I again am calling on us to have  
16 a moratorium and slow this process down so that  
17 we can implement it correctly before we face the  
18 same kind of failure that we're facing now as  
19 relates to Common Core. We need to give  
20 everybody an opportunity to get up to speed on  
21 TASC.

22                  As relates to higher education --  
23 and I only have about five or six more things I  
24 want to talk about. I'm joking. I'm joking.  
25 Take my time? Okay, thank you.

1           As relates to higher education, you  
2 know, higher education is as important as K-12  
3 education. Right? A two-year degree now is what  
4 a high school diploma was 10 or 15 years ago. So  
5 it's critical that we are developing an education  
6 system that makes a smooth transition from K-12  
7 education to higher education.

8           Part of that transition is not just  
9 competencies in reading, writing and arithmetic,  
10 but also within the context of fully funding  
11 these issues. And I think that Senator Toby  
12 Stavisky has made a really, really good point  
13 about support for the actual higher education  
14 institutions. And I agree with her that we have  
15 not nearly done as much as we need to do for  
16 CUNY.

17           Again, as earlier, I'm happy that  
18 this budget provides \$35 million for Roosevelt  
19 Hall at Brooklyn College, which is in my  
20 district, because I think it's going to be a good  
21 start to helping making sure that we have a  
22 facility that encourages the proper learning  
23 environment at that important institution, what  
24 we call "the Harvard of public education."

25           And the budget also does a lot of

1 good things in terms of increasing the base aid  
2 to CUNY and fully restores the \$544,000 that was  
3 cut from CUNY childcare centers. Which is  
4 critical, because we know that at CUNY these are  
5 nontraditional student. The average age of a  
6 CUNY student is actually 25 years old.

7 And it restores \$1.2 million that  
8 was cut from the Search for Education Elevation  
9 and Knowledge, which is, you know, the SEEK  
10 program. It fully restores \$1.7 million cut from  
11 the Accelerated Study in Associate Programs,  
12 that's the ASAP program.

13 And most importantly, the budget and  
14 the process bringing TAP and other opportunity  
15 programs into the 21st century. TAP was  
16 increased by roughly 3 percent in this budget, or  
17 \$165 this year, which is the first increase in  
18 TAP in a decade. In a decade.

19 But we still fall woefully behind  
20 within the -- so we're creating a gap, though. A  
21 number of years ago, like about two years ago, we  
22 voted for a rational tuition model that increases  
23 tuition every single year at both CUNY and SUNY.  
24 However, we have failed our commitment to make  
25 sure that TAP keeps pace with the increases that

1 automatically happen at CUNY and SUNY.

2 I in fact want to suggest that we  
3 pass a bill in the Legislature that creates an  
4 automatic COLA for TAP, that automatically makes  
5 sure that CUNY and SUNY students are at least --  
6 but I think all students should in fact be  
7 getting an automatic increase in their TAP award  
8 that is commensurate with the increase from the  
9 rational tuition model that we implemented in  
10 both CUNY and SUNY.

11 For the first time ever, orphans,  
12 foster children and wards of the state have been  
13 made eligible for TAP instead of denying them  
14 help to go ahead in their educational process.  
15 The budget also authorizes the science,  
16 technology, engineering and mathematics -- a STEM  
17 initiative program for undergraduates.

18 Which brings up an interesting  
19 point. So on one hand we're saying everybody  
20 should have STEM education, but we don't in fact  
21 acknowledge the fact that for you to make it in  
22 STEM fields, right -- so if you're in science,  
23 technology, mathematics or engineering -- for you  
24 to advance in those fields you have to have a  
25 graduate degree. Yet once again we submit a

1 budget that fails to create graduate TAP.

2 Members of this body, I am begging  
3 you to in fact go forward and find the resources  
4 to create graduate TAP. It is absolutely  
5 nonsensical for us to say we're encouraging STEM  
6 education when we in fact know, sitting here  
7 today, that for you to get even an entry level  
8 job in a STEM field you have to have a graduate  
9 degree, yet we're not providing the kind of base  
10 financial assistance for students to get those  
11 degrees.

12 And so, you know, although again  
13 it's been really important for us to have STEM  
14 education and to be encouraging it, we haven't  
15 done that in a proper way until we in fact are  
16 providing for graduate TAP.

17 And lastly, we still have not fixed  
18 the nonsensical way that part-time TAP is  
19 administered. Right? Part-time TAP is  
20 administered in a way that you have to be going  
21 for a year or two full-time and then you have to  
22 apply -- it's all these things that -- take off  
23 the red tape. Just real simple. From going  
24 full-time, I apply for TAP, if I meet the income  
25 eligibility, I get it. If I'm a part-time

1 student, I'm applying for TAP, if I meet the  
2 income eligibility I should get it.

3 It shouldn't have -- if you're a  
4 part-time student, you shouldn't have to jump  
5 through additional administrative hoops just  
6 because you're going part-time. We still want  
7 part-time students to have the ability to achieve  
8 that education. We know they cannot do it  
9 without the financial aid. And so it was  
10 actually a fiscal trick and really a joke for us  
11 to say that we have part-time TAP when in fact  
12 we've moved the goalposts so far away no one will  
13 ever reach it.

14 You know, we've done a good job, I  
15 think, in this budget, and this is why I'm voting  
16 for this budget, in terms of increasing the base  
17 aid for SUNY and CUNY, both the childcare  
18 centers, opportunity programs, and for technology  
19 training. There's some very, very good things in  
20 here. There's some things that we still need to  
21 fix. But I'm going to vote aye, Mr. President,  
22 because I think that we are on the road to making  
23 sure that education is achieved for all of our  
24 students in the State of New York.

25 Thank you.



1                   ACTING PRESIDENT GRIFFO:    Thank  
2   you, Senator Parker.

3                   Is there any other Senator that  
4   wishes to be heard?

5                   Seeing or hearing no other Senator  
6   who wishes to be heard, I call upon  
7   Senator Flanagan to close debate.

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

10                  I appreciate all the comments from  
11   my colleagues.  I wanted to go over some things  
12   and respond to some of the concerns that were  
13   raised, speak to the issues involving the overall  
14   education budget.

15                  But I'll go back to some of the  
16   things I said early on.  There are many, many  
17   good things in this budget.  There are many, many  
18   stellar things in the education budget.  And  
19   collectively, we are advancing almost  
20   \$25.7 billion of New York State tax money to  
21   public schools.  No one should apologize for  
22   that.  That's a billion, well over \$1.1 billion,  
23   closer to a \$1.2 billion increase from last year.  
24   Again, the single largest growth area in the  
25   budget.

1           My colleagues and I listened to many  
2 of our communities, our school districts, had  
3 tons of meetings. I'll give you a perfect  
4 example. In my office -- you see this stack of  
5 bills here -- I have letters and resolutions from  
6 school districts all across the state. And every  
7 one of those letters begged us for GEA help.  
8 That's what they were. There was a whole  
9 campaign put together so there was a statewide  
10 effort to address those issues.

11           So \$25.7 billion, almost a  
12 \$1.2 billion increase, the single largest growth  
13 area in the budget, without question. And there  
14 are components in there, \$280 million for  
15 expense-based aids. Those are things that school  
16 districts are entitled to and they should get.

17           There's \$250 million of new money  
18 for Foundation Aid. Foundation Aid is important  
19 for some of our colleagues. Someone mentioned  
20 small cities and school districts like that;  
21 that's an important component. It doesn't work  
22 everywhere.

23           GEA. That is what we heard more  
24 than anything else, probably 25 times over. This  
25 year's budget provides \$602 million more GEA

1 relief. That is the largest area of the  
2 education expenditure, and it is purely and  
3 wholly and completely responsive to our  
4 constituents.

5 The Governor came in, gave us a good  
6 starting point. Problems with his budget, no  
7 question; \$323 million, we're now up at  
8 \$602 million. Our priorities were GEA relief.  
9 That's what you see in this budget.

10 So in terms of overall funding,  
11 there's a tremendous amount of good things.  
12 Things that didn't get talked about, there's  
13 \$14 million for Teacher Centers. That's money  
14 that was restored, cut out by the Governor, put  
15 back in, so we have an agreement there.

16 Libraries. The Governor cut funding  
17 to libraries. Senator Farley, champion of  
18 libraries. We put that money back and added a  
19 million dollars on top.

20 Nonpublic schools. My colleague  
21 Senator Felder has been probably the most  
22 outspoken. There are four different pots of  
23 money: \$4.5 million for safety grants,  
24 \$8.1 million for transportation for after-school  
25 programs, primarily in the City of New York;

1     \$5.23 million in nonpublic school aid; and  
2     another pot of \$16 million. That is recognition  
3     of services that they provide, the fact that  
4     they're educating children all across the State  
5     of New York, and that's a good and positive  
6     thing.

7                     Smart Bond Act. I think Senator  
8     Parker spoke to this fairly briefly. But that,  
9     you know, for me, the best thing about the Smart  
10    Bond Act is it's going to go to the voters. That  
11    will be out on a referendum. That will allow  
12    them to make a decision. There has been a  
13    healthy debate about that: How should we do it,  
14    who should be eligible. But that's going to be  
15    on the ballot, and ultimately the public decides.  
16    So that's the great equalizing factor for us.

17                    There was discussion about a large  
18    variety of things. So charters, I want to speak  
19    directly to charters. I have heard so many  
20    different things about charter schools. And I  
21    think part of what happened, in fairness, in the  
22    last couple of years there's been very little  
23    discussion about charter schools. But because of  
24    actions taken this year and, frankly, actions  
25    taken in the City of New York by the new

1 administration, that created a juggernaut in some  
2 ways and broke a logjam in some other respects  
3 that led to, in my opinion, a healthier debate.

4               So I look at it this way -- and I  
5 don't have a charter school in my district, so  
6 let me be very clear. I have part of the  
7 district called Longwood, they have a charter  
8 school that they deal with. But by and large,  
9 there's 70,000 kids in the City of New York,  
10 8,000 kids outside of the City of New York. It's  
11 a statewide issue. They represent slightly less  
12 than 3 percent of all the students in the State  
13 of New York, but they're public school students.

14              So when we're talking about  
15 non-public school kids and we're talking about  
16 public school kids, we're talking about almost  
17 3 million students in the State of New York. And  
18 we have an obligation, if we have existing  
19 laws -- and we do. There will always be people  
20 who say, I don't like charters at all. That's  
21 fine. But when we have laws, they should be  
22 properly enforced.

23              And the last thing in the world, I  
24 don't care if it's a charter school or a  
25 non-charter school, kicking kids out in the

1 middle of the year, bad policy. Just bad form.  
2 Doesn't matter what the community is. And that  
3 is the reason that we see some of the things that  
4 are in here.

5                   So I believe the protections are  
6 there. They're valid. People may disagree. But  
7 I also want to reiterate, for school districts  
8 outside of the city, there has been a lot of  
9 comments raised about cost. Any changes, any  
10 changes regarding tuition will be absorbed by the  
11 State of New York. There will be no further  
12 costs to local school districts. I've heard it a  
13 hundred different times.

14                   The reality is there is no  
15 additional cost to the local property taxpayer.  
16 Whatever increase there is going to be will be  
17 absorbed by the State of New York. And that's  
18 frankly the way it should be. If we're going to  
19 be looking to deal with these issues  
20 prospectively, that might open a window for  
21 things to be done that would be helpful in that  
22 area.

23                   Now, Common Core. Senator Latimer  
24 spoke to this, and a number of my colleagues  
25 commented on this. I believe that we have some

1     terrific products in this legislation, and  
2     there's a lot of reasons for it. We did  
3     statewide hearings starting last fall. Many of  
4     my colleagues participated. We issued a report,  
5     advanced legislation, had a multitude of  
6     discussions.

7                     I sit as the Senate representative  
8     on the Governor's Common Core panel. All the  
9     issues that were raised in the context of the  
10    Governor's panel had been raised previously  
11    through the Senate, through the Assembly. And  
12    all of you know, we heard from parents. This  
13    thing started out from educators, and then it  
14    morphed into the people who are at the forefront,  
15    the parents and the students.

16                    And when I speak about the parents,  
17    I'm no different than anyone else. Parents  
18    represent the students. They're obviously  
19    interrelated and integrated, so they are  
20    synonymous, frankly.

21                    In what we had advanced and now what  
22    is in this legislation, there are many good  
23    things. And I believe that they should be  
24    highlighted. We're basically banning  
25    standardized testing for pre-K through 2. And

1 the crazy part is that we actually even had a  
2 discussion about whether or not that be public  
3 policy, that it never should have been public  
4 policy. The kids who are 5 years old and 4 years  
5 old sometimes have trouble holding a pencil, let  
6 alone taking an exam.

7           There's legislation in here -- or  
8 there's comments in here about unnecessary  
9 testing. There's issues involving privacy.  
10 There are at least 13 different points that have  
11 been -- now will be put into statute. And these  
12 are all in response to things that we heard from  
13 the public, from educational professionals. And  
14 I would concur that this is an excellent start,  
15 but it is by no means finished, and I'll explain  
16 why in a second.

17           There is a Parent Bill of Rights.  
18 Where did we did get that from? We got that from  
19 parents, listening to people out in the field,  
20 out in our communities. And there are extensive  
21 provisions in there, and we are now in a position  
22 where we're telling SED and the Regents how to do  
23 their job. And frankly, ladies and gentlemen, I  
24 don't like that. That's not the public policy  
25 that I would like to see in the State of



1 New York.

2           The Regents came out with an action  
3 plan, but it's not fast enough, it's not swift  
4 enough, it's not detailed enough. And we did  
5 tell them -- Senator LaValle certainly spoke at  
6 the committee meeting, as did many others -- that  
7 if you don't act, we will act on your behalf.  
8 Fortunately, some of the recommendations that  
9 they made are now being codified.

10           So a Parent Bill of Rights. Senator  
11 Krueger alluded to an organization called ALEC.  
12 I've had as many meetings on these subjects as  
13 any member of this body. I have never had  
14 correspondence, I have never had any meeting with  
15 anyone from a legislative entity called ALEC. I  
16 know who they are, but they never came to see us,  
17 never talked to us about privacy.

18           The people who came were parents.  
19 And I'm going to throw out a name, most of you  
20 may know the name. Her name is Sheila Kaplan,  
21 she is an ardent advocate. She's one of many,  
22 many, many parents and community members who came  
23 and talked about a Parent Bill of Rights,  
24 privacy, the creation of a chief privacy officer.  
25 So there are no outside organizations.

1           We did get good input at a hearing  
2     in Syracuse from national organizations about how  
3     we could enhance the privacy laws, go beyond what  
4     the federal government does. All those things  
5     are generally if not specifically contained in  
6     this legislation.

7           Having said that, the timing on this  
8     is very important. Because as we wrap up -- we  
9     even feel like we're in a little cocoon  
10    sometimes, so we go back out into the real world  
11    at some point tonight or tomorrow to our  
12    constituents. In large part what you see here is  
13    timely action that will directly affect students,  
14    students in the next month, because ELA and math  
15    exams are going to be administered.

16           This provides protection for those  
17    students so that they don't have adverse impacts,  
18    so it's not made part of their permanent  
19    transcript or record. This is responsive to the  
20    needs of students right now.

21           We still have work to do on  
22    Common Core, because SED and the Regents are  
23    still not doing it as well as they should. And  
24    if we have to continue to intervene, I am very  
25    confident that we will, because today we're

1 proving we're not hesitant to take action when  
2 action is appropriate.

3           Now, I mention that this is timely  
4 right now because of students in this coming  
5 month. There is no question, every one of my  
6 colleagues cares deeply about educational  
7 professionals, principals and teachers in  
8 particular. They're at the forefront. And  
9 there's nothing more important than having a good  
10 teacher and a good principal in a classroom and  
11 in a school.

12           I know that there will be continued  
13 ongoing debate, robust discussion, healthy  
14 exchanges in terms of what should be done to  
15 protect teachers. I don't want to have any  
16 adverse impacts on teachers. And I believe as we  
17 finish the budget and move into the second phase  
18 of our session, that we will have many, many  
19 discussions on that. And I am confident that in  
20 some way, shape or form before we leave here in  
21 this session, that we will take further action.  
22 If SED and the Regents decide to do something  
23 sooner, more power to them.

24           So there are a whole litany of  
25 things that we have accomplished in this budget

1 collectively, collectively. And I'm going to  
2 just touch on one more thing regarding Common  
3 Core. Here's where we all need to do more work.  
4 We need to go to the federal government, we need  
5 to go to our colleagues -- because the reality is  
6 those tests that we keep talking about, ELA 3  
7 through 8, those are not our tests. We  
8 administer them, and we'll put them together, but  
9 the federal government is making us do it.

10 We need to be going to our federal  
11 representatives. Those are really federal tests.  
12 That's not the State of New York saying to school  
13 districts we want you to do this. We're  
14 constrained or restrained by law that we have to  
15 administer these exams. We need to do a better  
16 job of going to our federal representatives and  
17 having them advocate for changes in regulation,  
18 in statute and educational policy at the federal  
19 level.

20 So on the whole, I think there are  
21 many positive things in this budget. Again,  
22 going back, GEA, GEA, GEA. It's like the old  
23 adage, real estate is location, location,  
24 location. There's over \$600 million. Again,  
25 close to \$1.2 billion overall.

1                   There will be those who will always  
2                   have comments that say the glass is half-empty.  
3                   I believe it's more than half-full and we're  
4                   moving in the right direction. And I know we  
5                   have plenty more work to do, but this is a very  
6                   solid education budget that everyone should be  
7                   able to embrace.

8                   ACTING PRESIDENT GRIFFO:    The  
9                   debate is closed.

10                  The Secretary will ring the bell.  
11                  Read the last section.

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

14                  ACTING PRESIDENT GRIFFO:    Call the  
15                  roll.

16                  (The Secretary called the roll.)

17                  ACTING PRESIDENT GRIFFO:    Senator  
18                  Gipson to explain his vote.

19                  SENATOR GIPSON:    Thank you,  
20                  Mr. President. I rise to support this bill.

21                  One of the things that I'm just very  
22                  happy to see in there is that the thing that so  
23                  many of us have advocated for, which is to  
24                  eliminate the standardized testing for pre-K  
25                  through second grade, I think is a huge step

1 forward.

2 We know that at such an early age we  
3 should not be trying to standardize our young  
4 children's minds, we should inspire them to be  
5 individuals, to reach their maximum creativity.  
6 That's how we're going to come up with new ideas  
7 and new products in the future. And I am so  
8 happy to see this eliminated so that our kids at  
9 an early age can reach their maximum creative  
10 potential.

11 And I will be voting yes. Thank  
12 you.

13 ACTING PRESIDENT GRIFFO: Senator  
14 Gipson to be recorded in the affirmative.

15 Announce the results.

16 THE SECRETARY: In relation to  
17 Calendar Number 373, those recorded in the  
18 negative are Senators Hoylman, Montgomery and  
19 Perkins.

20 Ayes, 58. Nays, 3.

21 ACTING PRESIDENT GRIFFO: The bill  
22 is passed.

23 SENATOR LIBOUS: Can we proceed  
24 with Calendar Number 377, Mr. President.

25 ACTING PRESIDENT GRIFFO: The

1 Secretary will read Calendar Number 377.

2 THE SECRETARY: Calendar Number  
3 377, Senate Budget Bill, Senate Print 6914, an  
4 act to amend the Public Health Law.

5 ACTING PRESIDENT GRIFFO: Senator  
6 Libous.

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

9 ACTING PRESIDENT GRIFFO: There is  
10 a message of necessity before the desk.

11 SENATOR LIBOUS: I move to accept  
12 the message.

13 ACTING PRESIDENT GRIFFO: Can we  
14 have some quiet in the chamber, please.

15 All in favor of accepting the  
16 message of necessity signify by saying aye.

17 (Response of "Aye.")

18 ACTING PRESIDENT GRIFFO: Opposed?

19 (No response.)

20 ACTING PRESIDENT GRIFFO: The  
21 message is accepted, and the bill is before the  
22 house.

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

25 ACTING PRESIDENT GRIFFO: Senator

1 Rivera.

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

5 ACTING PRESIDENT GRIFFO: The  
6 sponsor yields.

7 SENATOR DeFRANCISCO: I will not.  
8 I'm going to hand it over to the expert of  
9 health, Senator Hannon.

10 ACTING PRESIDENT GRIFFO: The  
11 sponsor defers to Senator Hannon, without  
12 objection.

13 Hearing none, Senator Hannon, do you  
14 yield to Senator Rivera?

15 SENATOR HANNON: Yes, I do.

16 ACTING PRESIDENT GRIFFO: Senator  
17 Rivera.

18 SENATOR RIVERA: And I don't have  
19 an objection either. Senator Hannon, through  
20 you, Mr. President, is certainly an expert, an  
21 excellent person to answer the following  
22 questions.

23 I have a couple of things I wanted  
24 to clarify. On Section 2801H, on line 31 on  
25 page 24 of the bill I wanted to see if you could



1 explain that part of the legislation to me,  
2 please. Through you, Mr. President.

3 SENATOR HANNON: That was a  
4 provision in regard to having a public forum in  
5 regard to certain medical facilities in a certain  
6 county, and to have that open forum to be held.

7 SENATOR RIVERA: Through you,  
8 Mr. President, if the sponsor would continue to  
9 yield.

10 SENATOR HANNON: And, Senator  
11 Rivera, perhaps I could ask that Senator Klein,  
12 who had suggested that particular section,  
13 provide a further explanation of it.

14 ACTING PRESIDENT GRIFFO: Do you  
15 require further explanation, Senator Rivera?

16 SENATOR RIVERA: I have other  
17 questions, if Senator Klein is going to yield.

18 ACTING PRESIDENT GRIFFO: Senator  
19 Klein, without objection?

20 SENATOR KLEIN: Sure.

21 ACTING PRESIDENT GRIFFO: Senator  
22 Klein.

23 SENATOR KLEIN: Through you,  
24 Mr. President, I'd just like to just briefly  
25 describe the amendment.

1                   The purpose of the portion of the  
2 budget bill is simple. As more and more large  
3 clinics are being built without any sort of  
4 Department of Health approval, this bill creates  
5 a demonstration program in the County of the  
6 Bronx to allow for a public forum so that the  
7 community can have input before such projects are  
8 built.

9                   SENATOR RIVERA: Through you,  
10 Mr. President, if Senator Klein would continue to  
11 yield.

12                  ACTING PRESIDENT GRIFFO: Senator  
13 Klein, do you yield?

14                  SENATOR KLEIN: Yes, Mr. President.

15                  ACTING PRESIDENT GRIFFO: Senator  
16 Rivera.

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

19                  Is there a particular reason why the  
20 provision only refers to the Bronx and not the  
21 rest of the state?

22                  SENATOR KLEIN: Well, this is an  
23 issue that certainly eventually is going to have  
24 an impact throughout the state. As many of you  
25 know, a lot of hospitals are now sponsoring

1 clinics, ambulatory care programs. Because  
2 really the future is to have many doctors housed  
3 under one roof in these large facilities.

4 Also it is not profitable for  
5 hospitals, as you know, or not very efficient, to  
6 offer very long hospital stays. So most of these  
7 procedures can be done not even having the  
8 individual required to stay overnight.

9 So while I agree with the concept of  
10 efficiency in healthcare, agree with what a lot  
11 of these providers are proposing, to sort of  
12 streamline healthcare and make it very easy to  
13 for the patient to obtain services sort of all  
14 under one roof, this is something that presently  
15 has no oversight by the Department of Health.

16 Certainly locally this hit home in  
17 my district, in the community of South Riverdale,  
18 where Montefiore, an excellent healthcare  
19 provider, decided to put right smack in the  
20 middle of a residential community a proposed  
21 11-story ambulatory care center. It may not be  
22 considered a hospital by the Department of  
23 Health, but certainly it's very, very large,  
24 very, very cumbersome, and it caused a community  
25 outcry.

1                   People are outraged that this large  
2                   institution is going to be put right in the  
3                   middle of a residential block, not take into  
4                   consideration the density of the neighborhood,  
5                   not take into consideration the traffic patterns.  
6                   They're expecting over a thousand people a day to  
7                   come in and out of a roadway on a very narrow  
8                   block.

9                   So I thought it was important that  
10                  we at least, at least require that the Department  
11                  of Health really take some community concerns.  
12                  And so what this would do is allow for a  
13                  community forum, which would be set of by the  
14                  Department of Health, making sure to get local  
15                  community board input, having them explain what  
16                  they're doing about the density, the need, as  
17                  well as traffic. And then really leaving it up  
18                  to the Department of Health to either mandate,  
19                  modify, or disapprove the potential project.

20                  SENATOR RIVERA:    Through you,  
21                  Mr. President, if Senator Klein would continue to  
22                  yield.

23                  ACTING PRESIDENT GRIFFO:   Does the  
24                  Senator yield?

25                  SENATOR KLEIN:    Yes, Mr. President.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Rivera.

3                   SENATOR RIVERA:    Thank you.

4                   So if this is a -- I'm trying to  
5   figure out if it's something that is -- you  
6   mentioned this clinic of Montefiore or the  
7   proposed building that Montefiore is potentially  
8   putting up.  And while I certainly have been --  
9   I'm familiar with some of the stories, this is  
10   something that would impact the Bronx as a whole.  
11   Is that -- so my --

12                  SENATOR KLEIN:    Through you,  
13   Mr. President -- oh, I'm sorry.

14                  SENATOR RIVERA:    So my question,  
15   through you, Mr. President, if it's going to  
16   impact the Bronx as a whole, what type of impact  
17   could it have on other facilities that are  
18   potentially attempting to do something, to build  
19   one of the three in the categories that are  
20   established in this bill?

21                  SENATOR KLEIN:    Through you,  
22   Mr. President.  This would apply to very large  
23   facilities.  These would have to be facilities  
24   that are over three stories in height and over  
25   30,000 square feet.  So this is not your little

1 small neighborhood doctor's office. These are  
2 very large facilities.

3 And again, I don't think it's too  
4 much to ask, when anyone is building a project of  
5 this size in any community, let alone the Bronx,  
6 that they explain to the community and answer  
7 some basic questions: What is the impact that  
8 this is going to have on the quality of life of  
9 the community? How are you going to deal with  
10 the traffic? How are you explaining the need for  
11 this facility in the community -- you know, is  
12 there a market, are there people who need to  
13 utilize these services?

14 And again, this in no way gives --  
15 the Department of Health sort of having to  
16 respond to the community, it doesn't give the  
17 community a veto power. What it really does,  
18 pure and simple, is give the community a voice  
19 and then allows the Department of Health to  
20 really weigh and listen to what the community has  
21 to say and act accordingly.

22 SENATOR RIVERA: Through you,  
23 Mr. President, if Senator Klein would continue to  
24 yield.

25 ACTING PRESIDENT GRIFFO: Senator

1 Klein, do you yield?

2 SENATOR KLEIN: Yes, Mr. President.

3 ACTING PRESIDENT GRIFFO: The  
4 Senator yields.

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

7 When I spoke about institutions or  
8 facilities, I was less referring to the  
9 facilities to be built and more referring to the  
10 institutions that might be impacted or plans that  
11 might be impacted from other institutions. Like  
12 certainly Montefiore serves both of our  
13 constituencies, it serves most constituencies in  
14 the Bronx, it's a huge hospital.

15 In the case of St. Barnabas, for  
16 example, which is a safety net hospital, which is  
17 actually potentially going to build something  
18 like one of these categories, may be in the plans  
19 of doing it, was there any thought -- through  
20 you, Mr. President -- of the impact that it would  
21 have of kind of adding another regulatory  
22 framework to what these institutions have to go  
23 through now, because it is not -- I do not  
24 believe that it is as simple as choosing a space  
25 and just building something without actually

1     having some other -- you know, making sure that  
2     the Department of Health actually approves the  
3     services that they're going to provide in this  
4     new space.

5                     So through you, Mr. President, was  
6     there any thought about the impact that it would  
7     have on other institutions, like safety net  
8     hospitals such as St. Barnabas?

