NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

ALBANY, NEW YORK

March 31, 2014

12:27 p.m.

REGULAR SESSION

SENATOR JOSEPH GRIFFO, Acting President

FRANCIS W. PATIENCE, Secretary

P R O C E E D I N G S

ACTING PRESIDENT GRIFFO: The Senate will come to order.

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

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

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

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

ACTING PRESIDENT GRIFFO: The reading of the Journal.

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

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

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports of state officers.

Motions and resolutions.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

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

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

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

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

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The Resolution Calendar is adopted.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

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

ACTING PRESIDENT GRIFFO: The Secretary will read.

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

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

planning; and

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

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

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

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

School's first-ever championship title; and

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

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

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

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

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

Basketball Team members toward their goals; and

"WHEREAS, Sports competition instills the values of teamwork, pride and accomplishment; Coach Damon Nicholson and the Romulus High School Girls Varsity Basketball Team's outstanding athletes have clearly made a contribution to the spirit of excellence which is a tradition of their school; now, therefore, be it

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

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

ACTING PRESIDENT GRIFFO: Senator Nozzolio on the resolution.

SENATOR NOZZOLIO: Thank you, Mr. President.

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

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

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

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

heart.

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Thank you, Senator Nozzolio.

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

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

(Applause.)

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

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

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

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

The Senate stands at ease.

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

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

ACTING PRESIDENT GRIFFO: The Senate will come to order.

Senator Libous.

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

Finance Committee at the desk.

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

The Secretary will read the report of the Finance Committee.

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

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

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

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

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

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

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

Senate 6357D, Senate Budget Bill, an

act to amend the Highway Law;

Senate 6358D, Senate Budget Bill, an act to amend the Education Law;

Senate 6359D, Senate Budget Bill, an act to amend the Tax Law;

And Senate 6914, Senate Budget Bill, an act to amend the Public Health Law.

All bills reported direct to third reading.

ACTING PRESIDENT GRIFFO: Senator Libous.

SENATOR LIBOUS: Mr. President, I move that we accept the report of the Finance Committee.

ACTING PRESIDENT GRIFFO: All in favor of accepting the Committee on Finance report signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The Finance Committee report is accepted and before the house.

Senator Libous.

SENATOR LIBOUS: Mr. President, at

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

ACTING PRESIDENT GRIFFO: The Secretary will read.

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

ACTING PRESIDENT GRIFFO: The substitution is so ordered.

The Secretary will read.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

ACTING PRESIDENT GRIFFO: Read the

last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 59.

ACTING PRESIDENT GRIFFO: The bill is passed.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

THE SECRETARY: Calendar Number

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay it aside.

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

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

ACTING PRESIDENT GRIFFO: The Secretary will ring the bell.

The Secretary will read.

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

SENATOR KRUEGER: Question.

ACTING PRESIDENT GRIFFO: Senator

Krueger.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

SENATOR KRUEGER: Thank you.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

SENATOR KRUEGER: So that has been eliminated.

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: Thank you.

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

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

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

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

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

(Laughter.)

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

ACTING PRESIDENT GRIFFO: Senator DeFrancisco.

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So for the

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

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

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

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

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

Through you, Mr. President, if the

sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

project the tolls at a certain level."

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

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

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

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

SENATOR DeFRANCISCO: We'll check

it out for you.

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

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

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

SENATOR KRUEGER: Through you,

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

SENATOR DeFRANCISCO: There is an $11 million increase.

SENATOR KRUEGER: There is an $1ll million increase.

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

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

yield.

SENATOR DeFRANCISCO: Yes.

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