9                     SENATOR KLEIN:     Sure. Through you,  
10    Mr. President.

11                    Really the idea for this  
12    legislation, really the genesis of the  
13    legislation was when myself and my colleague  
14    Assemblyman Dinowitz, who also represents the  
15    same community, actually wrote a letter to the  
16    Department of Health asking why, if this proposed  
17    facility kind of looks like a hospital, feels a  
18    like a hospital, is serving a large number of  
19    people like a hospital, why don't they have to go  
20    through the certificate of need process. And we  
21    received a very lengthy letter to say if it's not  
22    considered a hospital, it's not a hospital, as  
23    simple as that.

24                    So I think requiring them to at  
25    least hear from the community is not unduly



1       burdensome.

2                   And as far as the concern you have  
3       about St. Barnabas, I spoke to Dr. Scott Cooper a  
4       couple of days ago. I know he's planning on  
5       doing affordable housing and some other clinic,  
6       which I helped and supported him a couple of  
7       years ago when that was actually within my Senate  
8       district. And I do not believe that it would be  
9       covered.

10                   First of all, what he's talking  
11       about is affordable housing. He's not talking  
12       about expanding a healthcare unit or providing  
13       any type of ambulatory care.

14                   But again, as I explained, we're not  
15       giving veto power to the local community, we're  
16       not allowing the local community board to just  
17       stop a project. But we are giving a voice to the  
18       local community and hoping and kind of mandating  
19       that the Department of Health at least hear the  
20       concerns of the community and then act  
21       accordingly.

22                   SENATOR RIVERA:    Through you,  
23       Mr. President, if Senator Klein would continue to  
24       yield.

25                   SENATOR KLEIN:    Yes, Mr. President.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Klein yields.

3                   SENATOR RIVERA:    I have a  
4   particular question, through you, Mr. President,  
5   on the language that says -- I want to see if you  
6   could help me define what it's supposed to --  
7   when it says that the Department of Health is  
8   supposed to consider "the physical  
9   characteristics and social fabric of such  
10   community," what exactly does that mean?  
11   Particularly the term "social fabric," I'm not  
12   sure I understand what that means.

13                  SENATOR KLEIN:    That would apply to  
14   what I said earlier.  You know, a lot of times  
15   they would bring, you know, sort of an ambulatory  
16   care center or something like this into a  
17   community and they would need to identify really  
18   the need in the community -- who are you  
19   targeting, what population.

20                  You know, I think as economics go, I  
21   understand why Montefiore is proposing this.  You  
22   know, they rely very heavily on Medicaid dollars.  
23   I think they're the largest Medicaid recipient in  
24   the United States.  And they're trying to tap  
25   into a market that is private-pay and Medicare.

1 Makes sense.

2 But again, they should be able to  
3 have to show that there is a need for that type  
4 of facility here. I think that's probably the  
5 easiest burden or hurdle that any potential  
6 healthcare institution should have to meet. I  
7 think the more serious ones are the height, the  
8 density, the traffic and things of that nature.

9 SENATOR RIVERA: Through you,  
10 Mr. President, if Senator Klein would continue to  
11 yield.

12 ACTING PRESIDENT GRIFFO: Senator  
13 Klein, do you yield?

14 SENATOR KLEIN: Yes, Mr. President.

15 ACTING PRESIDENT GRIFFO: Senator  
16 Rivera.

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

19 I want to refer a second to line 30  
20 on page 25, which reads as follows: "After due  
21 consideration of the comments of the community  
22 forum, in consultation with the Education  
23 Department, the commissioner shall either  
24 approve, modify or deny authorization,"  
25 et cetera.

1                   Is there any particular reason why  
2                   the Education Department is in that language of  
3                   that bill?

4                   SENATOR KLEIN:    Yeah, because what  
5                   this really is, in the present characterization,  
6                   is really considered right now large doctor's  
7                   offices.  And as you know, that certification is  
8                   done by the Department of Education.

9                   SENATOR RIVERA:   Through you,  
10                  Mr. President, if Senator Klein would continue to  
11                  yield.

12                  ACTING PRESIDENT GRIFFO:   The  
13                  Senator yields.

14                  SENATOR KLEIN:    Yes, Mr. President.

15                  SENATOR RIVERA:    So I'm still -- so  
16                  it is something that is going to impact one  
17                  particular -- in this case, impact that one  
18                  particular institution.

19                  As it relates to what the Department  
20                  of Health has to do, what -- right now, what kind  
21                  of expertise or experience do they have in  
22                  evaluating what the language of the bill is  
23                  calling "the appropriateness of the size, height,  
24                  bulk, dimensions and scope of such clinic,  
25                  facility or center when compared to the

1 surrounding physical characteristics"? I just  
2 want to know if the Department of Health would be  
3 able to perform this.

4           SENATOR KLEIN: Remember something.  
5 You know, as I said, the genesis of this had to  
6 do with locally zoning variances weren't changed,  
7 weren't met. So this project really would be  
8 known as an as-of-right project. That doesn't  
9 mean it's right. That doesn't mean that the  
10 institution shouldn't have to explain and answer  
11 those questions.

12           But I think the key, Senator, is  
13 line 30 that you talked about before. After this  
14 entire process takes place, after this entire  
15 hearing takes place, after all of these questions  
16 are answered, the commissioner shall either  
17 approve, modify, or deny authorization for the  
18 establishment of any such clinic, facility or  
19 center.

20           So ultimately the final hurdle -- or  
21 the final decision, I should say, is made by the  
22 Department of Health.

23           SENATOR RIVERA: Through you,  
24 Mr. President, if Senator Klein would yield for  
25 one more question.

1                   ACTING PRESIDENT GRIFFO:   Does  
2   Senator Klein yield?

3                   SENATOR KLEIN:    Yes, Mr. President.

4                   ACTING PRESIDENT GRIFFO:   Senator  
5   Rivera.

6                   SENATOR RIVERA:   As far as the time  
7   and money that it would add to the process if an  
8   institution wants to do something, put one of  
9   these up, either a freestanding clinic,  
10   outpatient healthcare facility, or ambulatory  
11   care center, as far as the time and the money  
12   that would be added to all the regulatory  
13   framework that they would have to undergo right  
14   now, has there been a consideration of what that  
15   would be?

16                  SENATOR KLEIN:    Puts the burden on  
17   who, the Department of Health or the proposed  
18   project?

19                  SENATOR RIVERA:   Through you,  
20   Mr. President, through the institution  
21   itself that is trying to -- that is building one  
22   of these.

23                  SENATOR KLEIN:    Well, again, I  
24   don't think it's too much of a burden or too much  
25   of an expense to require any health facility and

1 their sponsor to actually show up at a hearing,  
2 talk about your plans.

3 Remember, these hearings are being  
4 set by the Department of Health. It's just a  
5 matter of the sponsor showing up with diagrams, I  
6 guess, and everything else to explain to the  
7 community how this project will work. So I don't  
8 think it's much of a burden at all.

9 And as a matter of fact, you know,  
10 moving forward, this is going to become an issue  
11 in other places. I think in some cases you're  
12 going to see some of these places located in  
13 industrial parks. Which are not near any  
14 communities, and you're probably not going to  
15 have community members or the community board  
16 even want a hearing.

17 But I think more and more when you  
18 see these really clinics or very large healthcare  
19 institutions that aren't considered hospitals in  
20 residential communities, you're going to see  
21 communities that are very, very concerned. Not  
22 necessarily that they oppose the healthcare  
23 institution, not necessarily that they may  
24 disagree with the whole concept. But I think  
25 they have a lot of questions, and I think the

1 community, first and foremost, deserves answers.

2 SENATOR RIVERA: Through you,  
3 Mr. President, just actually one more thing if  
4 Senator Klein would yield.

5 ACTING PRESIDENT GRIFFO: Do you  
6 yield for a final question, Senator Klein?

7 SENATOR KLEIN: Yes, Mr. President.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Rivera.

10 SENATOR RIVERA: Thank you.

11 Again, if it's -- this actually goes  
12 to the core of it. If it is such a good idea,  
13 why not impose it on the entire state? What kind  
14 of -- why would you put it just for the Bronx?

15 SENATOR KLEIN: As I said, the  
16 genesis of this legislation came out of, you  
17 know, a community concern.

18 As you know, Senator, 38 percent of  
19 the people employed in Bronx County are employed  
20 in the healthcare profession. This is something  
21 that means jobs. But I think also when you're  
22 building these large facilities, I really don't  
23 think it's too much to ask that the local  
24 community, in the sake of the community board or  
25 other interested parties, get their say.



1                   And I think that's going to make for  
2 a better facility. I think it's going to really  
3 cause better planning. And really, I think  
4 really better PR, where the communities will  
5 hear. This came out of, as I said, a very, very  
6 large proposal. It's 11 stories that they're  
7 proposing. Didn't contact anyone. Didn't  
8 contact the local community board. No one really  
9 knew what they were even building there until  
10 finally someone found out and they had a big  
11 rally.

12                   So I think this will prevent that.  
13 This will cause these proposals or these sponsors  
14 to be good neighbors, understand that they're  
15 locating in a community, understanding that this  
16 will be their future client base and they should  
17 respect their wishes.

18                   And I think this is something that  
19 really needs to be done statewide eventually.  
20 And I thought it was important that in the Bronx,  
21 especially as it involves this project, the pilot  
22 program be in Bronx County and see how it works  
23 here if we want to follow through with the rest  
24 of the state.

25                   SENATOR RIVERA:     Mr. President, on

1 the bill.

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

4 SENATOR RIVERA: Thank you,  
5 Mr. President.

6 I certainly want to thank  
7 Senator Klein for the time that he spent  
8 answering some of the questions.

9 And although I certainly agree with  
10 the general thrust of having more community  
11 involvement, I don't think that this particular  
12 bill would be the -- or this particular language  
13 would be the way to do it.

14 I do feel that there is limited  
15 experience or expertise in the Department of  
16 Health to be able to evaluate some of the things  
17 that the language is asking the Department of  
18 Health to evaluate. I'm still not sure what "the  
19 physical characteristics and social fabric of  
20 such community" means.

21 And I do think that there is -- that  
22 it has -- that the impact that it might have on  
23 institutions -- I certainly know where the  
24 genesis comes from. I read the local papers as  
25 well, and certainly I saw some of the rallies,

1 and our local news station, Bronx 12, certainly  
2 covered a lot of them.

3 But I do think that the impact that  
4 it might potentially have on other institutions  
5 that this is not directly aimed at, who have done  
6 things like this in the past and have done it  
7 with a very -- and in this particular case I'm  
8 talking about other safety net institutions,  
9 certainly St. Barnabas, which is in my district.  
10 And as Senator Klein mentioned, it was previously  
11 in his district.

12 And there's a lot of work that  
13 St. Barnabas does with safety net clients, and  
14 they serve a very needy population. They're in  
15 the process of considering how they're going to  
16 expand to make sure that as it relates to the  
17 waiver I'm going to be talking about in a second,  
18 the waiver that we just got from the federal  
19 government that allows us to be able to figure  
20 out how to serve people better, how to get less  
21 hospitalizations, et cetera, they're figuring out  
22 how they're going to expand their services to be  
23 able to achieve this. And this will actually  
24 impact directly whether they would to be able to  
25 do that. And they have already a very good

1 relationship with the local community.

2           It seems to me that in the ways that  
3 this is written, and some of the language is  
4 little bit vague -- and I certainly wanted to say  
5 that even though, again, I agree with the overall  
6 thrust of the purpose of the language, I  
7 certainly was surprised to find it there and  
8 would really like -- you know, would potentially  
9 want to work with Senator Klein afterwards to see  
10 if there's some way that it can be cleaned up.

11           But I wanted to mention that because  
12 I do think that it is one of the parts of the  
13 healthcare bill -- we voted on one earlier,  
14 Mr. President, and we're voting on the second one  
15 now -- and there's actually a lot of positives in  
16 it. I did want to go through that because it  
17 impacts certainly my constituency and might  
18 potentially impact another institution which is  
19 very core in my district.

20           But as far as the rest of the  
21 healthcare bill, I actually think that we did  
22 quite well. And I certainly thank Senator Hannon  
23 as well as Assemblymember Dick Gottfried on the  
24 Assembly side, since I know that there were a lot  
25 of battles that were fought there, and at the

1 staff level as well. But I think that we have a  
2 very good health bill in front of us.

3 We have a couple of issues -- and we  
4 actually voted on a couple of health things in  
5 other parts of the budget. Certainly there were  
6 the \$1.2 billion as it relates to capital of the  
7 healthcare facilities was in the capital budget,  
8 and I think it is a very positive thing. We  
9 certainly need more of it, but 1.2 is going to  
10 help us along.

11 The Basic Health Plan, we've talked  
12 about it on the floor of the Senate before. And  
13 the language that was in the original Executive  
14 proposal made it to the final version. I am very  
15 happy about that. And certainly hundreds of  
16 thousands of New Yorkers who will be impacted  
17 positively by this are also happy that it is  
18 there.

19 I'm also happy about the 2 percent  
20 cap extended for another year. It is what we  
21 have been trying to do to control Medicaid costs  
22 for the last couple of years. It has been  
23 successful, and we will continue to do that in  
24 the years to come.

25 There's also funding for the

1 New York State of Health, as we clarified a  
2 little bit earlier in the debate. It is not in  
3 the same place where it was before, but  
4 importantly, the funding is there. And we will  
5 continue to have one of the exchanges that is  
6 most successful across the country.

7           There's also repeal of third-party  
8 audits for residents, which is something that  
9 there was debate about as far as how residents  
10 should be audited and whether there should be a a  
11 third-party audit. There were some concerns that  
12 we had there and that ultimately made it to the  
13 final version.

14           I am concerned that the prevailing  
15 wage did not make it to the final version as it  
16 relates to nursing home workers. I'm certainly  
17 very disappointed in that and was under the  
18 impression, right up until the end, that it was  
19 going to be in there. Unfortunately, it did not  
20 make it.

21           I think we have to ask a very key  
22 question, how did that not happen. And it is  
23 something that is going to impact thousands of  
24 workers across the state, people that serve  
25 constituents in all of our districts. We have to

1 ask what happened with that. So that's a concern  
2 that I have.

3 And finally there is -- as refers to  
4 home care worker parity, there was a conversation  
5 that we had had about how much money was in the  
6 Executive proposal and that we wanted more --  
7 \$100 million more, there was an increase of  
8 \$100 million, and I think that is a positive  
9 thing. We didn't get as much as many of us were  
10 fighting for, but it definitely helps us along as  
11 far as home care worker parity is concerned.

12 These are just some of the  
13 highlights, but I do think that overall we have a  
14 good health budget that achieves a lot of the  
15 things that we wanted to achieve this year and  
16 moves us along in the path of making sure that we  
17 control costs and provide quality healthcare to  
18 New Yorkers all across the state.

19 So besides those concerns that I  
20 expressed earlier related to the Bronx in  
21 particular, as well as the prevailing wage aspect  
22 of it, I think that this is a good bill, I will  
23 be voting in the affirmative, and ask my  
24 colleagues to do the same.

25 Thank you, Mr. President.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Hannon.

3                   SENATOR HANNON:    Thank you,  
4   Mr. President.

5                   Thank you, Senator Rivera, for a --  
6   I thought you were just going to ask questions,  
7   but you got into the whole part of this bill.

8                   I just want to talk about some of  
9   the highlights that we were able to do in the  
10  health budget.  And it's certainly a  
11  collaborative type of effort because it has such  
12  far-reaching implications.

13                  I think the biggest thing that's  
14  going to be a transformation will be when and if  
15  the proposed \$8 billion waiver is granted by the  
16  federal government.  And that in and of itself  
17  could be something that will cause policy changes  
18  for years to come.  Because the stated purpose of  
19  that waiver is to decrease hospital admissions by  
20  25 percent over the next five years.  Decrease  
21  hospital admissions.

22                  Now, people who don't get better  
23  quicker; what's going to happen under that waiver  
24  is the place of care will change.  And so the  
25  debate we already had in regard to the proposal



1 by Senator Klein that's in the budget will  
2 continue. And we will have other places  
3 throughout the state where hospitals will find  
4 less and less usage and the question will be how  
5 do we find an available, appropriate place for  
6 the care to be given to the people of New York.

7 And accompanying that waiver there  
8 is a proposal by the Executive, which we have  
9 accepted, for \$1.2 billion in construction money  
10 for places throughout the state to be -- and that  
11 money would be administered by the Dormitory  
12 Authority.

13 Both for the waiver money from the  
14 federal government and for the construction  
15 money, we have added to the budget what we  
16 believe to be an appropriate input by this body,  
17 by the public, by other members of the healthcare  
18 community. Because the last thing we want to do  
19 is have all these transformations go forward by  
20 the so-called experts talking to the so-called  
21 experts. And if that happens, we'll find the  
22 same type of adverse reaction by the general  
23 public as we found in education when we had the  
24 educational experts talk to each other and be  
25 very surprised when parents showed up at protests

1 throughout the state.

2 Other parts of this budget, there is  
3 continued, and on a rolling two-year basis we  
4 have continued it, the global cap, which fixes an  
5 amount of money in regard to Medicaid spending  
6 and says that if the total amount of spending is  
7 pierced, then the Commissioner of Education, in  
8 consultation with the Director of the Budget, can  
9 reduce the allocations of money to each of the  
10 providers.

11 However, that a cap has worked so  
12 well that this year we're going to be able to  
13 turn back 2 percent to all the healthcare  
14 providers, the 2 percent that we took from them a  
15 few years ago because we didn't have the money to  
16 keep funding them.

17 There's other successes, I think, in  
18 regard to installing in the Insurance Law to  
19 prevent surprise billing and to have a fairness  
20 in reimbursing physicians for what's called  
21 out-of-network medical procedures. We've added  
22 for another class money for the Doctors Across  
23 New York. We were able to increase the funding  
24 for spinal cord injury research; the total  
25 Assembly, Senate, will be \$5 million, getting us

1 back to what we hope to be eventually the  
2 pre-fiscal-crisis funding of \$8 million or even  
3 more.

4 Early Intervention, a source of  
5 consternation throughout the past year to  
6 everybody in this house. We were not able to  
7 have a fundamental change in how we do  
8 Early Intervention. I think that is coming about  
9 gradually by the administration.

10 But we did point out that the oldest  
11 bills, the bills for nine months ago, hadn't  
12 really been paid and it was not proposed to pay  
13 them. So we are appropriating \$3.9 million in  
14 order to make up for that for people who have  
15 provided services who, without this money, might  
16 go out of the business of providing the services.

17 And this is not just some type of  
18 low-key good-wish type of thing. Children who  
19 get Early Intervention services can often do far  
20 better in terms of their future health, do better  
21 in their future education. And so by this early  
22 intervention we save society and ourselves a  
23 considerable amount of money.

24 It's been mentioned that we're  
25 adopting the Executive proposal for the Basic

1 Health Plan. This is a health plan that's  
2 neither fish nor fowl. It's not Medicaid, it's  
3 not a total insurance. It will be offered by the  
4 same insurance folks. It will be there for  
5 people between 138 percent and 200 percent of  
6 poverty. There will be a heavy, heavy federal  
7 participation, 95 percent federal participation.

8 It will also, neither fish nor fowl,  
9 take much of its participants from people who are  
10 already in the exchange. And it has been the  
11 subject of a lot of study. The budget does not  
12 absolutely authorize it, it authorizes the  
13 administration to go forward if there are savings  
14 to be had. And the savings are projected for  
15 almost zero to \$300 million a year, certainly one  
16 of the widest estimates I've ever seen.

17 We have altered significantly what's  
18 called the Statewide Health Information Network,  
19 unfortunately named the SHIN-NY. But there is a  
20 need, we've altered it in a way that there will  
21 be input and a deep look at how it's going to be  
22 configured, what's going to be done, what the  
23 governance of it will be.

24 People often say, well, just join  
25 everything together. It's not that easy. We

1     need to make sure we're not duplicating what's  
2     already there. Every hospital in this state  
3     already has electronic medical records. The  
4     question will be what is the authority to go  
5     forward. If you want to join up physicians, are  
6     we going to go after physician's offices. Open  
7     questions, very important questions.

8                 A couple of things we didn't do, and  
9     I just want to talk about them. It was mentioned  
10    before about the certificate of need, the process  
11    of going to the Health Department to determine if  
12    you're going to get a license to go ahead with a  
13    certain given medical facility.

14                The reform that ought to be there to  
15    make this far more streamlined I don't think  
16    happened whatsoever. But we did not go ahead  
17    with what was proposed for the urgent care  
18    regulation. The case hadn't been made for it.

19                Neither did we go ahead with the  
20    office-based surgery increased regulation. The  
21    case had not been made for it.

22                I did think -- we passed in our  
23    one-house that the retail clinics would have been  
24    a great addition to primary care in this state.  
25    The Assembly did not agree with that, and so

1     that's not in the final bill.

2                 There were proposals in regard to  
3     how the reimbursement of nursing homes would take  
4     place in terms of the acute care and the degree  
5     of acute care of their patients. That was called  
6     the case mix index. That's been rejected.

7                 We also rejected the prescriber  
8     prevails changes which the Executive had  
9     proposed.

10                And we rejected the regional health  
11    information collaboratives that the Executive had  
12    proposed. This was another quasi-attempt at  
13    adding to the layer of regulation in this state.  
14    It had the feel-good nature of, well, we really  
15    need to get the communities involved, but it did  
16    not have four corners to the proposal. It was  
17    not definite as to what the proposal would  
18    consist of. And it needs more work.

19                With the vagueness of that proposal  
20    we thought let's let the administration move  
21    forward, you can make grants to localities, you  
22    can make grants to localities under a  
23    drawing-board plan called SHIP, State Health  
24    Insurance Plan, that has been funded by federal  
25    grants and is really is the blueprint for much of

1 the transformation that's taking place in  
2 healthcare in this state.

3 And with those grants and also with  
4 the preventive agenda in regard to wellness,  
5 which is now tied into all the hospitals in the  
6 state, the thought would be those need to be done  
7 before you start formalizing some type of  
8 superstructure that does not exist now, and even  
9 though there are some people who'd like to harken  
10 back to the old HSAs of 40 years ago. But  
11 anything in healthcare that's 40 years old really  
12 is just to be studied for history, not to be  
13 reactivated for the current needs.

14 So those are some of the things that  
15 have been done. I'd simply sum up -- oh, wait,  
16 no. Counselor Baldwin tells me we also rejected  
17 the proposal to look at how the pharmaceutical  
18 costs are determined for purposes of  
19 reimbursement.

20 We do reimburse pharmacies,  
21 independent chains. The idea is to strike a  
22 fairness and a balance. What had been proposed,  
23 average acquisition costs, just didn't strike  
24 that balance. It really had too many tweaks to  
25 it. It gave the administration unfettered

1 discretion to change it at will. And we put it  
2 off for a year while it's studied.

3 And supposedly that was at great  
4 cost. The mysteries of modern medicine are  
5 matched only by about the mysteries of modern  
6 pharmaceuticals. The costs vary sharply from  
7 month to month. And we're going to have to  
8 address it as part of our modern healthcare  
9 system, but for the moment it's been postponed  
10 for a year.

11 And so those are the things. Oh,  
12 the comment is there is more change happening in  
13 healthcare now in this state. It goes far beyond  
14 exchanges and Obamacare, it goes to the  
15 fundamental way we deliver care in this state.  
16 Obamacare just changed how we do some  
17 reimbursement. And in fact Obamacare is more of  
18 an individual basis while the rest of what we're  
19 doing in this state is more towards managed care.

20 And it's that managed care where  
21 we're changing how we do our physical health, our  
22 mental health, behavioral health, people with  
23 substance abuse, people who are covered dually  
24 under the state Medicaid and Medicare system.  
25 All of those are the great changes that are



1 taking place. And I think that this budget  
2 mirrors well where we need to go in that  
3 direction.

4 Thank you.

5 ACTING PRESIDENT GRIFFO: Senator  
6 Tkaczyk.

7 SENATOR TKACZYK: Thank you,  
8 Mr. President. Would the sponsor please yield  
9 for a couple of questions.

10 ACTING PRESIDENT GRIFFO: Senator  
11 Hannon, do you yield?

12 SENATOR HANNON: Yes.

13 ACTING PRESIDENT GRIFFO: Senator  
14 Hannon yields.

15 SENATOR TKACZYK: Thank you.

16 I appreciate how complex the health  
17 budget is, and I really appreciate that you  
18 mentioned the Early Intervention program. And I  
19 know you've been working on that diligently, and  
20 I greatly appreciate that. I have some questions  
21 about that specific program.

22 How much in the budget was allocated  
23 for this program for the 2014 fiscal year?

24 SENATOR HANNON: Well, we added for  
25 the bills for 12 months to nine months ago.

1 Which were, when you think about it, when the  
2 fiscal agent that we required of the State Health  
3 Department got going, and they didn't get going  
4 very fast. Those are the bills that really  
5 weren't paid. And so that's \$3.9 million for  
6 that.

7 The rest of the program, we'll get  
8 the number for you in a minute.

9 What we had hoped to do was to  
10 establish a far better process and procedure so  
11 that as the services were rendered, the providers  
12 submitted the bills, it went through the fiscal  
13 agent, that that would be clearer and faster.

14 SENATOR TKACZYK: Mr. President,  
15 I'm having trouble hearing the sponsor.

16 ACTING PRESIDENT GRIFFO: Senator  
17 Hannon, can you maybe move over to the chair?

18 SENATOR HANNON: It's right here.

19 SENATOR TKACZYK: Okay, that's  
20 better.

21 SENATOR HANNON: Okay. Turning the  
22 volume up helps too.

23 ACTING PRESIDENT GRIFFO: Senator  
24 Tkaczyk, do you want to continue?

25 SENATOR TKACZYK: Yes. So what

1     you're saying is the money that was added, the  
2     \$3.9 million was for those three months where the  
3     fiscal agent was not acting as a fiscal agent.  
4     So the budget didn't cover a certain portion of  
5     the year?

6                     SENATOR HANNON:     The rest of the  
7     appropriation was over \$160 million. So this is  
8     obviously one of the bigger endeavors that the  
9     Health Department undertakes, but they did not  
10    cover that specific quadrant of the unpaid claims  
11    for there, and they had actually made the  
12    representation perhaps we'll just let that stay  
13    and let that work its way through.

14                    But it was working its way through a  
15    system that hadn't worked a year ago and we  
16    didn't think it would be sure to work now. And  
17    we're fairly confident that the system proved the  
18    services had been rendered.

19                    SENATOR TKACZYK:     Will the sponsor  
20    continue to yield?

21                    SENATOR HANNON:     Yes.

22                    ACTING PRESIDENT GRIFFO:     The  
23    sponsor yields.

24                    SENATOR TKACZYK:     Is there enough  
25    money in the budget that we're voting on today to

1 make sure that all of the claims will be covered  
2 by the Early Intervention providers that have  
3 been submitted?

4 SENATOR HANNON: We're reasonably  
5 sure. It still depends, at the end of the day,  
6 with clean claims. Sometimes that all tends to  
7 work out well; sometimes it doesn't.

8 But I do know that we've gotten the  
9 full attention of the Department of Health. I  
10 certainly know that the counties are wary, so  
11 they don't feel they're going to get any extra  
12 burden added to them. And we do have a fiscal  
13 agent functioning. So it seems to be reasonable.

14 I wasn't totally happy. I would  
15 have liked a guarantee. Assemblyman Gottfried  
16 and I have legislation in. We'll probably even  
17 amend that further and submit it to this body for  
18 consideration. But we need to move forward with  
19 it.

20 SENATOR TKACZYK: Thank you. Will  
21 the sponsor continue to yield?

22 SENATOR HANNON: Yes.

23 ACTING PRESIDENT GRIFFO: The  
24 sponsor yields.

25 SENATOR TKACZYK: So it's my

1 reading that we still need a legislative fix. We  
2 think the funding is there, but the problem the  
3 with the fiscal agent needed a legislative fix so  
4 that, going forward, those Early Intervention  
5 providers would get paid timely and would not  
6 have to check from third-party insurance  
7 companies.

8                   Is it your position that we don't  
9 need a legislative fix, or we still need a  
10 legislative fix through your legislation?

11                   SENATOR HANNON: I would be far  
12 happier if we had legislation. I do believe,  
13 though, there is a reasonable projection that it  
14 will be working now. But I could be happier, as  
15 I said, for legislation.

16                   SENATOR TKACZYK: On the bill.

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

19                   SENATOR TKACZYK: I have another  
20 question for the mental health piece, so maybe  
21 I'll ask that and then go on the bill.

22                   ACTING PRESIDENT GRIFFO: Sure.  
23 Senator Tkaczyk, who would you like to ask?

24                   SENATOR TKACZYK: I think Senator  
25 Carlucci is chair of Mental Health.

1                   ACTING PRESIDENT GRIFFO:   Without  
2                   objection, Senator Carlucci?

3                   Senator Tkaczyk.

4                   SENATOR TKACZYK:   Thank you,  
5                   Senator Carlucci.

6                   There's a lot that I like about the  
7                   mental health budget and I'm going to continue to  
8                   work with you on making sure that we're doing  
9                   everything we can to get the Community Investment  
10                  Act working and increasing local mental health  
11                  services.

12                  One of the questions I have, though,  
13                  is on the developmental disabilities portion of  
14                  the budget. Both the Assembly and Senate budget  
15                  bills added language to give transitional-care  
16                  adults the same due process rights: The right to  
17                  an impartial hearing and judicial review, as it  
18                  exists for all other disabled adults in  
19                  OPWDD-operated or certified institutions.

20                  Why was that due process language  
21                  dropped from the final budget bill?

22                  SENATOR CARLUCCI:   As of the budget  
23                  negotiations, we weren't able to come to a final  
24                  agreement on that issue.

25                  SENATOR TKACZYK:   Would the sponsor

1 continue to yield?

2 SENATOR CARLUCCI: Yes.

3 ACTING PRESIDENT GRIFFO: The  
4 sponsor yields.

5 SENATOR TKACZYK: Why?

6 SENATOR CARLUCCI: Well, there was  
7 a lot of moving parts there. And we tried to  
8 work towards an agreement, but unfortunately we  
9 weren't able to come to one as of today.

10 SENATOR TKACZYK: Would the sponsor  
11 continue to yield?

12 SENATOR CARLUCCI: Yes.

13 ACTING PRESIDENT GRIFFO: The  
14 sponsor yields.

15 SENATOR TKACZYK: Thank you.

16 Would you be working on this through  
17 the legislative process and possibly coming up  
18 with a bill that addresses that language?

19 SENATOR CARLUCCI: I'm sorry, would  
20 the Senator please repeat that question?

21 SENATOR TKACZYK: My question was  
22 since this language was dropped from the final  
23 budget bill, will you be working through the  
24 legislative process to bring that language to the  
25 floor in the form of a bill?

1                   SENATOR CARLUCCI:    Yeah,  
2   absolutely.  I look forward to working with  
3   Senator Tkaczyk and any other Senators that wish  
4   to work with me and the Mental Health Committee  
5   on this important issue.

6                   And this is something that we wanted  
7   to address, and we were working with the  
8   Assembly, with the Governor's office, to make  
9   sure that people that are out of state that are  
10  transferred in, that come back into the State of  
11  New York, are given the same protections, the  
12  same rights as anybody else.

13                  So I think this is an important  
14  issue and something that I'd love to work with  
15  the Senator and any other colleagues in the  
16  chamber on this issue.

17                  SENATOR TKACZYK:    Thank you.

18                  On the bill, Mr. President.

19                  ACTING PRESIDENT GRIFFO:    Senator  
20  Tkaczyk on the bill.

21                  SENATOR TKACZYK:    I'll be voting  
22  yes on this bill and appreciate much of the work  
23  that's been done by my colleagues.

24                  But I want to speak about our most  
25  vulnerable citizens, our very young disabled



1 children and their families, who are getting help  
2 through the Early Intervention Program. And I  
3 think we are at a crossroads.

4 I appreciate that there's money  
5 specifically added to help pay for past payments,  
6 but I still believe we need a legislative fix.  
7 And because of the change and what we did last  
8 year in the budget, the billing process for  
9 Early Intervention providers is not working.  
10 These providers are not getting paid timely.

11 This has resulted in children not  
12 getting the services they need at a very young  
13 age. Providers are going out of business. And  
14 many of those providers are women-owned  
15 businesses, and those providers are often women.  
16 This change was not business-friendly. It hurts  
17 children and frankly makes no sense and needs to  
18 be fixed.

19 As John Hofmayer, who's director of  
20 the United New York Early Intervention Providers,  
21 said to me this past week, "I have yet to meet a  
22 therapist or agency who has not suffered greatly  
23 through this transition. There are skilled  
24 therapists who have left the field, agency owners  
25 who have closed their practices. Many who remain

1 have maxed out their lines of credit and  
2 mortgaged their homes."

3 Providers are still waiting for  
4 payments, as we discussed, from bills that are  
5 more than 100 days old. One provider in Greene  
6 County said this week: "As providers are  
7 stopping work and going out of business, counties  
8 are feeling the shortage." She has received  
9 three emails this week from three different  
10 counties begging providers to come back, and  
11 they're asking for services for their children.

12 Children today are being born with  
13 disabilities like Down syndrome, autism, cerebral  
14 palsy, to parents who need help. And they need  
15 help on how to care for their disabled child.  
16 April is even Autism Awareness Month. But when  
17 the parent calls for help, no one is answering.  
18 We have to fix this. We have a very damaged  
19 system.

20 As this provider said, "In order for  
21 us to be willing to come back to Early  
22 Intervention after this year of sacrifice and  
23 uncertainty, we need more than assurances that  
24 things will get better. We need Senator Hannon's  
25 bill to pass into law so that we have stability

1 and we can get back to doing what we love,  
2 providing services to the needy infants and  
3 children in Early Intervention."

4 I look forward to voting for Senator  
5 Hannon's bill, and I urge the Majority Coalition  
6 to bring that legislation to the floor.

7 Thank you.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Hassell-Thompson.

10 SENATOR HASSELL-THOMPSON: Thank  
11 you, Mr. President. Just a few comments on the  
12 portion of the bill that was earlier discussed  
13 with Senator Klein.

14 ACTING PRESIDENT GRIFFO: Senator  
15 Hassell-Thompson on the bill.

16 SENATOR HASSELL-THOMPSON: Thank  
17 you.

18 Members of the hospital team of  
19 Montefiore, Simone and WestMed came to see me  
20 about this facility because my district is  
21 contiguous to that of Senator Klein's, and a lot  
22 of the people from those neighboring communities  
23 would be using that facility.

24 And there was a deep concern -- and  
25 Senator Klein, I won't challenge anything that

1     you've said in terms of the order, because many  
2     times facilities, when they have as-of-right, may  
3     not necessarily contact the community on the  
4     front end. But I know that at some point they  
5     did have conversations with the community about  
6     this project.

7                 The comments I want to make,  
8     however, is that this facility is not a hospital,  
9     certainly not a hospital as we think of and now  
10    hospitals in the traditional sense. But we have  
11    to recognize, as I listened to Senator Hannon  
12    talk, how medicine is changing and how we provide  
13    services to people makes a significant difference  
14    in terms of where they are provided.

15                I also heard the word "clinic" being  
16    used. And this is not a clinic. And it's  
17    important that we make that distinction because  
18    many times when we think of clinic, we think that  
19    the people who are coming are only poor people.  
20    But what we're talking about is the fact that  
21    many people still don't have primary physicians.  
22    And even with their new health benefits and  
23    insurance, they have nowhere to go to take these  
24    benefits that now they have.

25                So one of the things that many of

1 the hospitals are doing as a public/private  
2 partnership is looking at creating WestMeds. And  
3 WestMed is one of the partners in this project.  
4 What's important about that is that WestMed is  
5 the medicine of tomorrow. It is a facility where  
6 you go, you see your primary physician and then  
7 every other service that you need, whether it's  
8 x-rays, whether it's any kind of lab work.  
9 Everything is under one roof.

10 And while that might look like a  
11 hospital, certainly there are no beds, this is  
12 not a residential stay. But this is a service.

13 The thing that a little bit  
14 surprised me when I talked with each of the  
15 partners was that the building was very tall.  
16 And one of the things, as somebody who's served  
17 on the city council in my city, anyone that wants  
18 to build anything above six stories, we worried  
19 about things like shadowing, and so what happens  
20 to anybody who is in the shadow of this building.

21 More than that, we begin to talk  
22 about what the parking is going to look like and  
23 what the traffic is going to -- how the traffic  
24 is going to impact communities where these  
25 facilities come.

1           I admonished the hospital -- because  
2   that's who approached me first -- that they were  
3   coming at this juncture, when there was a  
4   problem, to talk about it. And I agreed with all  
5   the things that I heard because I encourage  
6   people to come to the city councils. And in the  
7   case of New York City, it's to your community  
8   boards, because your community boards are the  
9   place where there's real open discussion and the  
10   whole community usually comes and expresses their  
11   opinion.

12           They have assured me that they have  
13   worked with the community, but the push-back  
14   continues to be that they don't want the facility  
15   there.

16           Now, what they've attempted to do,  
17   as I understand it, is to consolidate. There are  
18   several different facilities in this surrounding  
19   area of Riverdale, and what they're doing is  
20   consolidating all of them into one facility. And  
21   the doctors are first-rate. These are not  
22   students, but these are people who are  
23   specialists in their field.

24           All of this becomes very important  
25   in terms of what's going to be provided and how

1     that service is going to be delivered. I think  
2     that what we have is a case of too often when  
3     people have as-of-right -- and for those of you  
4     who are what we call up in the country and you  
5     don't have to worry about as-of-right as much as  
6     we do in the city, you come in and no matter what  
7     the objections, you will build anyway.

8                     But one of the things that I've  
9     always encouraged, particularly because I've  
10    worked with Montefiore in many instances, as has  
11    the Democratic Leader, Montefiore just took over  
12    our two hospitals and have folded them into the  
13    whole umbrella of Montefiore in order to save  
14    those hospitals and to make sure that care  
15    continues to be provided in our communities.

16                    And so having worked with them, I  
17    know that the capacity to be good neighbors. But  
18    I think one of the difficulties is that this is a  
19    project that Riverdale doesn't want. They just  
20    don't want it. So no matter what you ask them to  
21    go, there's always going to be -- you give a  
22    checklist and then they correct all the things  
23    that you tell them and you go back and you get  
24    another checklist. And it's very clear that  
25    that's not a facility that they want.

1                   We need the facility. And I'm not  
2                   sure how we can work out the differences in terms  
3                   of height, in terms of the parking, but those are  
4                   things that all of us are going to have to work  
5                   on. Because healthcare has to come to our  
6                   communities. And if we continue to be NIMBY, we  
7                   don't want it in our communities, then the people  
8                   who really need the services are suffering.

9                   And so that we can't be the  
10                  bureaucrats that always speak for the people who  
11                  have the greatest needs. We should be speaking  
12                  on their behalf, and not on our own behalfs, and  
13                  in many instances that's what does occur.

14                 I saw this in the budget, it was  
15                 called to my attention. I was deeply concerned,  
16                 partly for some of the same reasons that Senator  
17                 Gustavo Rivera talked about, but mainly because  
18                 my concern is I don't want bad feelings about  
19                 this facility and I don't want a self-fulfilling  
20                 prophecy that it comes and it becomes all the  
21                 nightmare that the people of Riverdale are afraid  
22                 will happen.

23                 But I also have the distinct feeling  
24                 no matter what we do, that feeling is not going  
25                 to go away. I'm not sure what we're doing to be



1     able to do, but I was concerned that the way -- I  
2     think my real concern was the way this action was  
3     taken in the budget, in a manner that seemed to  
4     be somewhat surreptitious.

5                     And I'm glad we've had the  
6     opportunity to at least discuss it on the floor  
7     and to state that the County of the Bronx, which  
8     is highly represented in this chamber, is deeply  
9     concerned about how we provide healthcare in the  
10    best possible manner. And if every community is  
11    going to be closed to us, then what are we going  
12    to do about how we move forward?

13                    We're having hospitals that are  
14    closing all over the place, and those that are  
15    staying open, they're going to be changing.  
16    There's going to be a real revolution in the way  
17    hospital facilities look, and more of them going  
18    to be to moving toward a WestMed model. And so  
19    we have to anticipate that.

20                    But what we can hope is that there  
21    will be a consideration and an understanding of  
22    the demographics of an existing community and how  
23    do we blend into that community and not  
24    overshadow it and create animosity on the part of  
25    the people who are residents. And particularly

1 because of the location of this particular  
2 facility, it becomes more important that we do  
3 that.

4                   And just my last comment on this  
5 budget, certainly I am deeply concerned that  
6 we're not addressing additional issues around HIV  
7 and AIDS. I wanted more money in the educational  
8 facility, more outreach to be done in certain  
9 communities. Even though, you know, we're  
10 talking about the fact that there are almost no  
11 new cases of transmittal of HIV by mothers  
12 through breast milk. But we are having a  
13 continued increase among young girls, ages 12 to  
14 22, that continues to be a major issue and a  
15 concern.

16                   And a lot of that is because we're  
17 just not doing as much as we need to be doing in  
18 our -- and one of Senator Velmanette Montgomery's  
19 favorite things is school-based clinics. We're  
20 not expanding them, we're not funding them at the  
21 level that they could and should because we're  
22 not teaching our girls particularly about  
23 sensuality and their own sexuality. We're afraid  
24 to do it in the home because parents are not  
25 educated to do it or whatever their reasons, and

1 we're prohibiting our institutions from doing it.

2           So there has to be a point at which  
3 we help to do something different. Because I am  
4 concerned about the numbers of young girls who  
5 continue to -- and pregnancy today is the least  
6 of their concerns. But certainly other  
7 transmitted diseases are continuing to be a major  
8 issues, and we're not addressing that in a wide  
9 broad public policy in the way that I think it  
10 ought to.

11           So I appreciate, Senator Hannon, the  
12 extensive work that you've done in this budget.  
13 And I can appreciate that, but those are just  
14 some of the concerns that I needed to share in  
15 terms of my concern about where we need to be  
16 looking as we go down the road.

17           Thank you. Thank you,  
18 Mr. President.

19           ACTING PRESIDENT GRIFFO: Senator  
20 Stavisky.

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

23           She doesn't appear to be in the  
24 chamber, but I do want to thank Senator Tkaczyk  
25 for her comments about the Early Intervention

1 issue, because I too am troubled at the lack of a  
2 legislative solution.

3 This is an issue that I have been  
4 working on also for a number of years. And last  
5 summer I was in downtown Flushing and a group of  
6 south Asians come up to me and said, We own some  
7 facilities that provide the Early Intervention  
8 services to children who are autistic or  
9 developmentally disabled or have some type of  
10 handicapping condition, and they weren't being  
11 paid. And to me, that's not fair.

12 And in fact, St. Mary's Hospital in  
13 Bayside sent out a letter saying that they were  
14 eliminating their Early Intervention program  
15 because they weren't being paid.

16 Now, the fact that it's not included  
17 in the budget or with its own freestanding bill  
18 seems to me to beg the question. And --

19 SENATOR HANNON: I'll take that as  
20 a question.

21 SENATOR STAVISKY: All right. And  
22 let me just say that it's important because Early  
23 Intervention --

24 ACTING PRESIDENT GRIFFO: Senator  
25 Hannon --

1                   SENATOR STAVISKY:    Let me just  
2   finish my one sentence.

3                   SENATOR HANNON:    Could I yield to  
4   that question?

5                   ACTING PRESIDENT GRIFFO:    Senator  
6   Stavisky --

7                   SENATOR STAVISKY:    Yeah, let me  
8   just finish the one sentence.

9                   ACTING PRESIDENT GRIFFO:    Senator  
10   Stavisky has the floor.

11                   Senator Hannon, why do you rise?

12                   SENATOR HANNON:    To yield to her  
13   question.

14                   SENATOR STAVISKY:    Let me just --

15                   ACTING PRESIDENT GRIFFO:    Okay.  
16   Senator Stavisky will continue, then yield to  
17   you.

18                   Senator Stavisky, continue.

19                   SENATOR STAVISKY:    -- because Early  
20   Intervention does work.

21                   I will be happy to yield.

22                   ACTING PRESIDENT GRIFFO:    Senator  
23   Hannon.

24                   SENATOR HANNON:    I agree with you,  
25   it does work. We had legislation that we put

1 out. When we brought it up in the negotiations,  
2 they scored it at virtually \$700 million. Now,  
3 we thought that was pretty ridiculous and  
4 outrageous.

5 But they continued to add to the  
6 problem by talking about the successes. They  
7 issued a report. Pretty much everybody in the  
8 Early Intervention community said the report was  
9 not correct. We continue to want to have  
10 legislation. They decided they would have  
11 nothing more than about a two-day discussion of  
12 this whole thing.

13 So the fact that there is no further  
14 legislation in there is because we could not get  
15 them to agree. The "them" being the Executive,  
16 the Department of Health.

17 We will continue to pursue this. As  
18 I said before just when I was talking about  
19 health, getting this program going well saves  
20 those kids future problems, saves their health  
21 future problems, and saves society an immense  
22 amount of money we'd otherwise have to address  
23 down the road.

24 So I agree with you.

25 SENATOR STAVISKY: If you --

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Stavisky.

3                   SENATOR STAVISKY:    Would the  
4   Senator respond to a question?

5                   ACTING PRESIDENT GRIFFO:    Senator  
6   Hannon, do you yield?

7                   SENATOR HANNON:    Yes.

8                   SENATOR STAVISKY:    Have there been  
9   any other independent studies to assess the  
10   monetary cost?

11                   SENATOR HANNON:    No, but there's  
12   been a lot of discussions that we think that --  
13   the question of cost is a very interesting thing.  
14   Because part of the adoption of a fiscal agent,  
15   which had been proposed by this administration  
16   and several prior administrations, was it was  
17   really a shifting of cost, can we get insurance  
18   companies to pick up something that is covered by  
19   their policies.

20                   Getting a determination as to which  
21   companies offer which policies is somewhat  
22   difficult. The stumbling block comes not because  
23   of, say, if we're covered by Empire and we know  
24   what the policy is and we know if you're a state  
25   employee you're covered by Empire, et cetera. It

1 really comes because of the companies that are  
2 self-insured.

3 And self-insured are a special  
4 category under ERISA, one of the federal labor  
5 acts. And we're not even allowed as a state to  
6 ask a company if you're under ERISA. It's a  
7 total anomaly, they changed it only a little bit  
8 in the Affordable Care Act, but not enough.

9 So that the fiscal agent purports to  
10 just say to the insurance company, Are you  
11 self-insured or you're not? And then you have to  
12 presume, if they're not, who's going to pay for  
13 it. And if there isn't coverage, the state has  
14 to pay for it. All of that adds to delay, and  
15 there wasn't a decent mechanism.

16 So the question of cost is -- it's a  
17 question really of who's paying, not the total  
18 cost. Is there an independent study? No,  
19 there's not, because you have this barrier as to  
20 what the state can ask of the self-insured  
21 companies.

22 SENATOR STAVISKY: Thank you,  
23 Mr. President.

24 Thank you, Senator. That was pretty  
25 much what the EI providers had said to me. Thank



1     you.

2                   ACTING PRESIDENT GRIFFO:    Thank  
3     you.  Is there any other Senator wishing to be  
4     heard?

5                   Seeing none, hearing none, debate is  
6     closed.  The Secretary will ring the bell.

7                   Read the last section.

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

10                  ACTING PRESIDENT GRIFFO:   Call the  
11     roll.

12                  (The Secretary called the roll.)

13                  ACTING PRESIDENT GRIFFO:   Senator  
14     Carlucci to explain his vote.

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

17                  I want to thank my colleagues for  
18     working on this very important piece of  
19     legislation, this budget bill.  I want to thank  
20     the members of the Mental Health Committee.  We  
21     were able to do quite a bit.

22                  Some of the most important pieces, I  
23     think, are respecting and acknowledging the hard  
24     work that direct-service professionals do.  The  
25     direct-service professionals in the State of

1 New York, the tens of thousands of them are the  
2 backbone of the Office for People With  
3 Developmental Disabilities. They do some of the  
4 hardest work. And unfortunately, they haven't  
5 seen a cost-of-living adjustment in about a half  
6 a decade.

7 So with this budget we're able to  
8 raise their salaries by 2 percent --

9 ACTING PRESIDENT GRIFFO: Senator  
10 Carlucci, excuse me.

11 Can we have some order in the  
12 chamber, please?

13 Senator Carlucci, continue.

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

16 Our direct-service providers are  
17 really the backbone of the Office for People With  
18 Developmental Disabilities, the DD system. They  
19 have some of the hardest jobs. And  
20 unfortunately, the average salary for a  
21 direct-service provider is around \$29,000 in the  
22 State of New York. And think of it, they haven't  
23 received a COLA in five years.

24 So I want to thank my colleagues for  
25 coming together to find a way to say we can do

1 that COLA, a 2 percent COLA, starting January 1st  
2 of 2015.

3 Another important piece is that  
4 we've got to really pay attention and make sure  
5 that there's a career ladder that we engage  
6 people who are doing some of the hardest work.  
7 That we say yes, if you want to make a profession  
8 in being a direct-service professional, that  
9 there's a career for you, there's a career  
10 ladder.

11 And in this budget we were able to  
12 put in a Direct-Service Professional Credential  
13 Pilot Program to make sure that there is a career  
14 ladder, that hopefully people that are doing this  
15 work don't have to work two to three jobs to do  
16 this, to raise a family, that they'll be able to  
17 live in the community and be able to do this over  
18 a long period of time.

19 Some of the other important pieces  
20 that we were able to do. Right now the Centers  
21 for Medicaid Services are putting a mandate on  
22 the state to close our sheltered workshops. We  
23 have 8,000 people with developmental disabilities  
24 currently in sheltered workshops that are going  
25 to be forced to close over the coming years. We

1 need to find ways to put people into integrated  
2 employment settings.

3 With our developmental disability  
4 tax credit, we're going to give employers up to  
5 \$5,000 to hire someone with a developmental  
6 disability. So this will not only give people a  
7 meaningful job, but it will allow people with  
8 developmental disabilities to really achieve  
9 their full potential.

10 Another very important piece is  
11 updating the Community Reinvestment Act of 1993.  
12 We've now increased every bed from a floor of  
13 \$70,000 to \$110,000 that will be invested back  
14 into the community any time there's a closure at  
15 any one of our facilities.

16 So there's a lot of good things in  
17 this budget. I want to thank my colleagues for  
18 working together and protecting some of our most  
19 vulnerable populations.

20 Mr. President, I'll be voting yes.  
21 Thank you.

22 ACTING PRESIDENT GRIFFO: Senator  
23 Carlucci to be recorded in the affirmative.

24 Senator Rivera to explain his vote.

25 SENATOR RIVERA: Thank you,

1 Mr. President, just to briefly explain my vote.

2 As I said earlier, I think that  
3 there's a lot of very positive things in this  
4 budget bill. Just a couple of things I didn't  
5 point out before.

6 Certainly, as we talked about Early  
7 Intervention, I certainly thank everyone who  
8 fought to make sure that that was in the budget.  
9 That was a very positive thing.

10 Also, the private equity provision,  
11 something that was rejected, was something that  
12 we in the Democratic Conference certainly thought  
13 that needed to be out of the budget, and it was,  
14 and that was a positive thing.

15 Also we have the -- as Senator  
16 Hannon mentioned, we have Doctors Across  
17 New York, we have \$2.5 million for a physician  
18 loan program. And the physician practice support  
19 is something that we also supported.

20 I just thought it was necessary to  
21 stand up for a second and say that those are  
22 things that were also in this budget and I think  
23 are positive overall, and that's why I will also  
24 be voting in the affirmative.

25 Thank you, Mr. President.

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

3           Announce the results.

4           THE SECRETARY:   Ayes, 61.

5           ACTING PRESIDENT GRIFFO:   The bill  
6   is passed.

7           SENATOR LIBOUS:   Mr. President, can  
8   we now go to Calendar Number 372.

9           ACTING PRESIDENT GRIFFO:   The  
10   Secretary will read Calendar Number 372.

11          THE SECRETARY:   Calendar Number  
12   372, Senate Budget Bill, Senate Print 6355D, an  
13   act to amend the Vehicle and Traffic Law.

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

16          SENATOR GIANARIS:   Mr. President, I  
17   believe there is an amendment at the desk. I ask  
18   that the reading be waived and that  
19   Senator O'Brien may be heard on the amendment.

20          ACTING PRESIDENT GRIFFO:   Senator  
21   Gianaris, upon review of the amendment I rule  
22   that it is not germane to the bill and therefore  
23   out of order.

24          SENATOR GIANARIS:   I'd like to  
25   appeal the decision and ask that Senator O'Brien

1 be heard on the appeal.

2 ACTING PRESIDENT GRIFFO: An appeal  
3 has been so made and, Senator O'Brien, you may be  
4 heard.

5 SENATOR O'BRIEN: Thank you,  
6 Mr. President.

7 My amendment to the budget bill is  
8 germane because it does not unreasonably expand  
9 the object of the underlying bill, it maintains  
10 the same purpose and addresses the same areas of  
11 law.

12 The purpose of my amendment is to  
13 ensure that public officials who are found guilty  
14 for acts of corruption do not profit from their  
15 wrongdoings. Public officials collect pensions  
16 accrued while in office even while they are in  
17 jail for crimes they committed while in office or  
18 even through their abuse of their office.

19 The 2011 ethics package signed by  
20 Governor Cuomo prevents this from happening in  
21 the future, but did not apply to any public  
22 officials who held office prior to that date.

23 In order to protect the well-being  
24 of our constituents, we must make sure that  
25 public officials cannot profit from their

1 wrongdoings. Allowing a convicted official to  
2 collect a six-figure pension is bad for the  
3 taxpayers and sends the wrong message to the  
4 voters.

5           This proposal simply allows a court  
6 to decide whether or not to pursue restitution  
7 for an official's crime. That means that where  
8 taxpayers were cheated by an official's conduct,  
9 the taxpayers have a right to collect that money  
10 through the official's pension. This is a  
11 common-sense way to protect taxpayer dollars  
12 being administered by impartial judges.

13           When public officials violate the  
14 public trust, they are breaking an oath to uphold  
15 the laws and Constitution of the State of  
16 New York. Officials agree to uphold the law, and  
17 they violate that agreement when they commit acts  
18 of public corruption. Because of that violation,  
19 courts should be free to decide whether an order  
20 of restitution is necessary to make the taxpayers  
21 whole.

22           Thank you, Mr. President.

23           ACTING PRESIDENT GRIFFO:   Thank  
24 you, Senator O'Brien.

25           The vote is on the ruling of the



1 chair and overruling the ruling of the chair. So  
2 all those in favor of overruling of the ruling of  
3 the chair signify by saying aye.

4 Senator Gianaris.

5 SENATOR GIANARIS: Show of hands,  
6 please, Mr. President.

7 ACTING PRESIDENT GRIFFO: A show of  
8 hands has been requested and so ordered.

9 All those voting in favor of  
10 overruling the ruling of the chair please raise  
11 your hand.

12 Announce the results.

13 THE SECRETARY: Ayes, 27.

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

16 Senator Gianaris.

17 SENATOR GIANARIS: Mr. President, I  
18 believe there is a final amendment at the desk  
19 for the night. I ask that the reading of that  
20 amendment be waived and that Senator Krueger may  
21 be heard on the amendment.

22 ACTING PRESIDENT GRIFFO: Senator  
23 Gianaris, upon review of the amendment, I rule  
24 that the amendment is not germane to the bill and  
25 therefore out of order.

1                   SENATOR GIANARIS:    I appeal the  
2                   decision of the chair, and I ask that Senator  
3                   Krueger be heard.

4                   ACTING PRESIDENT GRIFFO:    The  
5                   appeal is so noted, and Senator Krueger will be  
6                   heard.

7                   SENATOR KRUEGER:    Thank you,  
8                   Mr. President.

9                   My amendment to the budget bill is  
10                  germane because it does not unreasonably expand  
11                  the object of the underlying bill, maintains the  
12                  same purpose, and addresses the same areas of  
13                  law.

14                  This amendment that I offer today  
15                  would add \$340 million for allocations to cities,  
16                  towns and villages in the Aid and Incentives for  
17                  Municipalities program, or AIM, under "Local  
18                  Government Assistance" in this appropriations  
19                  bill.

20                  The AIM program is a property tax  
21                  relief program that has a proven history of  
22                  success in this state and, when sufficiently  
23                  funded, effectively suppresses the growth of  
24                  municipal property tax levies.

25                  Under my amendment, AIM funding

1 would increase by nearly 43 percent over current  
2 funding in the next fiscal year, providing  
3 \$140 million more to the cities, towns and  
4 villages outside of New York City and  
5 \$200 million to New York City. As we know, AIM  
6 funding has been flat or reducing for several  
7 years.

8           AIM funding has provided significant  
9 municipal property tax relief. Since local  
10 governments across the state are under immense  
11 fiscal stress due to unfunded mandates, the  
12 aftermath of the Great Recession, a declining  
13 property tax base and now a 2 percent cap on  
14 property tax levies, growth in AIM funding is  
15 more critical now than ever. The time has come  
16 to restore the AIM program as a key component for  
17 providing fiscal relief to local governments and  
18 their property tax owners throughout the state.

19           I sat through budget hearings and  
20 heard local officials from towns, villages,  
21 county officials, board experts from the State  
22 School Board Association, an endless stream of  
23 examples of the problems that our local  
24 governments were facing and our local school  
25 districts were facing.

1                   It is our responsibility as the  
2                   state government to ensure that we're providing  
3                   adequate funding to guarantee that the actual  
4                   services that need to be delivered at the local  
5                   level are delivered. This is a perfectly  
6                   reasonable increase in AIM funding, and we should  
7                   not go home here tonight unless we're prepared to  
8                   provide it to our localities.

9                   Thank you, Mr. President.

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

12                  Again, this will be a vote on  
13                  procedure, on the ruling of the chair. All those  
14                  in favor of overruling the ruling of the chair  
15                  please say aye.

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

18                  ACTING PRESIDENT GRIFFO:    Senator  
19                  Gianaris has requested a show of hands.

20                  All those in favor of overruling the  
21                  ruling of the chair please show your hand.

22                  Announce the results.

23                  THE SECRETARY:    Ayes, 28.

24                  ACTING PRESIDENT GRIFFO:    The  
25                  ruling of the chair stands.

1           The bill is before the house.

2           Senator Squadron.

3           SENATOR SQUADRON:    Thank you.   If  
4 the sponsor would yield.

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

7           SENATOR DeFRANCISCO:   Yes, I would.

8           ACTING PRESIDENT GRIFFO:   Senator  
9 Squadron.

10          SENATOR SQUADRON:    Thank you.

11          I wanted to ask the sponsor a little  
12 bit about this pilot program that's in this bill  
13 for public financing of election.

14          SENATOR DeFRANCISCO:    I've been  
15 asked to refer that question to Senator Valesky.  
16 He would like to respond to the questions and to  
17 explain that part of the budget.

18          And I'll answer anything else,  
19 except about housing in New York.

20          ACTING PRESIDENT GRIFFO:   Senator  
21 DeFrancisco defers to Senator Valesky without  
22 objection.

23          Hearing none, Senator Valesky, do  
24 you yield to Senator Squadron?

25          SENATOR VALESKY:    Yes, I yield.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2   Squadron.

3                   SENATOR SQUADRON:    Thank you.

4                   And as much as I do object to not  
5   being able to discuss this with the sponsor, I  
6   look forward to discussing it with Senator  
7   Valesky.

8                   If Senator Valesky just would  
9   describe what this pilot for this single election  
10  is.

11                  SENATOR VALESKY:    Certainly.  This  
12  is a pilot project, a voluntary matching program  
13  in the office of the State Comptroller for this  
14  year's election for the State Comptroller.

15                  It's a six-to-one match.  
16  Contributions from \$10 to \$175 from individuals,  
17  residents of New York State.  Two thousand or  
18  more of those would be matched once that  
19  candidate received \$200,000 in contributions.

20                  SENATOR SQUADRON:    If the sponsor  
21  would continue to yield.

22                  SENATOR VALESKY:    Yes.

23                  ACTING PRESIDENT GRIFFO:    The  
24  sponsor yields.

25                  SENATOR SQUADRON:    And this would

1 be for which election cycle?

2 SENATOR VALESKY: This would be,  
3 Mr. President, for the election for the office of  
4 State Comptroller in November of this year.

5 SENATOR SQUADRON: If the sponsor  
6 would continue to yield.

7 SENATOR VALESKY: Yes.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Valesky yields.

10 SENATOR SQUADRON: Thank you.

11 And under this proposal, when would  
12 the first distribution of public dollars  
13 potentially happen?

14 SENATOR VALESKY: This pilot  
15 program would also apply to both the primary and  
16 the general election for the office of  
17 Comptroller. This provision of the bill would  
18 take effect on the first of May.

19 SENATOR SQUADRON: If the sponsor  
20 continue to yield.

21 And I appreciate that. Based on the  
22 calendar --

23 ACTING PRESIDENT GRIFFO: Senator  
24 Valesky yields, Senator Squadron.

25 SENATOR VALESKY: Yes.

1           SENATOR SQUADRON:   Based on the  
2   calendar laid out in the bill, when would be the  
3   first day that candidates would be eligible to  
4   receive public dollars for the election?

5           SENATOR VALESKY:   They would be  
6   eligible to receive matching funds once the  
7   candidate received at least 2,000 contributions  
8   from a \$10 to \$175 range. And when that total  
9   dollar amount equals \$200,000, they would be able  
10   to apply for those matching funds.

11          SENATOR SQUADRON:   If the sponsor  
12   would continue to yield.

13          SENATOR VALESKY:   Yes.

14          ACTING PRESIDENT GRIFFO:   Senator  
15   Valesky yields.

16          SENATOR SQUADRON:   And I appreciate  
17   the thresholds.

18                 Just in terms of dates, is it fair  
19   to say that the first distribution of matching  
20   funds would be sometime in mid-July?

21          SENATOR VALESKY:   Yes, that's fair  
22   to say.

23          SENATOR SQUADRON:   If the sponsor  
24   would continue to yield.

25          SENATOR VALESKY:   Yes.



1                   ACTING PRESIDENT GRIFFO:    Senator  
2 Valesky yields.

3                   SENATOR SQUADRON:    Based on our  
4 analysis of this proposal, in fact the first  
5 distribution of matching funds could be in  
6 77 business days from today. Does that sound  
7 about right?

8                   SENATOR VALESKY:    Give or take.  
9                   (Laughter.)

10                  SENATOR SQUADRON:    If the sponsor  
11 would continue to yield.

12                  SENATOR VALESKY:    Certainly.

13                  SENATOR SQUADRON:    When New York  
14 City enacted a system of matching funds, does the  
15 sponsor know the period of time between the  
16 passage of that provision and the distribution of  
17 the first set of matching funds?

18                  SENATOR VALESKY:    Well, that was a  
19 number of years ago, and I'm sure you're aware of  
20 that.

21                  But I'm glad you raised that issue,  
22 because the system that has been in existence in  
23 New York City has certainly given the State of  
24 New York a template upon which to pattern this  
25 pilot project for the office of State

1 Comptroller.

2 SENATOR SQUADRON: If the sponsor  
3 would continue to yield.

4 SENATOR VALESKY: Yes.

5 ACTING PRESIDENT GRIFFO: Senator  
6 Valesky yields.

7 SENATOR SQUADRON: And it's the  
8 reading of the bill that it would require the  
9 promulgation of rules and regulations, the hiring  
10 of apparently 12 full-time people to administer  
11 this program. It would all have to happen within  
12 that 77-day period.

13 Does that lead to any concern for  
14 the sponsor about the ability to have a  
15 successful matching funds program in an  
16 environment where we know some very members of  
17 this house have real concerns about matching  
18 funds programs?

19 SENATOR VALESKY: Well, I don't  
20 share those concerns. I certainly have  
21 confidence in the Board of Elections' ability to  
22 comply with this piece of law, and I'm sure they  
23 will carry it out.

24 SENATOR SQUADRON: If the sponsor  
25 would continue to yield.

1                   SENATOR VALESKY:     Certainly.

2                   ACTING PRESIDENT GRIFFO:     Senator  
3 Valesky yields.

4                   SENATOR SQUADRON:     Has the sponsor  
5 had or been aware of any conversations with the  
6 Board of Elections in which they have suggested  
7 that they are comfortable enacting this sort of  
8 matching funds system in 77 business days?

9                   SENATOR VALESKY:     I have not.

10                  SENATOR SQUADRON:     If the sponsor  
11 would continue to yield.

12                  SENATOR VALESKY     Yes.

13                  SENATOR SQUADRON:     I actually am a  
14 big supporter of matching funds systems. I've  
15 run for office under a system, the Wild West  
16 system in the state, and I've run for office with  
17 a matching funds system, and there's no question  
18 that it empowers regular people. And the system  
19 encourages all of us to do what all of us are in  
20 this business to do, which is speak to folks  
21 about the public service we want to provide if we  
22 are given that privilege.

23                         And I do worry, though, about any  
24 proposal that would undermine the argument for  
25 this. You know, I know that just a couple of

1 weeks ago we had a provision on here in which  
2 Senator DeFrancisco expressed a real concern  
3 about this sort of system. And I also know that  
4 the City Campaign Finance Board has over many  
5 years had a lot of legitimate concerns raised  
6 about its function. And there's a lot of  
7 legitimate concerns about when you're using these  
8 kinds of dollars, you want to make sure they're  
9 really going to their purpose. So I want to make  
10 sure that we're not undermining it.

11 Let me ask, in that context, why  
12 only the Comptroller? Why only the Comptroller?

13 SENATOR VALESKY: Mr. President,  
14 through you, this is a result of negotiations  
15 between the Governor, the Senate and the  
16 Assembly. And as a result of those negotiations  
17 and as a good first step down the path toward a  
18 matching system in the State of New York, it was  
19 determined that the Comptroller's office or the  
20 election of the State Comptroller would be the  
21 place to begin a pilot project, the appropriate  
22 place.

23 SENATOR SQUADRON: If the sponsor  
24 would continue to yield.

25 SENATOR VALESKY: Certainly.

1                   ACTING PRESIDENT GRIFFO:    Senator  
2 Valesky yields.

3                   SENATOR SQUADRON:    Is it because of  
4 the fact that statewide candidate in New York  
5 State can take more than \$60,000 from individuals  
6 or limited liability corporations, what amount to  
7 essentially unlimited sums, that we started with  
8 a statewide race, or is it because of some other  
9 factor?

10                  SENATOR VALESKY:    Well,  
11 Mr. President, you have to start somewhere.  And  
12 it was determined through the negotiation process  
13 of this budget that the office of State  
14 Comptroller would be a fine place to begin.

15                  SENATOR SQUADRON:    If the sponsor  
16 would continue to yield.

17                  SENATOR VALESKY:    Yes, I'll yield.

18                  SENATOR SQUADRON:    Was there any  
19 discussion of including other offices in this  
20 77-day pilot?

21                  SENATOR VALESKY:    There have been  
22 lots of discussions among the Governor, the  
23 Senate, the Assembly, about matching funds,  
24 offices that would be eligible for a matching  
25 fund program, years in which the program would

1 start.

2 But as far as this budget is, in  
3 this final budget bill, this Public  
4 Protection/General Government budget bill, as a  
5 result of those negotiations it was determined  
6 among the Governor, the Senate and the Assembly  
7 that the office of Comptroller would be an  
8 appropriate place to begin a pilot or a test  
9 project.

10 SENATOR SQUADRON: If the sponsor  
11 would continue to yield.

12 SENATOR VALESKY: Yup.

13 ACTING PRESIDENT GRIFFO: Senator  
14 Valesky yields.

15 SENATOR SQUADRON: In a scenario in  
16 which no one chose to participate in this pilot  
17 program and this were a test, as the sponsor  
18 refers to it, would the sponsor's view be that  
19 that would make it likely that we would then take  
20 the next step in expanding a matching funds  
21 system in this state?

22 SENATOR VALESKY: Well, I do think  
23 that whether any candidate for this office  
24 participates in the matching program or not would  
25 have very little to do with whatever this

1 Legislature, in the next three months or so  
2 between now and the end of the legislative  
3 session, or the next Legislature would do on this  
4 question. I'm not sure there's any correlation  
5 at all as to whether participation in this pilot  
6 has any influence on what any future Legislature  
7 might do around matching funds projects.

8 SENATOR SQUADRON: If the sponsor  
9 would continue to yield.

10 SENATOR VALESKY: Yes.

11 SENATOR SQUADRON: So just to  
12 understand, the idea is that this is a test to  
13 see if this works, but whether or not the test  
14 happens will have no impact on the ability in the  
15 future to expand a matching funds system?

16 SENATOR VALESKY: Mr. President,  
17 through you. Whether or not the test happens is  
18 directly the responsibility of the candidates who  
19 are running for the office of State Comptroller,  
20 not the Legislature that is enacting this pilot  
21 project.

22 SENATOR SQUADRON: If the sponsor  
23 would continue to yield.

24 SENATOR VALESKY: Yes.

25 SENATOR SQUADRON: Has there been

1 any sense that any candidates for Comptroller  
2 would participate in this test, thereby allowing  
3 us to show its impact?

4 SENATOR VALESKY: That would be a  
5 question that would have to be asked of the  
6 numerous or not so numerous candidates that may  
7 be running for the office of State Comptroller  
8 this year.

9 SENATOR SQUADRON: If the sponsor  
10 would continue to yield.

11 SENATOR VALESKY: Yes.

12 ACTING PRESIDENT GRIFFO: The  
13 sponsor yields, Senator Squadron.

14 SENATOR SQUADRON: Thank you.

15 Moving forward, is there anything  
16 about this -- well, actually, moving forward, the  
17 sponsor talks about sort of the process by which  
18 we ended up with this test that may or may not be  
19 a a test. Just to understand, because I know the  
20 Assembly in their one-house budget put a system  
21 of matching funds, I know that Senator Klein has  
22 in the past sponsored a system of matching funds,  
23 I know that Senator Stewart-Cousins, I believe,  
24 currently sponsors a system of matching funds.

25 Just to understand sort of where we



1 are in the dynamic here as this very quick test  
2 happens, why didn't we end up with more this  
3 year? Is it the belief of the Majority Coalition  
4 overall that this is as much as we should do  
5 right now? Or was this a negotiation based on  
6 the fact that many members of the Majority  
7 Coalition oppose matching funds?

8           SENATOR VALESKY: This pilot  
9 project was the result of three-way negotiations  
10 between the Governor, the Senate and the  
11 Assembly. This is the result for this particular  
12 budget that was agreed to.

13           But certainly going forward, as I  
14 indicated earlier, we have three months of the  
15 session left this year, and there's certainly  
16 every indication that negotiations and  
17 discussions among those three parties will  
18 continue as to the potential of enhancing a  
19 matching system for other offices in future  
20 years.

21           SENATOR SQUADRON: If the sponsor  
22 would continue to yield.

23           SENATOR VALESKY: Yes.

24           ACTING PRESIDENT GRIFFO: The  
25 sponsor yields.

1                   SENATOR SQUADRON:   Thank you.   And  
2   I appreciate the implicit fact in that statement  
3   that the sponsor at least believes that expanding  
4   this would be a positive thing, that this is too  
5   little and too late when it comes to putting the  
6   kind of matching funds system in that we so  
7   desperately need and that so many folks and of  
8   course the Governor himself -- and I was remiss  
9   in saying this -- in his budget address, in his  
10   State of the State, made very clear how important  
11   exactly this kind of matching funds system would  
12   be.   So I'm glad to see hear the sponsor at least  
13   seems to share that view.

14                   Just so that I can really  
15   understand, as affects the races for Governor,  
16   Attorney General, and State Legislature, would  
17   this bill do anything to close the so-called  
18   LLC loophole by which corporations can contribute  
19   essentially unlimited amounts of money if their  
20   principal starts new businesses?

21                   SENATOR VALESKY:   This bill's focus  
22   in terms of campaign financing is on  
23   establishing this pilot program for matching  
24   funds.

25                   SENATOR SQUADRON:   I'll take that

1 as a no.

2 If the sponsor would continue to  
3 yield.

4 SENATOR VALESKY: Yup.

5 SENATOR SQUADRON: Would this bill  
6 do anything for -- for Governor, Attorney General  
7 and State Legislature do anything about  
8 contribution limits, which for statewide  
9 candidates are over \$60,000, for State Senate  
10 candidates are more than \$16,000, for State  
11 Assembly candidates are nearly \$8,000 -- would it  
12 do anything about the extraordinarily high  
13 contribution limits that currently impact this  
14 for the offices of Governor, Attorney General and  
15 State Legislature?

16 SENATOR VALESKY: Mr. President,  
17 this bill's focus or this part of this bill's  
18 focus is to demonstrate the efficacy of a  
19 matching system in the State of New York through  
20 a pilot program for the office of State  
21 Comptroller this year.

22 SENATOR SQUADRON: So I'll take  
23 that as a no.

24 If the sponsor would continue to  
25 yield.

1                   SENATOR VALESKY:    Yeah.

2                   SENATOR SQUADRON:   Would this bill  
3 do anything about the fact that according to a  
4 recent study by the New York State Public  
5 Interest Research Group, more than 50 percent of  
6 all contributions made in this state don't come  
7 from individuals but come from non-individual  
8 entities, nonresidents of the state by nature?

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

11                  SENATOR DeFRANCISCO:   Yes, I think  
12 I -- I just wanted to mention that I referred the  
13 questions with respect to this bill as to the  
14 pilot program to Senator Valesky. I would be  
15 happy to answer all the other campaign finance  
16 issues you may have because he has explained all  
17 that it is and that there may be discussions in  
18 the future.

19                  So I would be more than happy to  
20 answer all your other questions, if you don't  
21 mind, Senator Valesky.

22                  SENATOR SQUADRON:    I'm pleased to  
23 hear that Senator DeFrancisco is back in the  
24 ring. Welcome.

25                  SENATOR VALESKY:    Well, if I may

1 just --

2 ACTING PRESIDENT GRIFFO: Senator  
3 Valesky, you may continue.

4 SENATOR VALESKY: If I may just  
5 answer that final question to address some of the  
6 issues that Senator Squadron has raised, I think  
7 it's worth noting that as we complete this budget  
8 process, the minority in this house has offered a  
9 total of six amendments -- all were ruled by you,  
10 Mr. President, not germane -- everything from  
11 pensions to hydrofracking to Hire New York bill,  
12 charter schools, Common Core, AIM funding  
13 increase. Yet there is no amendment or no  
14 attempt of an amendment to anything that Senator  
15 Squadron has presented during his series of  
16 questions. So I think that's worth noting.

17 Thank you.

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

20 Senator Squadron, you still have the  
21 floor.

22 SENATOR SQUADRON: Thank you.  
23 Thank you. And I'll talk about that in a second.

24 But, Senator DeFrancisco, I think we  
25 were coming to the end of this, but let's just

1 see. Is there anything that -- would this bill  
2 do anything about the fact that for races other  
3 than Comptroller -- for Governor, Attorney  
4 General and State Legislature -- the fact that  
5 there are essentially 250 contributors in  
6 New York State that give the lion's share of all  
7 the contributions in contributions well over  
8 \$5,000 and that less than 3 percent or around  
9 3 percent of contributions in this state to any  
10 candidate running come in \$250 or smaller chunks?

11 SENATOR DeFRANCISCO: Well, there  
12 is no change in here with respect to levels of  
13 donations and caps on expenditures, caps on  
14 donations. There's nothing in this bill on that.

15 However, now that you ask, there are  
16 some very important things that are in this bill.  
17 And the very important things that are in this  
18 bill is that there are several additional changes  
19 in the law making higher penalties for violations  
20 of the Election Law. In fact, one Election Law  
21 provision dealing with public corruption has been  
22 removed from the Election Law and put in the  
23 Penal Law for criminal enforcement.

24 In addition, there's a new offense  
25 called corrupting the government which has

1 substantial penalties.

2           In addition, bribery nowadays -- a  
3 bribery has always been someone offers, someone  
4 accepts. Well, the DAs throughout the state have  
5 been saying wait a minute, the offer should be  
6 enough for the highest penalty, because that's  
7 the crime. Whether it's accepted or not, they're  
8 trying to bribe a public official.

9           So now the definitions of a bribery  
10 and attempt are the same as they currently are.  
11 An attempt is someone doesn't accept, and it's  
12 just an offer. A bribery is an offer and  
13 acceptance. But the penalties of a bribery and  
14 an attempted bribery are now the same. So you  
15 can't just say that someone didn't accept the  
16 bribe and therefore I should get the lower  
17 charge, the attempt.

18           In addition, there's a new  
19 compliance enforcement unit that's put in the  
20 Board of Elections. And a lot of good things  
21 there. How many technical violations never get  
22 picked up? Now the compliance unit is going to  
23 have to pick them up and not say "I gotcha," but  
24 give the candidate 30 days to cure if it's an  
25 inadvertent violation and not an intentional one.

1 Which gives all of us the opportunity to fill in  
2 a blank that maybe someone didn't fill in  
3 correctly.

4 But once it's turned out to be  
5 intentional, you continue to refuse, well then  
6 there's substantial penalties and that's where  
7 another important point happens. There is a --  
8 this is the last thing I'll say, and then you can  
9 go on. But you're looking for a forum, I'm  
10 giving you a forum.

11 The last thing that I'll mention  
12 right now is there is now an enforcement counsel  
13 that's going to be assigned to the Board of  
14 Elections. The Board of Elections will continue  
15 to do their job. However, this individual,  
16 selected by the Governor with the advice and  
17 consent of both the Senate and the Assembly, that  
18 individual -- because the criticism has been,  
19 well, two Democrats, two Republicans, they always  
20 result in a tie, nothing ever gets done. This  
21 individual not only can investigate and present  
22 these problems to the board, but, in the event  
23 there's a tie, he or she can break the tie.

24 So even though, even though some of  
25 the things you were looking for with respect to



1 public finance and limits and so forth didn't  
2 occur, there are substantial reforms in this  
3 budget bill.

4 SENATOR SQUADRON: And I thank the  
5 sponsor for that walk down Distraction Lane.

6 On the bill, Mr. President.

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

9 SENATOR DeFRANCISCO: Excuse me.

10 ACTING PRESIDENT GRIFFO: Senator  
11 DeFrancisco.

12 SENATOR DeFRANCISCO: I thought  
13 that maybe the public might want to know what  
14 reforms we have done in this budget, good  
15 reforms, not just listen to someone complain  
16 about things that are not in the bill.

17 So that wasn't a diversion, it was  
18 an attempt to educate.

19 Thank you, Mr. President.

20 ACTING PRESIDENT GRIFFO: We  
21 appreciate you providing information on the bill.

22 Senator Squadron, continue to keep  
23 your comments germane to the bill.

24 SENATOR SQUADRON: As I have,  
25 Mr. President. Thank you.

1                   ACTING PRESIDENT GRIFFO:    On the  
2 bill, Senator Squadron.

3                   SENATOR SQUADRON:    On the bill,  
4 Mr. President.

5                   And it's interesting that when we're  
6 talking about the very small number of heavily  
7 invested, deeply pocketed individuals and  
8 entities that contribute the lion's share of  
9 dollars to candidates for election in this state,  
10 instead what we get is distraction.

11                  Because the truth is we have a huge  
12 problem in this state. We have some of the most  
13 lax campaign finance laws in the country. We  
14 have contribution limits that shock individuals  
15 across the state when they learn about them. We  
16 have a system and a culture where a very, very  
17 small number of folks even participate in order  
18 to help elected officials raise dollars. And we  
19 have loopholes like the LLC loophole that let  
20 individuals, through a pretty simple mechanism,  
21 literally contribute unlimited sums to candidates  
22 in this state.

23                  We need better enforcement on the  
24 Board of Elections. And we agree on that, and  
25 let's just be clear. We agree. That's positive,

1     it's good. The reason we have to talk about this  
2     is you have a Governor, a State Assembly majority  
3     and members of both the minority and the majority  
4     in this house that support doing something about  
5     the absolutely shameful campaign finance system  
6     that we have in this state, and yet we don't have  
7     a chance to vote on that in this budget.

8                 And I appreciate Senator Valesky  
9     requesting more hostile amendments in this  
10    process. But as he points out, all six of those  
11    hostile amendments have not only failed, they've  
12    failed to even get a vote on the substance of the  
13    matter.

14                And this is not an issue where we  
15    need to raise the question again, it is an issue  
16    where we need a result. And I would hope that  
17    Senator Valesky would share our commitment and my  
18    commitment to reaching a result on this issue,  
19    not simply having another bill come up and be  
20    voted down through parliamentary procedure.

21                The fact that we have a proposal  
22    here that would require within 77 days or so a  
23    state entity to be ready to put out matching  
24    funds, and we haven't spoken to the state entity  
25    that's going to do that, the Board of Elections,

1 according to the sponsor, haven't gotten any  
2 commitment from any candidates that they're  
3 willing to do this, means that it's not a real  
4 test. It's a system that's designed to undermine  
5 the arguments for matching funds and for finance  
6 financing over time.

7           And I know that that's not the  
8 sponsor's intent. I know the sponsor is a  
9 long-time supporter of this. But unfortunately  
10 that is going to be the consequence here. By the  
11 sponsor I mean Senator Valesky, who spoke on the  
12 bill, which I appreciate.

13           The truth is we know what we need  
14 here. We know what works. The Governor was very  
15 clear laying this out at the beginning of the  
16 year. Senator Klein, that member of the Majority  
17 Coalition has been clear. Senator Stewart-  
18 Cousins has been clear. Speaker Silver and the  
19 Assembly majority have been clear.

20           And we don't have anything that's  
21 going to change the system in the state before us  
22 right now. In fact, I fear what we have before  
23 us is something that's going to undermine the  
24 argument for fundamental reform that we so  
25 desperately need.

1           It might lead to distraction, it  
2     might lead to some patting ourselves on the back  
3     for dealing with a Board of Elections that's been  
4     underfunded and unable to do its job, but it is  
5     not going to deal with the core problem in this  
6     state, small numbers of heavily invested, deeply  
7     pocketed individuals and entities who have a  
8     vastly outsized influence instead of the regular  
9     people across this state who should be empowered  
10    in elections for Governor, for Attorney General,  
11    for Comptroller, for State Senate and for State  
12    Assembly.

13           This won't do that. And I really  
14    fear what it will do is give opponents of this --  
15    of whom we know there are a whole lot in this  
16    house -- ammunition to prevent a system of  
17    matching funds and public financing from ever in  
18    the foreseeable future being implemented in this  
19    state.

20           That's the reason I'm going to have  
21    to vote against this bill, it's the reason I'm so  
22    disappointed today. And I really do hope that  
23    Senator Valesky's suggestion that we will see  
24    this again this year turns out to be true. If we  
25    do, I look forward to standing shoulder to

1 shoulder and figuring out how to make it a  
2 reality.

3 Thank you, Mr. President.

4 ACTING PRESIDENT GRIFFO: Thank  
5 you, Senator Squadron.

6 Senator Gianaris.

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

9 I would ask Senator Valesky to  
10 excuse my back, but ask him if he would yield for  
11 some questions.

12 ACTING PRESIDENT GRIFFO: Senator  
13 Valesky, do you yield?

14 SENATOR VALESKY: Certainly.

15 ACTING PRESIDENT GRIFFO: Senator  
16 Gianaris.

17 SENATOR GIANARIS: Thank you.

18 I would ask if the sponsor remembers  
19 when this body passed the Public Integrity Reform  
20 Act in June of 2011.

21 ACTING PRESIDENT GRIFFO: Senator  
22 Valesky.

23 SENATOR VALESKY: Yes,  
24 Mr. President, I do recall that.

25 SENATOR GIANARIS: And if the

1 sponsor would continue to yield.

2 SENATOR VALESKY: Yes.

3 ACTING PRESIDENT GRIFFO: Senator  
4 Valesky yields.

5 SENATOR GIANARIS: Does he recall  
6 that in that act that we passed in June of 2011  
7 there was a requirement that the Board of  
8 Elections would establish regulations by  
9 January 2012 dealing with the disclosure of  
10 independent expenditures?

11 SENATOR VALESKY: Mr. President, I  
12 appreciate Senator Gianaris reminding me of that.  
13 We've passed a couple of thousand bills between  
14 then and now, so I appreciate his refresher.

15 SENATOR GIANARIS: Thank you.

16 And if he would continue to yield  
17 again.

18 SENATOR VALESKY: Yes.

19 ACTING PRESIDENT GRIFFO: Senator  
20 Valesky yields.

21 SENATOR GIANARIS: Allow me to  
22 refresh some more. And I would ask if Senator  
23 Valesky is aware that the Board of Elections,  
24 given a full six months to implement regulations  
25 dealing with disclosures of independent

1 expenditures, took almost a year and a half to  
2 actually get as far as adopting those  
3 regulations. It took till October of 2012 before  
4 they were adopted.

5 SENATOR VALESKY: Well,  
6 Mr. President, I will repeat what I said in my  
7 answer to Senator Squadron's question. I have  
8 confidence in the Board of Elections' ability,  
9 subsequent to the passage of this legislation, to  
10 comply in a timely fashion with the statute at  
11 hand, which is a pilot project in matching funds  
12 for the office of State Comptroller.

13 SENATOR GIANARIS: And if Senator  
14 Valesky will continue to yield.

15 SENATOR VALESKY: Yes.

16 ACTING PRESIDENT GRIFFO: Senator  
17 Valesky yields.

18 SENATOR GIANARIS: Does Senator  
19 Valesky have any evidentiary reason to believe  
20 that a Board of Elections that could not adopt in  
21 almost a year and a half simple disclosure  
22 regulations somehow in three months or so will be  
23 able to adopt something much more ambitious in  
24 terms of implementing for the first time in this  
25 state a public matching fund program?



1                   SENATOR VALESKY:   For one race,  
2   Mr. President -- one, one race, the office of  
3   State Comptroller -- yes, I am definitely  
4   confident that the Board of Elections will be  
5   able to comply.

6                   SENATOR GIANARIS:   Again, if  
7   Senator Valesky would continue to yield.

8                   SENATOR VALESKY:   Yes.

9                   ACTING PRESIDENT GRIFFO:   Senator  
10   Valesky yields.

11                  SENATOR GIANARIS:   The question was  
12   not whether he's confident, the question is  
13   whether he has any evidentiary evidence that the  
14   board can do something this ambitious in this  
15   short a time, because we do have some evidence  
16   that they cannot.

17                  SENATOR VALESKY:   Mr. President, I  
18   am convinced that they will be able to comply  
19   with the statute.

20                  SENATOR GIANARIS:   If the Senator  
21   would continue to yield.

22                  SENATOR VALESKY:   Yup.

23                  SENATOR GIANARIS:   And I apologize  
24   if I'm being redundant with some of the things  
25   Senator Squadron covered, but if I could ask

1 again, why is this applied to the State  
2 Comptroller only and no other offices?

3 SENATOR VALESKY Mr. President, can  
4 Senator Gianaris repeat the question? I'm sorry.

5 SENATOR GIANARIS: Why the  
6 Comptroller only, is the question. Why was that  
7 office selected and no others included?

8 SENATOR VALESKY: The office of  
9 Comptroller was selected as a test pilot for the  
10 2014 election based on negotiations between the  
11 Governor, the Senate and the Assembly.

12 SENATOR GIANARIS: And again, if  
13 Senator Valesky would yield.

14 SENATOR VALESKY: Yes.

15 SENATOR GIANARIS: I would ask if  
16 Senator Valesky can enlighten us regarding those  
17 negotiations, if he could take us into that back  
18 room for a moment and explain to us which of the  
19 parties in that room had a problem with expanding  
20 it beyond just the Comptroller's office.

21 SENATOR VALESKY: Well,  
22 Mr. President, that's a question that I am not  
23 able to answer. I am not in that room, so he  
24 will ask have to ask others who perhaps were.

25 SENATOR GIANARIS: Would Senator

1 Klein like to yield? I believe I was invited to  
2 ask others in the room to answer the question.

3 ACTING PRESIDENT GRIFFO: Senator  
4 Klein has not spoken on this bill, Senator  
5 Gianaris.

6 SENATOR DeFRANCISCO: I'll answer  
7 it, but I don't know what it is.

8 SENATOR GIANARIS: You weren't in  
9 the room either, apparently.

10 (Laughter.)

11 ACTING PRESIDENT GRIFFO: Would you  
12 like Senator DeFrancisco to attempt?

13 SENATOR GIANARIS: If he'd like to  
14 give it a try.

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

17 SENATOR DeFRANCISCO: Yes.

18 SENATOR GIANARIS: The question  
19 was -- and I'm afraid to say I think you might  
20 not have standing to answer it either. But the  
21 question was in the room in which these  
22 negotiations were ongoing, which was the party  
23 that was opposed to expanding this beyond just  
24 the Comptroller's office?

25 SENATOR DeFRANCISCO: Well, you

1 know as well as anyone does that you negotiate  
2 with an object to try to attain some goal, and  
3 those negotiations in many situations are private  
4 negotiations so no one is unduly blamed for one  
5 position or another.

6 I can tell you quite candidly I  
7 personally was in some of the discussions, and  
8 I'll tell you I would not have necessarily done a  
9 pilot. There was a difference of opinion on many  
10 people. Each person in this room may have a  
11 different position. But to suggest who took this  
12 position or another, different people in each  
13 conference would have different answers to that.

14 So Senator Valesky mentioned that  
15 there will be additional negotiations. If people  
16 start pointing fingers that this person wouldn't  
17 do that, this person wouldn't do that, the level  
18 of trust to try to reach a result I think would  
19 be hurt. And so -- and plus it's irrelevant.

20 SENATOR GIANARIS: Would somebody  
21 continue to yield, I don't know which --

22 (Laughter.)

23 SENATOR DeFRANCISCO: I'm here. I  
24 was starting to, you know, lose my energy.

25 ACTING PRESIDENT GRIFFO: Senator

1 DeFrancisco yields.

2 Senator Gianaris.

3 SENATOR GIANARIS: Thank you.

4 Well, initially, let me just take a  
5 tremendous issue with what was just stated by  
6 Senator DeFrancisco. The idea that letting the  
7 public be aware of who has what position on an  
8 issue somehow hurts the cause is exactly the  
9 problem we're facing, not only in the State  
10 Senate but in state government in its entirety.

11 And I would ask -- I guess I'll go  
12 back to Senator Valesky, if he would yield.

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

15 SENATOR VALESKY: Yes.

16 SENATOR GIANARIS: Senator Valesky,  
17 forget about the room for a moment that you  
18 weren't in. But do you yourself support the  
19 inclusion of the State Legislature in a public  
20 matching program?

21 ACTING PRESIDENT GRIFFO: Senator  
22 Valesky.

23 SENATOR VALESKY: Yes.

24 SENATOR GIANARIS: And if Senator  
25 Valesky would continue to yield.

1                   SENATOR VALESKY:    Yes.

2                   ACTING PRESIDENT GRIFFO:    The  
3 Senator yields.

4                   SENATOR GIANARIS:    Thank you.

5                   Can Senator Valesky please explain  
6 to us how it is that a bill is approved to come  
7 to the floor of the Senate for a vote? Whose  
8 approval is required?

9                   SENATOR VALESKY:    Well,  
10 Mr. President, I certainly am quite confident  
11 that Senator Gianaris and every member of this  
12 Senate is fully aware of the rules that govern  
13 this Senate that say that the co-presidents of  
14 the Senate establish the daily active list.

15                   SENATOR GIANARIS:    Thank you.

16                   And if Senator Valesky would  
17 continue to yield.

18                   SENATOR VALESKY:    Yes.

19                   ACTING PRESIDENT GRIFFO:    The  
20 Senator yields.

21                   SENATOR GIANARIS:    And if he can  
22 speak for the leader of his conference -- I don't  
23 know if he can -- but my question is why would  
24 the leader of his conference, the co-leader of  
25 this Senate, agree to bring this bill to this

1 floor for a vote when it contains a matching  
2 program that he believes is inadequate by his own  
3 words?

4 SENATOR VALESKY: Mr. President,  
5 this is, as I have stated a number of times, as  
6 Senator DeFrancisco has just stated, this is --  
7 this bill, this provision of this bill, this bill  
8 is one bill of a 10-bill package that is  
9 comprising a \$138 billion state budget that will  
10 be due in three hours and 15 minutes. It was  
11 subject to the same sort of negotiation process  
12 that every element of this \$138 billion budget  
13 was. The Governor, the Senate, and the Assembly  
14 negotiating in good faith, different positions,  
15 different proposals, coming to a common  
16 conclusion so that we can complete a fourth  
17 consecutive on-time budget.

18 SENATOR GIANARIS: Would Senator  
19 Valesky continue to yield.

20 SENATOR VALESKY: Yes.

21 ACTING PRESIDENT GRIFFO: Senator  
22 Valesky yields.

23 SENATOR GIANARIS: Would Senator  
24 Valesky agree that his answer reflects a  
25 determination by someone who supports a more

1 robust public matching system, by his own words,  
2 that that better possibility was sacrificed in  
3 order to get the rest of this budget agreed to?

4 SENATOR VALESKY No, I would not  
5 agree at all with that, Mr. President.

6 SENATOR GIANARIS: If Senator  
7 Valesky would continue to yield.

8 SENATOR VALESKY: Yes.

9 ACTING PRESIDENT GRIFFO: Senator  
10 Valesky yields.

11 SENATOR GIANARIS: I took his  
12 previous answer to say that as part of -- excuse  
13 me, take it back a second. The previous question  
14 was why was this bill agreed to when the proposal  
15 the co-leader supports was not in it, and I was  
16 told that it's the result of negotiations.

17 Well, how does he not agree that  
18 that inevitably leads to the conclusion that a  
19 more robust public financing system was not  
20 enough of a priority to not conclude those  
21 negotiations without it included in the budget?

22 SENATOR VALESKY: Well,  
23 Mr. President, I apologize, I'm a little  
24 confused. Senator Gianaris has certainly been  
25 here in Albany much longer than I have, but I'm



1     sure he knows and has been aware through his many  
2     years of service that there are budget priorities  
3     that the Speaker of the Assembly has, some that  
4     make it into the final budget, others that don't.  
5     There are budget priorities of the Senate  
6     Temporary President or Co-Presidents; some make  
7     it into the final budget, others don't. There  
8     are priorities from the Governor of the State of  
9     New York; some make it into the final budget,  
10    others don't.

11                 This is the art of compromise.  
12    That's how a budget is put together. I'm sure  
13    Senator Gianaris is aware of that.

14                 SENATOR GIANARIS:    Thank you.

15                 If Senator Valesky will continue to  
16    yield.

17                 SENATOR VALESKY:    Yes.

18                 ACTING PRESIDENT GRIFFO:    Senator  
19    Valesky yields.

20                 SENATOR GIANARIS:    With respect, I  
21    know Senator Valesky has been here for many years  
22    as well, because when I was in the Assembly we  
23    worked together on many bills. So I know he's  
24    got experience here as well as I do.

25                 It's not as if everyone puts their

1 priorities in a grab bag and random ones get  
2 pulled out and included in the budget and other  
3 ones don't. The fact is the leaders make greater  
4 or lesser priorities of what their positions are  
5 and agree or don't agree to bills getting  
6 concluded without them being in it.

7               So again, why is it that we're  
8 dealing with a bill today that does not include a  
9 system that's more robust than the Assembly  
10 supports, that the Governor supports, that the  
11 Democratic Conference supports, that the  
12 Independent Democratic Conference supposedly  
13 supports, and only the Senate Republican  
14 Conference seems to not support -- although  
15 Senator DeFrancisco won't tell us exactly who  
16 does what in that room, it seems from public  
17 statements that that's clear -- why are we  
18 dealing with a bill that doesn't include  
19 something that everyone in the State Legislature  
20 and the Executive supports except the Senate  
21 Republicans?

22               SENATOR VALESKY: Mr. President, I  
23 think that it's very clear that the Majority  
24 Coalition in this Senate, the majority in the  
25 Assembly, and the Governor, perhaps most

1 significantly, are extremely interested on behalf  
2 of the people of the State of New York in  
3 achieving a fourth consecutive on-time budget,  
4 which we are about to do momentarily.

5           As I said earlier in my response to  
6 Senator Squadron, this is an issue that will  
7 continue to be negotiated past the budget  
8 deadline. This is a first start, it is a good  
9 first step. And I'm quite sure and very  
10 confident that negotiations will continue after  
11 the budget is adopted.

12           You know, I would just be concerned,  
13 though, that Senator Gianaris appears to be  
14 saying that the on-time budget and the  
15 responsibility for the fourth consecutive year of  
16 doing a budget on time is secondary, apparently,  
17 to one particular issue that's included in this  
18 budget.

19           SENATOR GIANARIS: If Senator  
20 Valesky would yield for one final question.

21           SENATOR VALESKY: Yes.

22           ACTING PRESIDENT GRIFFO: Senator  
23 Valesky yields.

24           SENATOR GIANARIS: I heard him  
25 indicate that he has confidence in the ongoing

1 negotiations on this issue. I would ask, is his  
2 confidence level that something more robust will  
3 get done in the next three months the same  
4 confidence level he has that the Board of  
5 Elections will implement these regulations in  
6 time?

7 SENATOR VALESKY: Mr. President, as  
8 I've indicated earlier, I am confident that  
9 good-faith negotiations between all parties will  
10 continue just as soon as this budget is adopted.

11 SENATOR GIANARIS: Thank you,  
12 Senator Valesky.

13 On the bill, Mr. President.

14 ACTING PRESIDENT GRIFFO: Senator  
15 Gianaris on the bill.

16 SENATOR GIANARIS: We're dealing  
17 with something that has pretty widespread support  
18 in state government. Every party in terms of the  
19 State Legislature, both the Assembly and the  
20 Senate, the Governor, members of our conference,  
21 members of the Majority Coalition all support a  
22 more robust program than that which we're dealing  
23 with tonight. And yet we're unable to get there  
24 because not enough of a priority has been made  
25 about achieving that goal.

1           It's the reason why a broad  
2 coalition of good-government groups, from the  
3 Brennan Center to Citizen Action to Citizens  
4 Union to Common Cause to the League of Women  
5 Voters to NYPIRG, all agree that this pilot  
6 program is a mistake and, to use their words, is  
7 destined to fail.

8           Now, I have been here a long time,  
9 which means I'm a bit of a cynic at times. And I  
10 can't help but ask the question, are we propping  
11 something up here so that it will be unsuccessful  
12 this year and then the issue of public financing  
13 going forward will end up taking on water and  
14 will make it more difficult, shattering Senator  
15 Valesky's great confidence that we're going to  
16 have some successful negotiations later in the  
17 session.

18           It's unfortunate, too, that this is  
19 included in a bill that has a lot of important  
20 things in it, which is going to lead me to vote  
21 yes because I do want ethics reforms and I do  
22 want some of the changes that are included in  
23 this bill.

24           But this particular Part H,  
25 subpart D, title 2 of S6355D, negotiated in a

1 back room that we're not allowed to know who took  
2 what positions in, is an abomination.

3 Thank you, Mr. President.

4 ACTING PRESIDENT GRIFFO: Thank  
5 you, Senator Gianaris.

6 Senator Díaz.

7 SENATOR DÍAZ: Thank you,  
8 Mr. President.

9 Today I have been praising people  
10 from left to right. But now I'm praising no  
11 more. I'll tell you why is it that now I'm  
12 stopping praising. Because we're about to ask  
13 the residents of the State of New York to pay, to  
14 put money, who work, get up early in the morning  
15 go and work, pay taxes, and out of that money  
16 give us politicians some so we could pay for our  
17 campaigns.

18 It is outrageous to ask the people  
19 of the State of New York to start planning, with  
20 a pilot project, to make it bigger, to ask the  
21 people of the State of New York to give up money  
22 so we could go and spend money, their money, in  
23 our campaigning.

24 There is no money to comply with the  
25 court ruling on CFE, Campaign for Fiscal Equity.

1 The court decided, the court issued a ruling that  
2 we should find money and that we have to pay  
3 money and bring and find money to be equal in the  
4 education, to get money for education -- but  
5 there's no money nor that. There is no money.  
6 We cannot give that money, we cannot comply, we  
7 have not been complying with the state ruling to  
8 give money, that money that we owed for  
9 education, because there is no money.

10 But there is money for us  
11 politicians to spend in our campaigns, political  
12 campaigns. There is no money to pass the DREAM  
13 Act, there's no money, 20 or 25 -- 25 million,  
14 there is no money for the DREAM Act. So  
15 therefore we deny 8,000 students the opportunity  
16 to get a college education because there is no  
17 money, but there is money for us politicians to  
18 spend in our political campaign. There's money  
19 for that.

20 There is no money to keep hospitals  
21 open, clinics, and many communities need  
22 services. There is no money. The hospitals have  
23 been closing in the State of New York, hospitals  
24 are closing, but we are asking the people of the  
25 State of New York to give money while their

1 health is put in danger, where their hospitals  
2 have been closed, where their needed services  
3 have been cut because there is no money -- but  
4 now we are telling them there is money, we have  
5 to give money to politicians so they could spend  
6 in their political campaigns.

7           There is no money to give increases  
8 to working people in the State of New York, but  
9 there is money for us politicians to spend in our  
10 political campaigns. There is no money. There  
11 is no money even to increase the salary of our  
12 staff members.

13           We ask our staff members, go work  
14 and work and work, Saturday, Sunday, night, day,  
15 go represent me there, go represent me there, go  
16 over there. But there is no money to give our  
17 staff members an increase in salary. There is no  
18 money. But there is money for us politicians to  
19 spend in our political campaigns.

20           There is no money, there is no money  
21 to build housing, to provide those thousands of  
22 families in shelters a decent apartment. And  
23 we're putting them in places that looks like I  
24 don't even want to mention the name. But there  
25 is no money for that, there is no money to build



1 houses, there is no money to build decent  
2 housing. But there is money, there is money for  
3 us politicians to spend on our political  
4 campaigns.

5           There is no money, there is no money  
6 for prevailing wages in the State of New York.  
7 There is no money. But there is money,  
8 Mr. President and ladies and gentlemen, there is  
9 money for us to spend in political campaigns.  
10 And they call that -- how they call that? They  
11 call that campaign finance, public financing.  
12 And we call it great thing that we're going to do  
13 for the State of New York. There is no money.

14           Ladies and gentlemen, that is a  
15 travesty. That is wrong. That is evil. That is  
16 ugly. And God hates ugly. If we have any  
17 decency, if we have any decency we should all  
18 vote against this and anything that has to do  
19 with using money for our political campaigns.

20           We should be ashamed of that,  
21 ashamed to stand here saying, Oh, we've got to  
22 give money to a politician and to every person in  
23 the New York State that wishes to run for a state  
24 office, we should give money to them so they  
25 could run their campaign. And then we go to our

1 community: Oh, I'm fighting for you, I'm  
2 fighting for you. You're fighting for whom?

3 It is incredible what we are asking  
4 here. I ask all of you, all of you, Democrat,  
5 Republican, all of you, come on, stop this  
6 nonsense. This be for real. There is no money,  
7 there's no money to help our communities. In my  
8 district there are many community organizations  
9 closing their doors because there is no money to  
10 help them keep their doors open so they could  
11 give help to the needy. And then we're going to  
12 say there, there's no money for that but there's  
13 money for us to run for political campaigns.

14 Whoever wants to run for a political  
15 campaign, go over there also. Go over there and  
16 find your money, all money. Go over there and  
17 ask for it. But stop asking the government, stop  
18 asking the people of State of New York to pay for  
19 your campaign. This is wrong. It's evil. Stop.  
20 For God's sake, stop. Vote no. Send a message  
21 to all those lobbyists, all those unions, all the  
22 people who say, Oh, you got to do this, you got  
23 to do this. Show them that you have some kind of  
24 decency. Stop this nonsense already.

25 Thank you, Mr. President. I'm

1 voting no.

2 (Laughter.)

3 ACTING PRESIDENT GRIFFO: Senator  
4 Rivera.

5 SENATOR RIVERA: Thank you,  
6 Mr. President. If the sponsor would yield for a  
7 few questions.

8 SENATOR DeFRANCISCO: Yes.

9 ACTING PRESIDENT GRIFFO: Senator  
10 DeFrancisco yields.

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

13 I have a couple of questions about a  
14 couple of aspects that we haven't spoken about  
15 yet, but I found them and I wondered if you'd  
16 explain them to me.

17 One is a section in this bill that  
18 creates -- that expands Start-Up NY for Butler  
19 Correctional Facility, Chateaugay Correctional  
20 Facility, Monterey Shock Incarceration  
21 Correctional Facility, and Mt. McGregor  
22 Correctional Facility. Could you explain that  
23 piece of the budget to me, please? Through you,  
24 Mr. President.

25 SENATOR DeFRANCISCO: It's in

1 Public Protection. It actually deals with prison  
2 closures. And there's a program associated with  
3 it so that when a prison closes, that there are  
4 certain dollars allocated for economic  
5 development.

6 In this case I think it's \$8 million  
7 per prison, areas where the prisons are closed,  
8 in order to help redevelopment of that area.

9 SENATOR RIVERA: Through you,  
10 Mr. President, if the sponsor would continue to  
11 yield.

12 ACTING PRESIDENT GRIFFO: The  
13 sponsor yields.

14 SENATOR DeFRANCISCO: Yes. And on  
15 the Start-Up -- I'm sorry, go ahead.

16 SENATOR RIVERA: Thank you,  
17 Mr. President. I haven't asked a question yet.

18 SENATOR DeFRANCISCO: I didn't  
19 realize Start-Up was involved with it. But it's  
20 making these areas a Start-Up area to make it  
21 easier to attract new businesses coming in.

22 SENATOR RIVERA: Through you,  
23 Mr. President, that's precisely why I wanted to  
24 ask about the program. What you're referring to  
25 is something that we voted on -- I believe

1 something we voted on in years past as it relates  
2 to correctional facilities that are closing.

3 In this case the reason I'm asking  
4 about Start-Up NY is, through you, Mr. President,  
5 it was my understanding when we voted for it last  
6 year -- and I voted against it last year for a  
7 few different reasons. But it was my  
8 understanding that the program was tied to -- was  
9 to do CUNY and SUNY campuses and properties of  
10 CUNY and SUNY campuses precisely because of the  
11 type of businesses, Mr. President, that they  
12 wanted to attract would be businesses that would  
13 be tied to the educational mission of the  
14 institution.

15 If that being the case, was there  
16 any particular reason -- what was the reason that  
17 that particular program, as opposed to another  
18 one, was expanded to correctional facilities when  
19 obviously they don't necessarily have an  
20 educational mission?

21 SENATOR DeFRANCISCO: First of all,  
22 I too -- yes, Mr. President, excuse me. I too  
23 voted against Start-Up NY, for probably the same  
24 reasons you did.

25 But the thinking is that with prison

1 closures and the devastation it has to  
2 communities and jobs that are lost to those  
3 communities, tying a Start-Up NY program with  
4 that area that has to be done in affiliation with  
5 a university makes it more likely that there's a  
6 chance of getting more jobs there quicker because  
7 of the tax benefits.

8 SENATOR RIVERA: Through you,  
9 Mr. President, if the sponsor would continue to  
10 yield.

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: The  
13 sponsor yields.

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

16 So you're saying that what this  
17 would do is extend Start-Up NY to correctional  
18 facilities and then connect it to an educational  
19 institution's property? I still don't  
20 understand, I'm sorry.

21 SENATOR DeFRANCISCO: Mr.  
22 President, the Start-Up NY proposal was really  
23 initially limited to certain properties that were  
24 either on university grounds or adjacent to them  
25 or whatever.

1                   This does not apply to all  
2       correctional facilities, it applies to those that  
3       are subject to closure so that it gives a better  
4       opportunity as long as they affiliate whatever  
5       their business is through a university. It's  
6       kind of a -- it's a stretch, but you can see the  
7       logic behind it, that if the Start-Up NY program  
8       is good, then under those circumstances it's  
9       going to help those areas of prison closure --  
10      not all correctional facilities -- to try to  
11      rebound.

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

15                   SENATOR DeFRANCISCO:    Yes.

16                   ACTING PRESIDENT GRIFFO:    The  
17      sponsor yields.

18                   SENATOR RIVERA:    Thank you,  
19      Mr. President.

20                   So, Senator DeFrancisco, I know that  
21      last year we had conversations about Start-Up NY.  
22      And you just reminded me that you voted against  
23      it, as I did. Could you remind what were your  
24      objections to the program last year?

25                   SENATOR DeFRANCISCO:    Well, the

1 objections to the program last year were the same  
2 reasons why we had hearings all over the state,  
3 to get broad-based tax cuts so government doesn't  
4 pick the winners and losers and so that companies  
5 that are already in the State of New York trying  
6 to make a living don't fear -- don't have undue  
7 competition not only for the product that they  
8 sell but, more importantly, for the people that  
9 they have working for them.

10 Because those people, when offered a  
11 job, if they're -- let's say it's an IT person  
12 who's the greatest IT person at a company that's  
13 in existence, and you tell them: You can go to  
14 our factory here in Start-Up NY and don't have to  
15 pay taxes for 10 years. That's sort of an unfair  
16 advantage.

17 So you can't do anything about the  
18 fact that the program is in existence. It's in  
19 existence. It's just another opportunity to try  
20 to help those areas that are devastated by prison  
21 closures to try to get employees there earlier.

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

25 SENATOR DeFRANCISCO: Yes.



1                   ACTING PRESIDENT GRIFFO:    The  
2   sponsor yields.

3                   SENATOR RIVERA:    Thank you,  
4   Mr. President.

5                   So am I to understand that you are  
6   an opponent and a supporter of the program now?

7                   SENATOR DeFRANCISCO:   No, I'm not  
8   saying that at all.

9                   You can oppose a bill and hope that  
10   it doesn't become law, but once it does and it's  
11   available to people from out of this state to  
12   develop certain areas, and you have a real  
13   problem where correctional facility closures are  
14   resulting in areas being devastated by lack of  
15   employment, you should be able to use what is in  
16   existence.

17                   And I don't say -- when I vote no on  
18   a law, I don't selectively decide which ones I'm  
19   going to abide by.

20                   SENATOR RIVERA:    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 RIVERA:   Fair enough on all  
2   of those.

3                   Moving on to another issue, also in  
4   this bill there is an exemption of three-family  
5   buildings in part of the Bronx from 421A  
6   requirements. There's a couple of lots that are  
7   named specifically. Could you tell me what  
8   exactly does that mean and why it was included?

9                   SENATOR DeFRANCISCO:   At this  
10   moment I have no clue. But I will get the answer  
11   for you momentarily because I'm not familiar with  
12   that aspect.

13                  Repeat the question, please.

14                  SENATOR RIVERA:   Through you,  
15   Mr. President, absolutely. There is a part of  
16   this bill that includes an exemption for  
17   three-family buildings in part of the Bronx from  
18   421A requirements. There are a couple of  
19   buildings that are named specifically.

20                  So I wanted to find out why they're  
21   in there, because I just didn't have clarity on  
22   that.

23                  SENATOR DeFRANCISCO:   Oh, we have  
24   an expert in this area, Senator Klein. And he  
25   would be more than happy to answer your question.

1                   SENATOR KLEIN:    I'm sorry,  
2   Mr. President, I didn't hear the question.

3                   ACTING PRESIDENT GRIFFO:    Senator  
4   DeFrancisco defers to Senator Klein.  Without  
5   objection, Senator Klein can be heard.

6                   SENATOR RIVERA:    Yes,  
7   Mr. President, I will repeat the question.

8                   ACTING PRESIDENT GRIFFO:    Senator  
9   Klein, do you yield to the question?

10                  SENATOR KLEIN:    Yes, Mr. President.

11                  ACTING PRESIDENT GRIFFO:    Senator  
12   Rivera, you may ask the question.

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

15                  There is a part of this bill which  
16   includes apparently an exemption for three-family  
17   buildings in Bronx County from 421A requirements.  
18   So I wanted to find out what those buildings  
19   were, what that referred, and why it's in here.

20                  SENATOR KLEIN:    I'll be happy to  
21   answer the question, again, with my colleague  
22   from the Bronx on behalf of hardworking  
23   Bronxites.

24                  This is a piece of legislation which  
25   really corrects a very grave error.  The purpose

1 of the bill is to provide certain excluded  
2 homeowners --

3 ACTING PRESIDENT GRIFFO: Can I  
4 have some order in the chamber, please.

5 Senator Klein.

6 SENATOR KLEIN: Through you,  
7 Mr. President, the purpose of the bill is to  
8 provide certain excluded homeowners with the  
9 ability to apply for and obtain a real property  
10 tax exception pursuant to the Real Property Law  
11 Section 421-a.

12 This is a development known as  
13 Shorehaven Condominiums at Harbour Pointe. It's  
14 a development in my district in the Bronx, which  
15 I share with Assemblymember Marcos Crespo. The  
16 bill applies to these developments which were  
17 inadvertently, due to the operation of the law at  
18 the time and the period in which such dwellings  
19 were constructed, were excluded from  
20 participating in a tax-abatement program.

21 We tried to deal with this directly  
22 with the City department of Finance, the City  
23 Department of Real Property. They told us last  
24 year that we needed to have an amendment to be  
25 able to include them so -- these are individuals

1 who actually bought into this development later.  
2 These are homeowners. They're sort of like -- I  
3 can't describe it, sort of small two-family, some  
4 of them are one-family homes in the Bronx. And  
5 being that they bought later, the more recent  
6 developments of the project, they were excluded  
7 from the tax abatement that was enjoyed by people  
8 who bought previously.

9                   So this affects probably anywhere  
10 from 100 to 120 of the newest homeowners in this  
11 development. And this is really correcting an  
12 inequity which we tried to do last year, but  
13 unfortunately it passed the Senate and never  
14 passed the Assembly. So we decided this year to  
15 include it in the budget.

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

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

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

22                   And thank you both, Senator  
23 DeFrancisco and Senator Klein, for the answers on  
24 both those questions. These are two issues that  
25 were outstanding and I didn't have much clarity

1 on, so I wanted to get some clarity.

2 But I wanted to speak on a couple of  
3 different aspects of the bill. First of all, on  
4 Start-Up NY, since we were already speaking about  
5 it. As I share with Senator DeFrancisco and a  
6 couple of my colleagues, I voted against it last  
7 year for very similar reasons. It seems that  
8 what you're creating is a situation where you  
9 create an unfair advantage for the inside a  
10 tagged zone and outside a tagged zone.

11 And while I certainly understand the  
12 situation of many correctional facilities closing  
13 and some of the economic hardships that it  
14 creates there, I think that the concerns that we  
15 brought last year are still concerns that I have  
16 to this day.

17 There are businesses that might be  
18 located right outside of the area where  
19 Start-Up NY is determining to exist, and these  
20 folks have been giving back to the community, may  
21 have been based there for generations and have  
22 all sorts of employees and employee taxes and  
23 property taxes that they have to pay. And once  
24 you figure out that you can establish yourself as  
25 a new business inside the area, inside the zone,

1     that all of a sudden gives you an unfair  
2     advantage.

3                     And on top of that, there was at  
4     least the fact that last year the program was  
5     tied to an educational institution and a mission  
6     of the educational institution. The argument was  
7     made, certainly was made directly to me and a lot  
8     of our colleagues that ultimately the point was  
9     to bring the type of businesses that would be  
10    connected to the educational mission of the  
11    institution and therefore would not compete  
12    directly with businesses that would be outside of  
13    the zone. That's not necessarily what we have  
14    here, which is one of the reasons why I also  
15    think it's problematic.

16                    But as far as the rest of the bill,  
17    it's one of those situations where you have a  
18    complex bill that has a lot of things in it and  
19    then you have to decide how you're going to vote.  
20    There are certainly some positives in here, there  
21    is a program that we have been fighting for for  
22    for many years in the Bronx to make sure that we  
23    get SNUG funding. And I know that there's been a  
24    lot of fight that has been done certainly by  
25    Senator Ruth Hassell-Thompson as well as Senator

1 Klein to make sure that we get it in the Bronx.  
2 And it is included in here, which I think is a  
3 positive thing and will have a positive impact on  
4 communities all across the Bronx and certainly  
5 some of the ones that I represent.

6 And there's a few other things that  
7 are in here which are positives. But I have to  
8 say that taken overall, this is not a bill that  
9 I'd be able to support, Mr. President. I think  
10 that the biggest poison pill is certainly the  
11 attempt at campaign finance reform.

12 I believe in campaign finance. And  
13 I believe in it -- and we can certainly have a  
14 debate about it, but I believe in it because I  
15 believe that when done right, it is a way to  
16 extract special interest money from the process.

17 I think that it is a little obscene  
18 that if somebody is running for President, an  
19 individual can give him or her \$2500, and yet  
20 that same individual can turn around and give me  
21 somewhere in the neighborhood of \$17,000.

22 I've seen plenty of evidence which  
23 tells me that when a system is designed  
24 correctly, a public financing system can actually  
25 encourage more participation from people that are



1 local and in the district, since there are  
2 requirements that would be set so that you would  
3 have to talk more to your constituents. And with  
4 smaller contributions, these would be multiplied.

5           There's a lot of reasons why I'm  
6 supportive of a campaign finance system. And  
7 while I've been, certainly since I was elected  
8 have been fighting to make sure that we have a  
9 true campaign finance reform done at the state  
10 level, this is not it. And I think that both my  
11 colleagues Senator Gianaris and Senator Squadron  
12 really got to the heart of a lot of this.  
13 Ultimately it is a pilot program that seems on  
14 its face to be destined to fail.

15           I certainly am one who believes that  
16 government is a good thing, as my good colleague  
17 Senator Robach, who's not here, he always walks  
18 over and calls me his favorite communist,  
19 sometimes he calls me, because I talk about  
20 government all the time and how government is a  
21 force for good and can do good things. So I  
22 certainly think that government can operate well.

23           But what we're asking the Board of  
24 Elections here to do in such a short period of  
25 time -- it is one race. Senator Valesky is not

1 here. It is one race, but it is a very  
2 complicated system that we're trying to establish  
3 here. And to ask the Board of Elections, that  
4 has not done this before, to be able to in a  
5 couple of months, where just in a month or a  
6 month and a half our the petition process is  
7 starting -- so the campaign is just right around  
8 the corner, and we're asking them to do a series  
9 of tasks which are not really practicable for the  
10 Board of Elections to be able to do.

11 So ultimately it is -- what we're  
12 talking about is setting up a system which seems  
13 to be designed from its inception to fail. And  
14 that is exactly the opposite of what we want to  
15 do. We want to be thoughtful about how we  
16 establish this. We want to make sure that we  
17 establish a system which truly serves the  
18 interests of what we're trying to do here.  
19 Certainly for us who believe in campaign finance,  
20 to support a system like this would be to support  
21 something that is bound to fail.

22 So as a good colleague of mine said,  
23 basically we're saying this pilot is really  
24 doomed to crash. The pilot just going in that  
25 direction.

1                   I would say that there's a lot of  
2 other aspects that my colleagues have spoken  
3 about, and I could go on for a long time. But I  
4 will only say that when you're considering budget  
5 bills, there's certainly a lot of things that are  
6 in it. Sometimes there's good things and bad  
7 things. And in this case I have to say that even  
8 with the couple of positive things that are in  
9 it, there is enough in there that makes it a bill  
10 that I cannot support.

11                   So, Mr. President, I will be voting  
12 in the negative. Thank you.

13                   ACTING PRESIDENT GRIFFO:    Senator  
14 Serrano.

15                   SENATOR SERRANO:    Thank you,  
16 Mr. President. On the bill.

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

19                   SENATOR SERRANO:    I was listening  
20 to the debate amongst my colleagues about the  
21 campaign finance portion of this bill. And  
22 really I believe that this doesn't need to be a  
23 contentious issue.

24                   And I'm speaking from the point of  
25 view of an elected official who participated in a

1 very robust campaign finance system when I was a  
2 member of the New York City Council. So coming  
3 out of that system for three years, one that I  
4 had a very good experience with, one that I  
5 believe that without it I would not have been as  
6 competitive in my first council race in 2001.

7           And I think it also provided a  
8 situation where smaller contributions in that  
9 system, smaller contributions meant so much more.  
10 Thereby people in my district -- where I was  
11 representing was not a wealthy place. We didn't  
12 have any high-dollar donors in my community.  
13 But, you know, Doña Juana could contribute a  
14 small amount and still feel very vested in the  
15 campaign of a candidate. They could feel sort of  
16 on an even playing field with some of the  
17 wealthier donors because of that match.

18           So I really, really believe that a  
19 robust campaign finance system or public matching  
20 funds system would make all of our lives easier.  
21 I truly believe that. Because it would require  
22 less time for us spending raising money, and we  
23 can focus more time on governing. We can focus  
24 more time on connecting with our constituents.  
25 We can focus more time on smaller events and not

1   having to think about, oh, I have to raise so  
2   much money because I have an election coming up.

3               So I really do believe that a robust  
4   campaign finance system -- and again, I had a  
5   very good experience with the New York City  
6   campaign finance system, of which I was a member  
7   throughout my years in the New York City Council.  
8   I believe that it provided an opportunity for,  
9   you know, the not-such-well-heeled candidates out  
10   there to be competitive with those wealthier  
11   candidates out there. It allowed us to focus on  
12   getting our message out there and having a debate  
13   based on those issues rather than about how much  
14   money you can raise.

15              And by doing so, increasing public  
16   participation is really the ultimate goal here.  
17   I think that the investment in something like  
18   campaign finance and public financing, if it  
19   creates ultimately a more engaged society, a more  
20   in-tuned and more vested public, then we've all  
21   won. And it doesn't matter what ideology you're  
22   from or what political persuasion you're from. I  
23   think that this runs across all political  
24   spectrums, and there really is no Democrat or no  
25   Republican ideology, or there should not be, when

1     it comes to this issue.

2                   So I believe -- and again, I am  
3     speaking from a position of authority in that I  
4     participated in a campaign finance system. And  
5     yes, it was difficult. Yes, there was a lot of  
6     reporting to do. And yes, there was a lot of  
7     requirements. But ultimately it freed me up to  
8     be able to focus on my message.

9                   And I do wish that we could explore  
10    that. And I do believe that there is a good  
11    amount of political will here, in this chamber  
12    and the Assembly and on the second floor, to make  
13    that a reality. And I think we should lower the  
14    temperature in this debate, not really engage in  
15    a large amount of finger-pointing, because I  
16    really, truly believe that this is something that  
17    will benefit everyone when you get down to it and  
18    you come up a good system.

19                   Thank you.

20                   ACTING PRESIDENT GRIFFO:     Senator  
21    Hoylman.

22                   SENATOR HOYLMAN:     Thank you,  
23    Mr. President. On the bill.

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

1                   SENATOR HOYLMAN:    You know, I do  
2    want to acknowledge that there have been efforts  
3    made to move this issue forward, and we have made  
4    progress.

5                   But the bill before us I think  
6    misses an important point, Mr. President, which  
7    is we don't need a test case. We already have  
8    one. And we've had one for about 20 years in  
9    New York City. And we've had one in New York  
10   City that was actually put forward by a  
11   Republican, Rudy Giuliani. And we've had  
12   Republicans, including the last Republican mayor,  
13   participate in the system, and the candidate for  
14   mayor participated in the system, and I believe  
15   we'll have future candidates.

16                  So I hope that my friends on the  
17   other side of the aisle will begin to see this  
18   less as a partisan issue and more as one that the  
19   public as a whole can benefit from.

20                  This bill, unfortunately, doesn't  
21   take into consideration all the problems that we  
22   have in the current system in New York that would  
23   lead voters to be cynical. There aren't real  
24   campaign limits. There isn't the elimination of  
25   loopholes and party housekeeping accounts. There

1     isn't a robust system of matching funds for all  
2     candidates, obviously, that will help level the  
3     playing field. And there isn't an independent  
4     agency to monitor and administer the program like  
5     we have in New York City, the Campaign Finance  
6     Board.

7                     Now, the people at the State Board  
8     of Elections are hardworking and I think a lot of  
9     us have a lot of respect for them. But the word  
10    "competence" is not one I would necessarily use  
11    at all times to describe their endeavors. And I  
12    would argue, Mr. President, that we need an  
13    independent body set up as part of this bill.

14                    I also think that we won't get a  
15    better bill because of a very basic fact that I  
16    alluded to earlier, which is there's a belief  
17    among some of our colleagues that this won't help  
18    them, that this will in fact hurt them. And some  
19    of those colleagues are the biggest beneficiaries  
20    of the dark money in Albany, whether it's the  
21    real estate lobby or LLPs. And we need to make  
22    certain that they see, as my colleague Senator  
23    Serrano has said, that campaign finance reform  
24    can actually be a system that works on behalf of  
25    everyone, Republican and Democrat alike.



1                   You know, as we move forward I'm  
2 hopeful that we'll see a new bill hit the floor  
3 that encompasses all state bodies, all candidates  
4 for office. Since we've eviscerated the Moreland  
5 Commission today, I think we have the  
6 responsibility, Mr. President, to come back to  
7 the people of New York with a full-throated  
8 proposal for campaign finance reform that takes  
9 money out of politics, that levels the playing  
10 field, and that restores public confidence in our  
11 Legislature.

12                   Thank you.

13                   ACTING PRESIDENT GRIFFO:   Senator  
14 Parker.

15                   SENATOR PARKER:   Thank you,  
16 Mr. President. On the bill.

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

19                   SENATOR PARKER:   Ladies and  
20 gentlemen of the Senate, I know the hour is  
21 getting a little late, but this is a really  
22 critical issue that we have to deal with when we  
23 talk about campaign finance reform.

24                   And let's be really honest. We have  
25 a bad perception about the work that we do here

1 and how in fact that it happens. People think  
2 that it's just about the money up here, and  
3 that's what it appears to be. And clearly the  
4 state system of finance for campaigns needs a  
5 significant overhaul.

6 The bottom line is that this bill  
7 that's before us does nothing to curb Albany's  
8 pay-to-play mentality or its culture of  
9 corruption.

10 So during our one-house budget  
11 debate we had in this chamber about a month ago,  
12 we were told that, you know, something  
13 significant would happen and we just needed to  
14 get through the resolution and, as we got through  
15 that resolution process, that there would be more  
16 significant conversations around campaign  
17 finance.

18 However, the very next day when the  
19 bill's released, the entire Part HH was  
20 intentionally omitted. It was clear then, as  
21 it's clear now, based on this watered-down  
22 proposal, that, you know, the coalition wasn't  
23 really committed to true reform.

24 I don't know why we would accept --  
25 some people say this is a half a loaf. This is

1 not even a half a loaf. This is a slice of  
2 reform. It doesn't -- this bill does nothing to  
3 address --

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

6 SENATOR DeFRANCISCO: Would the  
7 sponsor yield to a question?

8 SENATOR PARKER: Senator  
9 DeFrancisco, I would love to yield for a question  
10 after I finish. I'm not the sponsor, though.

11 SENATOR DeFRANCISCO: Yeah, but  
12 you're speaking.

13 SENATOR PARKER: Yes. After I'm  
14 finished, I would love to respond to a question.

15 ACTING PRESIDENT GRIFFO: Senator  
16 Parker has the floor. He may continue.

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

19 This bill in front of us today does  
20 nothing to address the New York's sky-high  
21 contribution limits. Senator Squadron spoke to  
22 this very eloquently about how much money, I mean  
23 just staggering amounts of money that individuals  
24 and limited liability corporations can give to  
25 individual candidates.

1           So this LLC loophole must be closed.  
2     It does nothing to lower or ban unlimited  
3     contributions to soft-money campaign accounts.  
4     And really all we do at this point by passing  
5     this legislation is kicking the can down the  
6     road. And we can wind up in a hole before we  
7     actually catch up with the can again.

8           On this issue of campaign finance we  
9     have been, in this chamber, all talk and no  
10    action. We haven't done anything. We've been  
11    talking about this for three or four or five or  
12    six years and we have not put forward a bill that  
13    really in any kind of significant way addresses  
14    the issue of campaign finance reform.

15           And contrary to what people may say,  
16    and with all due respect to my good friend and my  
17    neighbor in the LOB Reverend Díaz, this is not  
18    about directing money towards political  
19    campaigns. This really is about fixing a problem  
20    about access. This is opening up a system for  
21    way too long in this state that has been  
22    accessible only to a few special interests with  
23    loads of money.

24           Ultimately this bill -- you know,  
25    what we ought to be doing about campaign finance

1 is improving access to the political system to  
2 ensure that we can accomplish a true progressive  
3 agenda, which we know that the majority of  
4 New Yorkers want. Just like when we talked about  
5 the revenue bill, what we typically do in this  
6 body and in this Legislature is really cater to a  
7 few select, well-financed, mobilized individuals  
8 instead of the large masses of the people that we  
9 really represent in the State of New York.

10 Now, the Governor believes that the  
11 way to address this is to take money out of  
12 politics by tightening the state's campaign  
13 finance laws. And frankly, the Senate Democrats  
14 agree with him. We need to reduce the  
15 contribution limits, close the loopholes that  
16 will neutralize the army of special interests  
17 that currently control Albany.

18 We also obviously have to do better  
19 at disclosure. And I really appreciate the  
20 chairman of the Finance Committee's report about  
21 all the changes that were going on, and I think  
22 that those are actually some great starts. But  
23 it really doesn't get to the heart of what the  
24 real problem is.

25 This conference, the Senate

1 Democratic Conference, has consistently  
2 introduced legislation not only to be blocked by  
3 the Majority Coalition that would lower campaign  
4 finance limits, fix the corporate LLC donation  
5 loopholes, require better disclosure of campaign  
6 bundlers, and would lower the contribution limits  
7 to housekeeping accounts. And this is just a few  
8 of the things that we would like to do.

9           And as Senator Squadron also  
10 indicated, you know, every time we brought up a  
11 hostile amendment, we haven't been able to  
12 discuss the amendment. We have been, over the  
13 last three to four years, been relegated just to  
14 debate the germaneness of the bill and not really  
15 get into the meat of the issues.

16           This is not any way to run a  
17 Legislature right now. And I know that we're  
18 better than this. And I hope that as we go  
19 forward that we will show the New Yorkers who  
20 really are counting on us and who sent us here to  
21 represent their interests that we are better than  
22 this, that we really care about them and not  
23 about large-dollar campaign contributors.

24           Thank you, Mr. President.

25           ACTING PRESIDENT GRIFFO:     Senator

1 DeFrancisco.

2 SENATOR DeFRANCISCO: Senator  
3 Parker indicated that after he was done I could  
4 ask him a question.

5 ACTING PRESIDENT GRIFFO: Senator  
6 Parker, would you yield to a question?

7 SENATOR PARKER: Through you,  
8 Mr. Chair, yes.

9 ACTING PRESIDENT GRIFFO: Senator  
10 DeFrancisco.

11 SENATOR DeFRANCISCO: Senator  
12 Parker, how long have you been a State Senator?

13 SENATOR PARKER: Mr. Chair, about  
14 11 years.

15 SENATOR DeFRANCISCO: I just have a  
16 question. You had indicated that you can't stand  
17 this all talk and no action, there's too much of  
18 that around here, and that this bill is not half  
19 a loaf, it's not even a slice.

20 Could you tell me, when you were in  
21 the majority in 2009 and 2010, what morsel of  
22 campaign reform did you pass during that two-year  
23 period?

24 SENATOR PARKER: Through you,  
25 Mr. Chair. Senator DeFrancisco, in 2010 we

1 actually did some campaign finance reform through  
2 the ethics reform that we did, including that  
3 would make us disclose bundlers, as well as some  
4 of the other pieces that I mentioned today.

5 SENATOR DeFRANCISCO: Well, I think  
6 that -- let me just mention -- just speak on the  
7 bill just for a second. I have one other  
8 question, one other question.

9 I just believe that he may be  
10 mistaken on real finance reform that he's talking  
11 about that was in any kind of ethics bill.  
12 Otherwise, we wouldn't have to do it now.

13 Last question. Can you tell me the  
14 bills that you talked about that the Senate  
15 Republicans blocked, and we blocked consistently,  
16 who blocked legislation during the two years that  
17 you had the majority? Did the minority  
18 Republicans do that?

19 SENATOR PARKER: Actually, the bill  
20 I had spoken to, we actually did do it and it was  
21 vetoed by the Governor.

22 SENATOR DeFRANCISCO: Was it public  
23 financing?

24 SENATOR PARKER: No, it was not  
25 public financing. But it did close some of



1 the -- many of the loopholes that we're talking  
2 about now, including the LLC loophole.

3 SENATOR DeFRANCISCO: Thank you.  
4 Thank you.

5 ACTING PRESIDENT GRIFFO: Thank  
6 you, Senator Parker, Senator DeFrancisco.

7 SENATOR PARKER: Thank you.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Stavisky.

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

12 It's been said here this evening  
13 that the public financing of the race for  
14 Comptroller will be a pilot project. We had one  
15 since 2001. In New York City we've had the  
16 campaign finance going on and working -- with  
17 some problems, but nevertheless it has enabled  
18 candidates who otherwise would never have run  
19 much less been elected. It works.

20 Yes, some of the requirements of the  
21 Campaign Finance Board can be annoying, tedious,  
22 difficult to enforce. But overall the proof is  
23 you take a look at the New York City Council  
24 today, and those are candidates who would never  
25 have been able to run.

1                Secondly, it's been said this  
2 evening that the role of money in elections has  
3 had a terrible impact, an insidious attack upon  
4 integrity and upon, even more significantly, the  
5 integrity of this legislative body and any  
6 legislative body.

7                This has been a problem, and the  
8 Brennan Center has had repeated reports on the  
9 role of money and how it has led to all sorts of  
10 misappropriations and illegal acts. We have no  
11 way of curbing individual contributions, and that  
12 is a problem due to the Supreme Court in the  
13 Buckley decision.

14              So these are problems. And to  
15 reduce the impact of money we have a  
16 half-hearted, watered-down proposal.

17              People have said that money is not  
18 everything, but the absence of money is. And  
19 public financing will help in that respect. It  
20 will enable people who have support in the  
21 community but the community may not be able to  
22 make contributions, the community may be a poor  
23 community, and they will help somebody get  
24 elected.

25              Having said that, there are good

1 things in this bill, particularly the  
2 strengthening of the ethics provisions. To me,  
3 legislative ethics should no longer be considered  
4 an oxymoron. We shudder when people talk about  
5 ethics reform, and yet that's what's needed in  
6 this body. We need an ethical legislature, and  
7 hopefully strengthening some of the penalties  
8 here, making misdemeanors a Class E felony,  
9 strengthening the current laws I think will have  
10 a salutary effect.

11 And really I'm very disappointed in  
12 the lack of public financing in this bill, but  
13 there are good parts to it. And it's very  
14 difficult for me to vote no because there are so  
15 many other points that I think will be helpful.

16 Thank you, Mr. President.

17 ACTING PRESIDENT GRIFFO: Senator  
18 Savino.

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

21 You know, I wasn't actually planning  
22 on speaking because the hour is late. But as I  
23 sat here and I listened, I felt compelled to get  
24 up because some of my colleagues in their  
25 rhetoric seemed to be rewriting history, a

1 history that I have been part of for the better  
2 part of nine and a half years here in this  
3 Legislature.

4           When I arrived here, I was a member  
5 of the Senate Democratic Conference, along with  
6 the other members -- except for the two younger  
7 ones -- of the IDC. We were members of the  
8 Senate Democratic Conference engaged in an effort  
9 to take the majority away from the Republicans.

10           Part of our efforts, of course,  
11 involved raising lots of money. We were all  
12 engaged in lots of fundraising towards that end,  
13 and we all talked about the issue of campaign  
14 finance reform as one of the platform issues that  
15 would make us different when we took the  
16 majority.

17           Lo and behold, we managed to secure  
18 enough money, we won enough seats, we won a  
19 majority. And during the period of time that we  
20 held the majority, we never once brought a  
21 campaign bill to this floor through committee or  
22 even for discussion. Why? Because we didn't  
23 have the votes. We didn't have the votes then,  
24 they don't have the votes now, you heard it right  
25 here.

1           I heard some comments like this is a  
2 half-baked loaf or a slice of bread. Well, my  
3 suggestion to my colleagues is bake your own  
4 bread. When you can pull together sufficient  
5 votes to get campaign finance reform done the way  
6 you want, maybe we'll get it done in this house.

7           Last year the IDC embarked on a  
8 campaign across the state of hearings to solicit  
9 the input of good-government groups, of  
10 constituents and people all over the state to  
11 help develop a comprehensive campaign finance  
12 reform proposal. We put forward a bill that the  
13 advocates themselves -- many of them are here --  
14 said was the best bill that was being offered.  
15 And yet and still, we got no support. Not from  
16 this side of the aisle, not from that. But they  
17 never claimed to support campaign finance reform;  
18 we did.

19           So no, what we're getting here  
20 tonight, this Comptroller pilot project, is not  
21 what any of us have wanted who've talked about  
22 campaign finance reform. But it was what we were  
23 able to get by the deadline of the budget because  
24 the state budget is more important than achieving  
25 this issue tonight.

1           But we are as committed to getting  
2   this done as we have been. And unlike some  
3   people who talk the talk, we've been walking the  
4   walk. And so my suggestions to those of you who  
5   don't think this is good enough or don't think  
6   we've done enough, we haven't reduced limits, try  
7   practicing what you preach. Raise limits under  
8   the proposal that you think we should adopt.  
9   Don't take money from LLCs. Don't take money  
10   from unions, don't take money from corporations,  
11   don't take money from the dark money that I've  
12   heard thrown about here, the dark money that  
13   helped win the majority for the Democrats, the  
14   dark money that they hope to depend on to regain  
15   the majority.

16           Let's not be hypocrites on this  
17   issue. Let's admit that this is not where we  
18   want to end up with campaign finance reform.  
19   Some of us believe we must do better, we have to  
20   do all of those things about reducing  
21   contribution limits and engaging small-dollar  
22   donors, we have to do that. But let's stop  
23   pretending we believe in stuff that we don't  
24   believe in, and let's stop pretending we can do  
25   it when we know we can't.

1 Thank you, Mr. President.

2 ACTING PRESIDENT GRIFFO: Senator  
3 Latimer.

4 SENATOR LATIMER: Thank you,  
5 Mr. President. On the bill, on a completely  
6 different part of the bill.

7 (Laughter.)

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

10 SENATOR LATIMER: This is a very  
11 relatively small element of the bill, but I think  
12 it bears thought by leadership and I would  
13 encourage them to take a look at what I'm about  
14 to highlight, because it does affect folks in  
15 Rockland County, in Nassau County, and in  
16 Westchester County.

17 Page 81 and 82 of this bill, Part U,  
18 refers to an expansion of the SCRIE program, the  
19 Senior Citizen Rent Increase Exemption program.  
20 Everyone knows what the program does, it helps  
21 freeze rent and it provides a tax reduction to  
22 the owner of a building where the rent is frozen  
23 for those individual tenants.

24 And they're raising the threshold of  
25 eligibility from adjusted gross income of \$29,000

1 to \$50,000, which is an expansion of the program  
2 and I think we would all say a good thing to do.

3 What it also does in Section 3 of  
4 Part U on the next page, 82, it says the state  
5 shall reimburse the City of New York for the  
6 differential costs of this expansion. Which is  
7 also a good thing to do. It holds the city  
8 harmless.

9 Now, you have to opt into this  
10 program. And so to opt into it, there's an  
11 incentive to opt into it, which is you're held  
12 harmless.

13 However, this program also applies  
14 to those communities in Westchester County, in  
15 Rockland County and in Nassau County that have  
16 deposited ETPA. So that means that if you live  
17 in, in Rockland County, the Town of Haverstraw,  
18 the village of Spring Valley, if in Nassau County  
19 you live in the cities of Glen Cove, Long  
20 Beach -- I know I sound like an LIRR conductor --

21 (Laughter.)

22 SENATOR LATIMER: -- North  
23 Hempstead, Cedarhurst, Floral Park, Flower Hill,  
24 Freeport, Great Neck, yadda, yadda, up to Baxter  
25 Estates, or in my home county of Westchester



1 County, which includes communities I represent,  
2 there is an expansion of the program, an  
3 expansion of the program costs, but no relief of  
4 the additional costs on the municipalities.

5 I don't know how large a cost this  
6 will be for these villages and towns and small  
7 cities if they adopt into it, and they will have  
8 to adopt into it. But I think fairness mandates  
9 that as we look at making an expansion, it should  
10 be uniform for everybody.

11 And I would say if there's a chapter  
12 amendment that could expand that coverage to  
13 include -- because it's only these communities in  
14 these three suburban counties that are subject to  
15 ETPA -- that would be a fair thing to do, and I  
16 would assume that my colleagues in Nassau and my  
17 colleagues in Rockland and my other colleagues in  
18 Westchester would favor that.

19 Thank you, Mr. President.

20 ACTING PRESIDENT GRIFFO: Senator  
21 Sanders.

22 SENATOR SANDERS: Thank you,  
23 Mr. President. On the bill.

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

1                   SENATOR SANDERS:   All my life,  
2   Mr. President, I've heard of a golden rule, a  
3   political golden rule. No, not the biblical one,  
4   I'm talking about a political golden rule, the  
5   one that says "He who has the gold, rules." And  
6   that's the rule that I think that we need to  
7   attack in this house tonight.

8                   I think that we have to make sure  
9   that Mr. Smith can go to Albany or to Washington  
10  or to wherever we need him or her to go to. We  
11  need to make sure that there is an even playing  
12  field where people can have a chance at speaking  
13  for the voice of the people.

14                  Now, I'm no idealistic romantic when  
15  it comes to campaign finances. I've had the  
16  pleasure of being in New York City under that  
17  process. But I'm here to say that I support  
18  campaign finance. I think that we really need to  
19  find a way to even the playing field and return  
20  to a type of idealism that we read about that we  
21  once believed and, God willing, we will believe  
22  again.

23                  I however alert you that I wasn't  
24  here in the days of yesterday, so I can't really  
25  speak of what this fine body did in days before I

1 got here. I can only speak -- and I'm sure  
2 there's a couple of my colleagues who may have  
3 the same conversation. We can only speak of the  
4 here and now. We can only speak of from this  
5 moment forth.

6 I am concerned that this pilot that  
7 we're coming out with, that this pilot is doomed  
8 to crash. That if you design a program that  
9 anyone in their right mind is going to say "No,  
10 I'm not going to opt into it," then you've  
11 already made sure that it is going to crash.

12 Now, I will take Senator Savino's  
13 suggestion to heart where she did say design and  
14 put forward something. Because I don't believe  
15 in just talking it, I think that she's right,  
16 that we do need to reach out and do something.

17 So I'm going to do something  
18 different. I'm going to reach out to my  
19 colleagues in the days to come and speak about  
20 what can we do to design a program that is  
21 acceptable and yet has the idea of being a  
22 genuine program. And I will -- I'll take it upon  
23 myself to start working, and anyone who has  
24 ideas, please, I've got a couple myself.

25 But I'm scared of getting on this

1 plane with this pilot, because I think it's going  
2 up in flames in just a few minutes.

3 Thank you very much.

4 ACTING PRESIDENT GRIFFO: Senator  
5 Bonacic.

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

8 I'd like to talk about this subject  
9 from a different point of view. I think every  
10 Senator here works very hard. And for you to get  
11 here, you have to have intelligence, you have to  
12 have passion of what you believe in, and the  
13 community knows you. They trust you to be their  
14 voice.

15 And I think the people in this  
16 chamber and in the other chamber get a bad rap  
17 from the media how they stain -- when they stain  
18 one, they stain all of us. That somehow we're  
19 not what we should be. And I know it's not true.  
20 Because I know how hard I work, I know how hard  
21 my colleagues work. And, you know, I know how  
22 some of the members on the other side work. But  
23 the media, again, defines and paints a picture.

24 Now, let's talk about money. Is  
25 money in itself intrinsically evil? That's the

1 question I ask. The media is saying that money  
2 by itself is somehow evil, and therefore maybe  
3 rich people are evil or rich organizations are  
4 evil. This is the spin that's out there.

5           When the SAFE Act got passed, guns  
6 in themselves were evil. Money is not evil.  
7 Guns are not evil. It's the abuse of those  
8 things that make them evil: the people that  
9 abuse money, the people that abuse guns. That's  
10 what makes it wrong.

11           Now, for me, this is not a  
12 complicated issue. I don't support campaign  
13 finance reform, and I'm going to just tell you  
14 some common-sense reasons.

15           Number one, I think it's a form of  
16 free speech. I think if someone wants to give me  
17 money or to give you money, they believe in you.  
18 They think your philosophies and values and  
19 influencing public policy is something worth  
20 investing in. So that's reason number one, for  
21 good public policy.

22           The second thing is what happens if  
23 I don't like an opponent because I think they're  
24 a racist or I think they're radically opposed to  
25 my public philosophy and where I want to promote

1     this state? Why should taxpayer money be  
2     invested, my taxpayer money be invested in that  
3     kind of person? I don't think we should ask a  
4     taxpayer to do that.

5                     And to Senator Díaz's argument, we  
6     have much better priorities than political  
7     campaigns. You want to put more teachers into  
8     classrooms, you want to talk about your DREAM  
9     Act? There's a million other priorities rather  
10    than invest in political campaigns.

11                    And the other thing that bothers me  
12    is when government controls the money, they're  
13    going to control the profile of the candidate.  
14    Because they're going to set up these rules,  
15    okay? And maybe a Soros or the Working Families  
16    will not like the profile of a particular  
17    candidate. But the rules of campaign financing,  
18    they will find a technicality and they will do an  
19    interpretation and they will say, You know what,  
20    you're not getting government campaign money,  
21    matching funds.

22                    So in a way, through manipulation  
23    and interpretation, they can start defining of  
24    the profile of a particular candidate that they  
25    want to run, if it's abused that way. But these

1 are potential pitfalls.

2                   So this is a simple issue for me.

3 And I enjoyed the dialogue between Senator  
4 Valesky and Senator Gianaris. But up in my  
5 district and upstate, they don't believe in  
6 campaign finance because they believe that it  
7 should go to higher priorities.

8                   So for that reason, I'm voting yes.

9 And I see this as a spin by the media and by the  
10 Working Families and the Sorosos of the world.  
11 You're complaining about where the Republicans  
12 get their dark money, but there's just as much  
13 dark money on the other side. So let's not be  
14 hypocritical about, you know, who's getting the  
15 money and who's not getting the money.

16                   But again, money in itself is not  
17 evil, it's the right of free speech. People have  
18 the right to invest in anybody they want for good  
19 public policy. And that's on campaign finance  
20 reform.

21                   And I want to talk a little bit  
22 about ethics, because this is a slippery slope  
23 we're getting into. I've been in public service  
24 for 40 years. I think the people in my community  
25 and who I represent, they know me, they know my

1 family, they know my kids, they know how I have  
2 acted throughout my political and public life.  
3 And they know how you have acted, how each of us  
4 have acted. Some have been in public life longer  
5 than others. But the people are not dumb, they  
6 know who's ethical or who could be corrupt.

7                   And when government starts defining  
8 what's ethical and what's interpretation, good  
9 people, good people are going to get in trouble.  
10 This is a slippery slope. Don't know where it's  
11 going to end, but it's a slippery slope and it's  
12 going to deter good people from getting into  
13 public service because they don't want their name  
14 stained, who needs all the crap. That's the  
15 direction this state is going. It's dangerous  
16 for every elected official in this chamber.

17                   Thank you, Mr. President. I vote  
18 yes.

19                   ACTING PRESIDENT GRIFFO: Senator  
20 Krueger.

21                   SENATOR KRUEGER: Through you,  
22 Mr. President, if the sponsor would yield.  
23 Either one from Onondaga County will work for me.

24                   (Laughter.)

25                   ACTING PRESIDENT GRIFFO: Senator



1 DeFrancisco.

2 SENATOR DeFRANCISCO: Yes.

3 SENATOR KRUEGER: Thank you. Do  
4 you know what months of the year DEC approves  
5 snipe hunting in Onondaga County?

6 SENATOR DeFRANCISCO: If you tell  
7 me what a snipe is, I might be able to answer the  
8 question.

9 (Laughter.)

10 SENATOR KRUEGER: It's a small --  
11 excuse me, Mr. President, through you. It's a  
12 small water bird. I believe they're actually  
13 found on Lake Oneida and Onondaga lake.

14 SENATOR DeFRANCISCO: I have to  
15 confess I do not know that. It's not one of my  
16 normal pastimes.

17 SENATOR KRUEGER: Through you,  
18 Mr. President, on the bill.

19 ACTING PRESIDENT GRIFFO: Senator  
20 Krueger on the bill.

21 (Laughter.)

22 SENATOR KRUEGER: For the record,  
23 it is not snipe hunting season. That is not till  
24 September, except right here on the floor of the  
25 Senate. Because in fact this entire bill, this

1 entire attempt to argue is it campaign finance  
2 reform, couldn't we do better, what does it  
3 really mean, is actually the other definition of  
4 snipe hunting, when you send naive people off in  
5 search of impossible tasks.

6           And that is exactly what this bill  
7 is tonight, Mr. President. This is a bill that  
8 claims to be as far as we could get, and yet it's  
9 absurd in its design. As my colleague very early  
10 on pointed out, there is no way to actually  
11 operationalize this pilot for one election, the  
12 State Comptroller, to be implemented in all ways  
13 in 77 days and then a pilot that will only be  
14 through the November election.

15           And so it will probably be a model  
16 no one will participate in, so then can we  
17 declare, aha, we tried it, it was a failure  
18 because no one would sign up or participate.  
19 It's an unfair test. But again, it's a snipe  
20 hunt.

21           We've listened to a series of  
22 questions about does it close any loopholes, no.  
23 Does it reduce any maximums in donations, no.  
24 Does it provide actual limits on being able to  
25 use the money to send your children to school or

1 buy yourself a fancy car? No. Does it even  
2 require better disclosure? No.

3           There's many things campaign finance  
4 reform are and there are many of us who agree  
5 with it or don't agree with it. But I hope we  
6 can all agree in this exercise tonight, an  
7 out-of-season snipe hunt, you're not getting any  
8 kind of campaign finance reform.

9           So for those of you who think you  
10 don't like campaign finance reform, don't worry,  
11 you're not getting it here. And for those of who  
12 us who think we do like campaign finance reform,  
13 worry, because we're not getting it here.

14           And I've heard many people wax  
15 poetic about the religious basis of why they're  
16 against or the philosophical basis for why  
17 they're against or even the concept of the  
18 philosophy of what the role of money is in our  
19 society. We're not naive. Even if we're all on  
20 the snipe hunt, we're not supposed to be this  
21 naive. Who in this room doesn't know about  
22 pay-to-play politics? Who in this room doesn't  
23 know the influence of money on decisions that are  
24 made here every day we're in session and  
25 particularly at budget time?

1                   So some people say how could we  
2                   spend public money on elections when we aren't  
3                   funding schools and education and our children.  
4                   Well, guess what? The reason we don't have the  
5                   money to spend on schools and our children and  
6                   healthcare and affordable housing and fair tax  
7                   policy is because special interests have bought  
8                   us to give them everything they want.

9                   Again, earlier today I referenced  
10                  the \$7 billion in special-interest tax subsidies  
11                  that are within our tax code. Did they magically  
12                  occur, Mr. President? Did no one ask us for  
13                  those, Mr. President? Did no one who asked us  
14                  for this make large contributions to the campaign  
15                  committees of people sitting in this room, and  
16                  party committees? Hell, yes, they did,  
17                  Mr. President.

18                  So in fact if you care about having  
19                  the money for the important issues in all  
20                  63 districts, you'd better understand and the  
21                  public better understand they're not getting the  
22                  government they deserve because we are a  
23                  pay-to-play culture up here.

24                  The fact that we are doing away with  
25                  the Moreland Commission within the budget bills

1 today, without their following through on any of  
2 the investigations, any of the commitments they  
3 made, any of the statements they made in their  
4 reports -- it's all going to quietly disappear.

5 And apparently a real effort for  
6 campaign finance reform is going to remain simply  
7 a snipe hunt.

8 And my colleagues who ask, well, who  
9 blocked bills when the Democrats were in charge,  
10 guess what? It was the head of the working Rules  
11 Committee, who's now one of the two Temporary  
12 Presidents of the State Senate. So let's find  
13 out about that.

14 And if another one of my colleagues  
15 says, If you don't think you have enough votes  
16 here on the floor to get real campaign finance  
17 reform, as the Democrats and the IDC says they  
18 want, what are we going to do to get more votes,  
19 well, I certainly hope they're going to work to  
20 make sure we replace Senators who are opposed to  
21 campaign finance reform with Senators who support  
22 campaign finance reform. Because that's how you  
23 get the votes to get this in done on the floor of  
24 the Senate, Mr. President.

25 So I am appalled at how everyone --

1                   ACTING PRESIDENT GRIFFO:    Senator  
2 Ball, why do you rise?

3                   SENATOR BALL:     Will the Senator  
4 yield?

5                   SENATOR KRUEGER:    As soon as I  
6 finish.

7                   ACTING PRESIDENT GRIFFO:    She will  
8 yield when she finishes, Senator Ball.

9                   Senator Krueger, you may continue.

10                  SENATOR KRUEGER:    Thank you very  
11 much.

12                  So I'm actually appalled that we're  
13 playing this game. And again, we can do better,  
14 we must do better. It is inexcusable that this  
15 is what we're being offered tonight. That we're  
16 going to some of us go home and tell our  
17 constituents, Oh, no, we got half a loaf -- this  
18 is not half a loaf. This is actually the  
19 destruction of any real campaign finance reform  
20 going forward.

21                  And there will be some of us who  
22 will be challenged for voting against a bill that  
23 had public trust language in it and had  
24 anti-corruption language in it. I will remind so  
25 many of my colleagues, we thought we all did that

1 in a bill we passed to create JCOPE, also known  
2 now in public and press as JJOKE.

3 So I think the people of New York  
4 State are figuring out when you do fake pretend  
5 legislation to address problems, you don't  
6 address them. You actually put yourself further  
7 behind in what should be the commitment and  
8 agenda of this Legislature to clean up government  
9 to represent the interests of the 19.5 million  
10 people, not the handful of people who are the  
11 political donor base.

12 The City of New York, several other  
13 states have successfully shown that you increase  
14 diversity, you increase the debate about what a  
15 government is supposed to do, and you decrease  
16 the rate of corruption when you get money out of  
17 politics and into a small-donor matching fund.

18 And to argue maybe we'll do it  
19 someday after this pretend pilot fails, in fact,  
20 I can guarantee you that a pretend pilot that  
21 will fail is not going to be any pilot for moving  
22 forward.

23 I am now happy to answer Senator  
24 Ball's question. Thank you.

25 SENATOR BALL: Mr. President, it

1 was mentioned as a matter of fact that the  
2 Senator, who also is the ranking Democratic  
3 member of the Senate Finance Committee, suggested  
4 that she is part of a pay-to-play culture, which  
5 suggests quid pro quo. And it's my understanding  
6 that if you see any activity like that, it's your  
7 responsibility to report it.

8               So my question is this. Is the  
9 ranking Democratic member of the Senate Finance  
10 Committee stating as fact, that you know as  
11 fact -- because I'm going to tell you, on this  
12 side I have never seen anything like that, and I  
13 would never want to be part of a culture that did  
14 anything like that.

15               So is the ranking Democratic member  
16 of the Senate Finance Committee suggesting that  
17 on her side she has a culture of quid pro quo?  
18 And if so, have you reported it?

19               Thank you.

20               ACTING PRESIDENT GRIFFO: Senator  
21 Krueger.

22               SENATOR KRUEGER: Mr. President,  
23 through you, I don't actually believe the culture  
24 of pay-to-play is unique to either party or  
25 either house. And those cases that I have in



1 fact been able to document, I have reported.

2 Thank you, Senator Ball. Thank you.

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

5 Senator DeFrancisco, why do you  
6 rise?

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

9 SENATOR KRUEGER: Certainly.

10 SENATOR DeFRANCISCO: It has  
11 nothing to do with snipes.

12 Did you vote for JJOKE? JCOPE, I  
13 mean.

14 SENATOR KRUEGER: I have to  
15 double-check. I actually don't remember. I know  
16 we preferred --

17 SENATOR DeFRANCISCO: He told you  
18 you did.

19 SENATOR KRUEGER: He said he thinks  
20 so.

21 SENATOR DeFRANCISCO: Okay.

22 SENATOR KRUEGER: Yes, I think I  
23 did. I know I spoke out about it not being as  
24 strong a bill as the earlier version that should  
25 have, I believe, been the correct version of the

1 ethics reform.

2 So I did speak on the floor at the  
3 time. But I will accept either your evidence or  
4 my chief of staff's memory that I did vote for  
5 it.

6 SENATOR DeFRANCISCO: Thank you.  
7 On the bill.

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

10 SENATOR DeFRANCISCO: The point I  
11 was trying to make is that there are incremental  
12 changes and at the time we vote on things, we  
13 believe it's the right thing to do. If when it's  
14 implemented it doesn't work as well as we  
15 thought, I really don't think it amounts to a  
16 joke, I think it just means that maybe more has  
17 to be done.

18 And as far as reform here, one that  
19 thing that wasn't mentioned -- and by the way,  
20 John Bonacic did a wonderful job in stating most  
21 of our positions, definitely my position on  
22 campaign financing so-called reform. And so did  
23 Senator Díaz -- who, by the way, is a Democrat,  
24 even though all the Republicans have been blamed  
25 for stupidity on this issue.

1           The fact of the matter is that  
2     there's another piece in there. In my judgment,  
3     the best solution to uprooting fraud is  
4     disclosure. Not disclosure as to how much assets  
5     you have, which means nothing, or how little  
6     assets you have, which means less. Because if  
7     it's little assets, does that mean that you're  
8     somehow more subject to corruption or graft? And  
9     if you've got so many more assets than somebody,  
10    does that mean that you've been a crook and  
11    you've taken advantage of your position or you've  
12    made it in an honest way?

13           Some of the disclosure is asinine,  
14    to put it mildly. But disclosure of who gives  
15    you campaign donations is extremely important.  
16    And in this bill which hasn't been mentioned yet,  
17    the expenditures, the independent expenditures  
18    have funded tons of ads for people who want  
19    public financing and who win close races. And  
20    the ads say some committee that means nothing to  
21    anybody, and you try to go back --

22           SENATOR GIANARIS:    Mr. President.

23           ACTING PRESIDENT GRIFFO:    Senator  
24    Gianaris, why do you rise?

25           SENATOR GIANARIS:    Would Senator

1 DeFrancisco yield for a question?

2 SENATOR DeFRANCISCO: Can I just  
3 finish this thought?

4 SENATOR GIANARIS: Of course.

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

7 SENATOR DeFRANCISCO: And then to  
8 find out who actually financed that, you'll never  
9 find out till after the election.

10 But by independent expenditures now,  
11 when that commercial is out there demanding that  
12 the candidate who wins be supporting public  
13 finance reform, and it shows the name, you can  
14 now go back to the Board of Elections. And those  
15 expenditures for the company or the organization  
16 that's listed on that ad, you can -- you have to,  
17 in the last several weeks of the campaign, every  
18 48 hours, any contribution more than \$5,000 has  
19 to be reported.

20 And similarly, it's less as you're  
21 further away from the election, over specific  
22 periods of time they have to be disclosed.

23 So you're opening the daylight. So  
24 someone who will runs for an office and gets  
25 \$500,000 in the last two weeks of the campaign

1 from some unknown source that you can't find out  
2 till after, is now going to be disclosable. Now  
3 the voters have something to base their vote on.  
4 They base their vote on who is actually  
5 supporting this person.

6           You know, there was a situation in  
7 New York -- I learn so much from New York City,  
8 because some of the things that goes on there I  
9 never seen when I grew up. And I'm not grown up  
10 yet. But there was really one of these  
11 organizations, independent expenditure  
12 organizations, Save the Horses in Central Park or  
13 some nonsensical -- I mean, it was unbelievable.

14           And actually, if you -- later on,  
15 well after the election, later on it turns out  
16 that this organization was funded by someone  
17 related to another one of the mayoral candidates.  
18 Had no interest whatsoever in horses or saving  
19 anything other than making sure that that  
20 candidate, that that candidate -- that money  
21 could be used to defeat and to humiliate another  
22 candidate who's trying to become the candidate  
23 for mayor of the City of New York. And there's  
24 the model, New York City public financing.

25           Well, disclose everything. If you

1 don't like where I'm getting my money and I  
2 should be defeated because I'm getting my money  
3 from a bad source, you'll know. That's what this  
4 bill does. That's more important than any  
5 artificial limits that can be manipulated any way  
6 you want to manipulate it. If the maximum  
7 contribution is X dollars, you divide a \$10,000  
8 check amongst 16 employees. It's just so  
9 ridiculous.

10                   So I happen to disagree with some of  
11 the public financing from some of the so-called  
12 limit situations. But there is a valuable way to  
13 really get behind everything so people can  
14 intelligently vote, and one of them is right in  
15 here, an excellent proposal that's going to open  
16 the sunlight on some of these organizations that  
17 want to save the horses in New York City and  
18 also, by the way, defeat one of the primary  
19 opponents of the person who's funding the Save  
20 the Horses.

21                   I'd be happy to answer any  
22 questions.

23                   ACTING PRESIDENT GRIFFO:    Senator  
24 Gianaris.

25                   SENATOR GIANARIS:    Thank you,

1 Senator DeFrancisco.

2           Actually, I'm in agreement with you  
3 about the disclosure rules for independent  
4 expenditures, and I'm glad to hear you say that.  
5 And you are very good about pointing out a number  
6 of examples of horse advocacy groups or people  
7 that support public financing spending money.

8           But I would ask the Senator if he's  
9 familiar with the group known as Common Sense  
10 Principles.

11           SENATOR DeFRANCISCO: I have no  
12 clue who they are. And I have a question of  
13 Senator Gianaris.

14           SENATOR GIANARIS: I'm not finished  
15 with my question --

16           SENATOR DeFRANCISCO: Okay, go  
17 ahead.

18           SENATOR GIANARIS: -- if Senator  
19 DeFrancisco would continue to yield.

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

22           SENATOR DeFRANCISCO: But I do know  
23 that under this bill, Mr. President, I do know  
24 under this bill that we will find out who those  
25 people are and who donated to those particular

1 organizations.

2 SENATOR GIANARIS: Exactly.

3 Exactly my point. If I can just finish up on the  
4 bill. Thank you, Senator DeFrancisco.

5 Which is why I agree it's an  
6 important part of this bill, but I did need to  
7 correct the record that Senator DeFrancisco may  
8 have us believe that it was all certain types of  
9 advocacy groups that were conducting this kind of  
10 expenditures in the last election.

11 But there's a huge difference. The  
12 groups he was talking about, at least insofar as  
13 it pertained to the state Senate elections, were  
14 disclosed publicly. Maybe not in filings till  
15 after the election, but certainly publicly in  
16 news accounts. However, there was a group what  
17 dwarfed the spending of all the groups he  
18 mentioned that not only didn't disclose who they  
19 were, made it impossible to find out who they  
20 were because they are registered through multiple  
21 LLCs in other states, and were condemned in the  
22 Moreland Commission report -- which we're  
23 shutting down, by the way, as part of this. It  
24 should not go unmentioned.

25 So let's be clear. To the extent



1     there is money that shouldn't be in elections, it  
2     tilts a lot more one way than the other in this  
3     state, and it's not on our side.

4                 So I am glad, I am glad that the  
5     disclosure rules are in here, but we should have  
6     gone a lot further and we still can.

7                 Thank you.

8                 ACTING PRESIDENT GRIFFO:     Is there  
9     any other Senator wishing to be heard?

10                Seeing none and hearing none, the  
11     debate is closed and the Secretary will ring the  
12     bell.

13                Can I have some order in the  
14     chamber, please.   The Secretary will read the  
15     substitution.

16                THE SECRETARY:     In relation to  
17     Calendar Number 372, Senator DeFrancisco moves to  
18     discharge, from the Committee on Finance,  
19     Assembly Bill Number 8555D and substitute it for  
20     the identical Senate Bill Number 6355D, Third  
21     Reading Calendar 372.

22                ACTING PRESIDENT GRIFFO:     The  
23     substitution is so ordered.

24                The Secretary will read the last  
25     section.

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

3           ACTING PRESIDENT GRIFFO:   Call the  
4   roll.

5           (The Secretary called the roll.)

6           ACTING PRESIDENT GRIFFO:   Senator  
7   Stewart-Cousins to explain her vote.

8           SENATOR STEWART-COUSINS:   Yes,  
9   thank you, Mr. President.

10          I rise to explain my vote because,  
11   like everyone else, there are many things in this  
12   particular section that I would prefer to have  
13   different.  Certainly the campaign finance  
14   reform, which we worked so hard to see some  
15   change and to have a result where it's only one  
16   race for one year, really not only is not worthy  
17   of being a pilot, but frankly I think will prove  
18   nothing.

19          But I will be voting for this  
20   because part of this bill does also include some  
21   assistance for the City of Yonkers.  And I want  
22   to really take this moment to thank the Governor  
23   for working with the city in the crisis that they  
24   had.  About a month and a half ago, a \$55 million  
25   error was discovered, a bookkeeping error, which

1 put the district in over a \$100 million deficit.

2 And I know the Governor and my  
3 colleagues in the Majority Coalition worked to  
4 try and put together a package that would make  
5 sense for the city. The package includes being  
6 able to borrow. It also --

7 ACTING PRESIDENT GRIFFO: Senator  
8 Stewart-Cousins, excuse me.

9 Can we have some order in the house,  
10 please.

11 SENATOR STEWART-COUSINS: The city  
12 has the option to borrow up to \$45 million, the  
13 city will receive some additional funding, and  
14 certainly the school aid has been increased  
15 significantly.

16 These are difficult times for the  
17 city, and I know that without, again, the  
18 collaboration between the mayor and the Governor  
19 and my colleagues here, that would not have  
20 happened. So again, I will be voting for this  
21 bill, and I do hope that the city will be able to  
22 see through its issues.

23 Thank you.

24 ACTING PRESIDENT GRIFFO: Senator  
25 Stewart-Cousins to be recorded in the

1 affirmative.

2 Senator Krueger to explain her vote.

3 SENATOR KRUEGER: Thank you,  
4 Mr. President.

5 I rise -- I feel I've been explicit  
6 about my major concerns about the bill, but I did  
7 rise to say, while voting no, I absolutely  
8 appreciate Senator DeFrancisco's final analysis  
9 on the section of the bill on independent  
10 expenditures. Because it is actually critical,  
11 as part of changing the culture up here and the  
12 problems we all do know exist, that we rein in  
13 non-transparency in spending. And that is an  
14 important section. And wouldn't it be lovely if  
15 the rest of the bill was also something that  
16 would accomplish the goals.

17 So I vote no, with being on record  
18 for strongly supporting the sections on  
19 independent expenditure reporting.

20 Thank you, Mr. President.

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

23 Senator Tkaczyk to explain her vote.

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

1 I'll be joining with my Republican  
2 colleagues today on the floor in support of this  
3 legislation.

4 There are some changes that I like.  
5 I like that there are new robust disclosure and  
6 reporting requirements for independent  
7 expenditure campaigns and ethics reform.

8 I am dismayed, though, that we  
9 haven't included more things like lowering  
10 campaign contributions, closing the LLC loophole,  
11 making sure our campaign contributions are used  
12 for campaigns. Clearly I think the people of  
13 this state want us to take seriously the issues  
14 around decreasing the influence of money in  
15 politics.

16 Despite the fact that I see this as  
17 a missed opportunity that we didn't do more to  
18 get the influence of money out of politics, I  
19 will be voting in the affirmative.

20 Thank you.

21 ACTING PRESIDENT GRIFFO: Senator  
22 Tkaczyk to be recorded in the affirmative.

23 Senator Smith to explain his vote.

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

1                   Notwithstanding all of the  
2                   discussion that's been on this bill, I rise to  
3                   support the bill, in particular because of my  
4                   area, which was ground zero for mortgage  
5                   foreclosure challenges. In this particular bill  
6                   there is the mortgage settlement language in here  
7                   that will allow the proceeds of that trust fund  
8                   to be distributed throughout the community,  
9                   \$613 million.

10                   Recognizing how hard hit Southeast  
11                   Queens was, this is very important to my area, as  
12                   I'm sure my colleagues understand very well.

13                   Thank you, Mr. President.

14                   ACTING PRESIDENT GRIFFO:    Senator  
15                   Smith to be recorded in the affirmative.

16                   Senator Marcellino to explain his  
17                   vote.

18                   SENATOR MARCELLINO:    Thank you,  
19                   Mr. President.

20                   I rise simply to say  
21                   congratulations. I think we've done a good job.  
22                   Four years in a row, an on-time budget. Four  
23                   years in a row we've produced a spending plan for  
24                   the State of New York that has moved the state in  
25                   the right direction, from indebtedness to

1 solvency, from job loss to job creation. We're  
2 doing the right thing.

3 We're functioning, which is what we  
4 were sent here to do. The people didn't send us  
5 here to fight. They didn't send us here to  
6 bicker. They didn't send us here to point  
7 fingers and wave our hands in the air and espouse  
8 theories and philosophies. They sent us here to  
9 get it done.

10 We've done that. And you should be  
11 proud of yourselves. We should be proud of  
12 ourselves because we produced the product, an  
13 on-time, balanced budget.

14 Is it perfect? No. I don't know  
15 anything that's perfect except perhaps one being,  
16 and it certainly isn't me. But I do know we've  
17 done our job, and that's to create to this budget  
18 in a bipartisan manner, working together.  
19 Sometimes not agreeing, sometimes getting a  
20 little testy, but we did it.

21 I thank the leaders, both sides of  
22 the aisle, for their efforts, because they worked  
23 hard to get this done. I thank the Governor for  
24 stepping in when he had to. I thank all the  
25 staff that have done the greatest job that I can

1 of, because they work the hardest of all of us.

2 But we've done it, and we should be  
3 proud of it, and we should go back to our  
4 districts and say "Ladies and gentlemen, we did  
5 your business." And then in a couple of months  
6 they'll let us know if they approve.

7 Mr. Chairman, I vote aye.

8 ACTING PRESIDENT GRIFFO: Senator  
9 Marcellino to be recorded in the affirmative.

10 Senator Rivera to explain his vote.

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

13 As I stated clearly earlier, I do  
14 believe that there is a big aspect of this bill  
15 which is a poison pill that will not allow me to  
16 vote in the affirmative.

17 But I do think that there's a couple  
18 of positive things in it, as I pointed out  
19 earlier. One aspect that I forgot to point out  
20 is something that is very akin to a bill that I  
21 introduced last year that relates to making sure  
22 that if somebody is convicted of a public  
23 corruption crime, they cannot lobby this body or  
24 government.

25 I believe that that is an important



1 piece of business that we have to do. It is one  
2 of the good pieces of this particular piece of  
3 legislation. It is unfortunate that it does not  
4 outweigh the bad parts of it. I will be voting  
5 in the negative, but I wanted to point that out.

6 Thank you, Mr. President.

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

9 Senator Díaz to explain his vote.

10 SENATOR DÍAZ: As I said before,  
11 Mr. President, I don't believe in campaign  
12 finance. I don't think, Senator, that the people  
13 sent me here to put more burden on them to use  
14 their money to pay for campaigns. I don't think  
15 they sent me here for that.

16 And by giving money to people, that  
17 doesn't mean that people are going to be more  
18 honest. Whoever is corrupt in their heart,  
19 they're going to be corrupt no matter how much  
20 money you give them. So by giving money to  
21 politicians or to us or to candidates so they  
22 could supply or fulfill or run for campaigns,  
23 that doesn't mean that they're going to be honest  
24 and the corruption is going to end.

25 Look at the City of New York. Look

1 at the City of New York, the campaign finance,  
2 all the problems they have with all the people.  
3 Look at John Liu. They stopped him from getting  
4 the money.

5 So, ladies and gentlemen, I know  
6 there's good things in this bill. Some things  
7 that I wish it was not together with this bill.  
8 But because I don't like campaign finance,  
9 because I don't want to use the money, public  
10 money for political campaigns, I am voting no.

11 ACTING PRESIDENT GRIFFO: Senator  
12 Díaz to be recorded in the negative.

13 Senator Hassell-Thompson to explain  
14 her vote.

15 SENATOR HASSELL-THOMPSON: Thank  
16 you, Mr. President.

17 A lot of time has been spent  
18 discussing what is or is not campaign finance.  
19 But there's a great deal more to this bill, and  
20 those parts of the bill that I worked on with  
21 other members of this body I am greatly  
22 appreciative of.

23 In this bill there are going to be  
24 more Family Court judges. In this bill there are  
25 going to be some court reforms, which I think, to

1 me, are extremely important. And maybe not more  
2 important. I don't believe that any bill that we  
3 do here, based on the impact that it has on the  
4 people of the State of New York, should be  
5 measured by one greater or lesser than another.

6 I think that particularly as we look  
7 at our prison reform, as we look at our juvenile  
8 justice reform, that those are things that need  
9 to be lauded at the same time that we discuss  
10 some of the weaknesses that occur in humanity.

11 So, Mr. President, I want to thank  
12 those who continued to listen when I spoke during  
13 the resolution that I thought the OCA budget  
14 should be intact, and it is. For those who heard  
15 the concerns that we had about making sure that  
16 people are properly represented with our civil  
17 legal services, our indigent services, our  
18 domestic violence, please don't forget that there  
19 are some marvelous things that we've done in this  
20 budget, and we ought to all be commended for how  
21 we have changed the justice system in the State  
22 of New York.

23 Thank you, Mr. President.

24 ACTING PRESIDENT GRIFFO: Senator  
25 Hassell-Thompson, how do you vote?

1                   SENATOR HASSELL-THOMPSON:    Yes.

2                   ACTING PRESIDENT GRIFFO:    Senator  
3 Hassell-Thompson to be recorded in the  
4 affirmative.

5                   Is there any other Senator wishing  
6 to explain their vote?

7                   Announce the results.

8                   THE SECRETARY:    In relation to  
9 Calendar Number 372, those recorded in the  
10 negative are Senators Díaz, Grisanti, Hoylman,  
11 Krueger, Rivera, Sanders, Serrano and Squadron.

12                   Ayes, 53.   Nays, 8.

13                   ACTING PRESIDENT GRIFFO:    The bill  
14 is passed.

15                   Senator Libous, that completes the  
16 reading of the controversial calendar.

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

19                   Congratulations.   At least we have  
20 done our job, and the budget is complete.

21                   At this time if you would call on  
22 Leader Andrea Stewart-Cousins for some remarks,  
23 please.

24                   ACTING PRESIDENT GRIFFO:    I would  
25 ask, please, for some quiet in the chamber as we

1 give the leaders an opportunity to address the  
2 assembled body.

3 Senator Stewart-Cousins.

4 SENATOR STEWART-COUSINS: Thank  
5 you, Mr. President.

6 And I know the hour is -- it's not  
7 as late as it has been, but certainly this will  
8 be brief.

9 And again, I think all of us are to  
10 be commended. I want to thank the co-leaders,  
11 Senator Skelos and Senator Klein. And certainly  
12 kudos to the Governor for, you know, again  
13 another on-time budget, fourth year in a row.

14 I also wanted to take a moment and  
15 thank the staffs. Because I think, as Senator  
16 Marcellino said, clearly all of the work that  
17 goes into a process like this is really, really  
18 done by such an incredible, competent and  
19 hardworking staff. And I really want to thank  
20 staff on both sides of the aisle for all that you  
21 do.

22 About two weeks ago, I guess in the  
23 middle of the night, it was around 2 o'clock, I  
24 got up and spoke about the Senate one-house  
25 budget resolution. And I talked about turning

1 wish lists into reality and a flawed process that  
2 we were working under. I talked about my hope in  
3 this budget, and I hoped that it would work  
4 better and that the final product would do more  
5 for everyday New Yorkers.

6           And as with every budget, and we  
7 heard about it tonight, there are good parts and  
8 there are bad parts. There are places where we  
9 deal with problems, and unfortunately there are  
10 places where we ignore problems.

11           We provide, for example, much-needed  
12 tax relief to thousands of New Yorkers, but we  
13 could still target it better and ensure that more  
14 middle- and working-class families get the relief  
15 they deserve.

16           We have increased school aid and  
17 provided unprecedented money for crucial programs  
18 like UPK. But we failed to pass the New York  
19 State DREAM Act and open up real opportunities  
20 for education and jobs for children who have only  
21 known New York as their home.

22           We're passing the Governor's Public  
23 Trust Act, which helps address the ethics  
24 problems that have unfortunately overshadowed the  
25 good work that the majority of legislators do.

1 And yet we've failed to enact meaningful campaign  
2 finance reform, paying lip service to the idea by  
3 publicly financing just one race for just one  
4 year without taking the comprehensive approach  
5 our broken campaign system so desperately needs.

6 And we are not passing other  
7 common-sense ethics reforms like clawing back the  
8 pensions of corrupt lawmakers, enacting lower  
9 limits on campaign contributions, and closing  
10 loopholes that allow for outsized donations.

11 We are providing more money for many  
12 of our most vulnerable citizens, like our  
13 seniors, yet failed to provide adequate resources  
14 and compensation to some of the workers that take  
15 care of those populations.

16 Again, there are good things in this  
17 budget, and there are things that could be  
18 better.

19 In the time of the year right about  
20 now where we pat ourselves on the back for what  
21 we've accomplished, talk about the importance of  
22 on-time budgets, which I agree are important,  
23 let's not forget we still have a lot of work to  
24 do.

25 Let's continue to grow businesses,

1 create jobs, ease the tax burden on hardworking  
2 families throughout the state while also  
3 providing real mandate relief for our local  
4 governments. Let's ensure that we fund our  
5 education system fairly. Let's stand up for  
6 women's rights and pass the 10-point Women's  
7 Equality Agenda. Let's pass even stronger ethics  
8 reforms and create a real public financing system  
9 for campaigns. Let's do a real raise in the  
10 minimum wage. And if we can't or if we won't,  
11 let's give our local governments the ability to  
12 do it for themselves.

13 And let's remember, as I'm sure we  
14 all do, we've done good work, but there's much  
15 more to do.

16 Thank you.

17 (Applause.)

18 ACTING PRESIDENT GRIFFO: Thank  
19 you, Senator Stewart-Cousins.

20 Senator Klein.

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

23 I want to thank my fellow leaders,  
24 Senator Skelos, Senator Cousins, Speaker Silver  
25 during this process for their spirit of



1 cooperation. This is a budget that delivers real  
2 relief for working families across the state.

3 Earlier this year myself and my  
4 colleagues of the Independent Democratic  
5 Conference proposed an "Affordable New York"  
6 plan, and I'm happy to say that this budget  
7 includes many of those common-sense proposals. I  
8 believe there's something in this budget for  
9 families from Montauk to Monroe County, and these  
10 plans truly close the gap between New Yorkers'  
11 paychecks and the reality check of what it costs  
12 to live in this state.

13 Universal pre-K. Early on, I made a  
14 commitment that we were going to meet Mayor of  
15 New York Bill de Blasio's promise to  
16 54,000 4-year-olds in the City of New York to  
17 make sure they have full-time universal pre-K.  
18 Well, this budget goes one step better, because  
19 it recognizes that not only do New York City  
20 4-year-olds need the benefits of UPK, but we need  
21 it statewide as well.

22 This is something that I think is  
23 going to be a game-changer. I think everyone  
24 understands very clearly the importance of a  
25 meaningful universal pre-K program. Studies have

1 shown time and time again if we can make sure  
2 young people experience universal pre-K, it  
3 really follows through with benefits their entire  
4 life. They do better in school, get better jobs,  
5 are less likely to have trouble with law  
6 enforcement, drugs, alcohol. This is a  
7 game-changer, and I think all of us should be  
8 very, very proud that we're finally funding it  
9 the way it should have been many years ago.

10 Education. This is a budget that  
11 increases education by over a billion dollars.  
12 This is something that is very, very important  
13 because I think we create dozens of new types of  
14 programs which will benefit millions of our  
15 students across the state.

16 One of the things I'm particularly  
17 proud of is I made sure that this budget  
18 contained dozens more community schools in  
19 underserved neighborhoods in the coming years.

20 The community school concept is  
21 something that I advocated last year and continue  
22 to advocate for this year. It's a common-sense  
23 approach, but it makes sure that our schools  
24 become the focal point of their community,  
25 working with businesses, working with local

1 nonprofits, really making sure that schools are  
2 utilized after school for parents and kids,  
3 making sure we have school-based health centers,  
4 school-based mental health centers, dental  
5 centers, making sure that the community school is  
6 something special and needed in our communities.

7 Over the years I think it's  
8 important to recognize that we never kept our  
9 commitment, our promise to many in our city and  
10 state who utilize childcare services. Over the  
11 last six years, the budget was slashed as far as  
12 daycare subsidies and enrollment programs. And  
13 I'm very proud to say that in this budget we  
14 restored \$55 million, making sure that 5,000 more  
15 working families will finally get the childcare  
16 subsidies they need so they can afford to work  
17 and raise a family.

18 This is something that's crucial.  
19 We cannot expect families across our great state  
20 to be able to go out into the workforce unless  
21 they can rely on safe and affordable childcare.  
22 So not only is this making sure that our young  
23 people in this state have the childcare that they  
24 need, but we're also making sure that working  
25 families can go out and work at the same time and

1 not have to worry about childcare needs.

2 One of the commitments we made,  
3 again, in the Independent Democratic Conference  
4 is we were going to put forth a full-blown  
5 housing program for the State of New York. I'm  
6 proud to report there is going to be such a  
7 program that's actually going to make sure that  
8 we deal with homeless families, making sure they  
9 have housing, making sure we deal with victims of  
10 the foreclosure crisis. And something that was  
11 very near and dear to my heart, because we talked  
12 about it for many years, the re-creation of the  
13 Mitchell-Lama program.

14 The Mitchell-Lama program, many of  
15 you may know, is I believe the greatest housing  
16 program ever in the State of New York. It was a  
17 very simple concept, that we were going to supply  
18 middle-class housing for a whole range of  
19 New Yorkers. I'm proud to report that we're  
20 going to reestablish the Mitchell-Lama 2020  
21 program and finally provide housing for  
22 New Yorkers around our great state.

23 The seniors. You know, one of the  
24 things we find time and time again, whether it's  
25 in my district in Bronx County or wherever we go

1 in this state, that it's becoming increasingly  
2 unaffordable for senior citizens to be able to  
3 retire here.

4 Well, one of the things that I hear  
5 all the time as well, and I'm sure my colleagues  
6 hear the same, is the high price of prescription  
7 drugs. Time and time again I hear from seniors  
8 that they would like to be part of our EPIC  
9 program, our prescription drug benefit program,  
10 but their income level is just a little bit too  
11 high, that their Social Security or maybe their  
12 pension -- certainly not wealthy individuals --  
13 puts them above the threshold and they can't  
14 enjoy savings from this program.

15 Well, we expanded the EPIC program  
16 to really make sure that middle-income seniors as  
17 well can take part in this program. We raised  
18 the income level to \$70,000 for an individual,  
19 \$100,000 for a married couple. Because I want to  
20 tell you something. If you're taking many  
21 prescription drugs and you're paying five, six  
22 copays -- which many of our seniors do -- that  
23 money is dried up very, very quickly. So I'm  
24 glad that we're able to do that.

25 One of the other things that we did,

1 we made sure especially for the City of New York,  
2 and I hope we can expand this statewide, we have  
3 a program in the city called SCRIE, Senior  
4 Citizen Rent Increase Exemption. It freezes  
5 rents for senior citizens, seniors who don't know  
6 what they would do if they get a sudden increase  
7 in their rent that continues to grow and grow and  
8 grow.

9 Well, again, we expanded the program  
10 in the City of New York to a threshold for any  
11 senior citizen who makes under \$50,000, thus  
12 making sure that thousands and thousands of  
13 seniors in the City of New York get the help they  
14 need and not have to worry about an increase in  
15 their rent.

16 I know we talked about our renters  
17 tax credit. We talked about our circuit breaker.  
18 I think this is a very important program because  
19 over the next two years we're going to spend  
20 \$170 million just in New York City to make sure  
21 that our renters and our homeowners get the  
22 relief.

23 Outside of New York City, I think we  
24 put together a property tax relief plan that's  
25 second to none, making sure that local

1 governments and school districts do their part to  
2 live within the cap and show that they can even  
3 take it one step further, making sure that they  
4 can be more efficient, make sure they can make  
5 sure their taxpayer dollars are spent wisely and,  
6 in return, making sure that taxpayers get a  
7 little money back.

8                   Again, I want to thank each and  
9 every one of you for your part in this budget.  
10 But as I said before, it's a great budget, but I  
11 think there's certain things that we can move  
12 further on.

13                   You know, I heard a lot tonight from  
14 my colleagues about campaign finance reform.  
15 It's very easy to talk a good game and not  
16 getting anything done. I know I heard from two  
17 of our self-proclaimed good-government reformers  
18 who never miss an opportunity to demonize the  
19 other side, who never missed an opportunity to  
20 use every single good-government issue as a  
21 political wedge issue.

22                   That's probably why we never got  
23 anything done when the Democrats controlled the  
24 majority. Because instead of finger pointing --  
25 instead of reaching across the other side of the

1 aisle to find common ground, negotiate,  
2 everything becomes a campaign. That happens  
3 seven days a week, each and every day.

4 Well, I make a commitment today that  
5 we can do better. I believe what we voted on  
6 today is a good first step, but only a first  
7 step. I think what we need to do is make sure we  
8 have a robust public campaign finance system, and  
9 I think it's something we still can do before the  
10 end of session.

11 While I think it's important to have  
12 the pilot program for State Comptroller, I think  
13 it's even more important that everyone is covered  
14 through a campaign finance reform system with a  
15 public match. I think a public finance system  
16 will pave the way for that to happen, and I think  
17 as an added bonus it will draw a bigger pool of  
18 candidates and encourage candidate diversity that  
19 truly reflects our state's ever-changing  
20 population. In a democracy such as ours, anyone  
21 with good ideas and a fighting spirit should have  
22 the ability to run for office.

23 I know it was said before, but I  
24 personally want to thank my staff. This is the  
25 time of year where you don't know how these



1 people do it. They run around on a lot of  
2 caffeine, a lot of pizza, not many hours of  
3 sleep, and they really did a fantastic job.

4 I want to thank specifically the IDC  
5 staff, my chief of staff, our chief of staff,  
6 John Emrick; our policy director, Dana  
7 Carotenuto; our budget director, Francesc Marti;  
8 our counsel, Shelley Andrews; as well as  
9 Sarah Bangs, David Frazier, and the entire staff.  
10 I mean, the dedication and commitment to public  
11 service that you exhibit each and every day I  
12 think makes all of us in the Independent  
13 Democratic Conference and the Coalition look  
14 really good.

15 I just want to end by saying that I  
16 think one of the most important things we did  
17 here today is recognize that we have a middle  
18 class that we have to continue to protect and  
19 nurture. And I think, in closing, I think the  
20 middle class, the people who make this state,  
21 they are the foundation that supports our  
22 communities and sustains our neighborhoods. And  
23 I think today we did right by the middle class in  
24 New York.

25 Thank you, Mr. President.

1 (Applause.)

2 ACTING PRESIDENT GRIFFO: Thank  
3 you, Senator Klein.

4 Senator Skelos.

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

7 Before I make my comments, I just  
8 received a call from the Governor. He says thank  
9 you to everybody for good work, and invites  
10 everybody over to his home the Mansion, if you  
11 would care to go over I think maybe for a slice  
12 of pizza or something.

13 (Laughter.)

14 SENATOR SKELOS: Not that we  
15 haven't had too much pizza over here in this  
16 chamber.

17 But let me just say that, you know,  
18 as all of us discuss things with our constituents  
19 and other individuals that we come in contact,  
20 the most important thing in their minds is that  
21 government functions and you get results. They  
22 expect lively debate between Republicans and  
23 Democrats, they expect lively debate between  
24 people that may be a little bit more conservative  
25 and people that may be a little bit more liberal,

1 but in the end they want us to put party labels  
2 aside, work together, and deliver real results  
3 that make a positive difference in the lives of  
4 the people we represent.

5 Working with Governor Cuomo, my  
6 Co-Leader Jeff Klein, our Assembly colleagues, we  
7 have really replaced the dysfunction of the past  
8 with a new spirit of bipartisan cooperation.  
9 Let's look at the results.

10 Today we are passing the state's  
11 fourth consecutive on-time budget. And I thank  
12 all my colleagues for that, and I thank Governor  
13 Cuomo for his leadership.

14 We've enacted a new property tax  
15 rebate program that gives hardworking taxpayers  
16 more of the relief they need and deserve.

17 We have provided businesses with the  
18 savings they need to create new jobs, like a  
19 faster phaseout of the energy tax surcharge and  
20 elimination of the tax on manufacturers, which  
21 will be a real shot in the arm for the upstate  
22 economy.

23 I know that, listening to the debate  
24 today, many of my friends on the other side of  
25 the aisle railed again credits. Well, let's look

1 at probably what's one of the largest credits in  
2 New York State. It's the Earned Income Tax  
3 Credit. And what that does is it affords a  
4 bonus, in a sense, to individuals that are  
5 working, not paying taxes, but we're investing a  
6 billion dollars a year in these individuals so  
7 that they be can be successful and care for their  
8 families.

9 That's a great credit. And what  
10 they're looking for is a hand up, not a hand  
11 down, and that's why this Earned Income Tax  
12 Credit is so critical in this state.

13 And by reforming the estate tax,  
14 we've given farmers the ability to hand down 2800  
15 family farms from one generation to the next.  
16 And we'll save money for small businesses who are  
17 the backbone of our economy.

18 Today, again listening to the  
19 debate, I heard many individuals vilify the "tax  
20 the rich" mantra we hear so often, unfortunately.  
21 But when somebody's sick and they have to get  
22 world-class medical treatment, I'm glad  
23 Ken Langone was successful and we have the  
24 Langone Medical Center. And I'm glad that  
25 Sandy Weill was successful in his life so we have

1 Weill Cornell Medical Center.

2           And if you want world-class cancer  
3 treatment, world-class cancer treatment, you go  
4 to Sloan-Kettering, where the Koch brothers have  
5 contributed a hundred million dollars to that  
6 hospital so there can be world-class treatment  
7 and there can be world-class research, not just  
8 there but in all the institutions that I  
9 mentioned.

10           Listening to my colleagues on the  
11 other side, they indicated nobody leaves the  
12 state because they're taxed. Well, go to Florida  
13 and see where the Golisano Children's Hospital is  
14 now. It's not here. It's in Naples. Because he  
15 got to the point where he said: No more taxes.  
16 I've worked hard, I want to spend my money, I  
17 want to contribute to charity, and that's how I  
18 want to do.

19           So he's now in Florida, and Florida  
20 is benefiting from his contributions to  
21 charities. No estate tax, no income tax.

22           We know that there's more to do to  
23 revitalize the economy in this state, and we're  
24 not going to stop until everyone who wants a good  
25 job can find one.

1           This budget also gives our children  
2   a strong future. Every student now has the tools  
3   that they need to get a first class education.

4           And Reverend Díaz, you're right  
5   about charter schools. They provide opportunity  
6   and choice in a public school system so that kids  
7   can succeed. And one of the charter schools that  
8   was going to be closed, over 90 percent of the  
9   children in that school are minorities and  
10   76 percent below the poverty rate, yet those  
11   youngsters, with the fifth-grade math exam,  
12   fifth-grade math exam, achieved higher than any  
13   other school district in the State of New York.  
14   So why would you want to ruin that.

15           Thanks to Senate Republicans, we've  
16   taken a major step forward in doing away with the  
17   Gap Elimination Adjustment. Every Senate  
18   Republican voted no when the Gap Elimination  
19   Adjustment was first approved by the Democrat  
20   Legislature here -- the Assembly, I think Senator  
21   Malcolm Smith was the majority leader at the  
22   time -- and Governor Paterson.

23           This year we're righting a wrong by  
24   reducing the GEA by \$602 million. That's seven  
25   times more than the Assembly proposed and

1 86 percent higher than what the Governor  
2 proposed. We listened, and we're giving our  
3 school districts the help they asked for.

4 Our budget takes meaningful steps to  
5 strengthen New York's finances. We've held  
6 spending under 2 percent. It's the fourth year  
7 in a row we've enacted a low- or no-growth  
8 budget. And we're to be congratulated for that,  
9 and the Governor for his leadership.

10 A \$10 billion deficit we inherited  
11 from the Senate Democrats has been eliminated,  
12 and now a surplus exists. You won't read about  
13 this budget being balanced with 124 taxes and  
14 fees, like the MTA payroll tax or the energy tax.

15 And I heard some of my good friends  
16 indicated about things being discussed behind  
17 closed doors. Those are the taxes that were  
18 negotiated behind closed doors when you were in  
19 the majority, when Speaker Silver was the speaker  
20 and David Paterson was the governor.

21 There's more to do, but our New York  
22 has come a long way in four short years. This  
23 bipartisan budget will keep New York State moving  
24 in the right direction, building and shaping a  
25 brighter future for everyone.

1           I want to start off by thanking  
2   Senator DeFrancisco, chair of the Finance  
3   Committee, who sat through all those hearings.  
4   John, you have the patience of a saint. I'm not  
5   going to call you a saint, but you do have the  
6   patience of a saint.

7           I want to thank Beth Garvey, our  
8   counsel. She's done a great job her first year.  
9   Congratulations, Beth, a great job.

10          And in particular, I want to thank  
11   Robert Mujica. Because Robert Mujica is  
12   secretary of the Finance Committee, chief of the  
13   of staff, but he takes his responsibility so  
14   seriously not just for the Republican Conference,  
15   but for every single one of us in this room.

16          There has never been one person who  
17   has come to me and said Robert Mujica has not  
18   treated me with respect and has not given me the  
19   right information. And that includes Governor  
20   Cuomo, who I believe has the utmost respect for  
21   Robert.

22          So, Robert, we thank you for your  
23   good work.

24          (Applause.)

25          SENATOR SKELOS:   Now, they get the



1     applause.   Where's everybody else?

2                     (Laughter.)

3                     SENATOR SKELOS:    Our Finance staff,  
4     our counsel staff, all of our individual staffs  
5     do just a great job.   So I thank you all.

6                     (Applause.)

7                     SENATOR SKELOS:    We're going to  
8     give everyone a short break, and then we'll be  
9     back to work on some of our unfinished business,  
10    including teacher evaluation, the education  
11    investment tax credit, and initiatives to create  
12    new jobs across the state.

13                    Have a blessed holiday season, a  
14    great break, and be safe.

15                    Thank you, everybody.

16                    (Applause.)

17                    ACTING PRESIDENT GRIFFO:   Senator  
18    Libous.

19                    SENATOR LIBOUS:    Mr. President, is  
20    there any further business before the Senate this  
21    evening?

22                    ACTING PRESIDENT GRIFFO:   There is  
23    no further business before the Senate.

24                    SENATOR LIBOUS:    There being no  
25    further business, I move that the Senate adjourn

1 until Wednesday, April 23rd, at 3:00 p.m.,  
2 intervening days being legislative days.

3           ACTING PRESIDENT GRIFFO:    On  
4 motion, the Senate stands adjourned until  
5 Wednesday, April 23rd, at 3:00 p.m., intervening  
6 days being legislative days.

7           The Senate stands adjourned.

8           (Whereupon, at 10:49 p.m., the  
9 Senate adjourned.)

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25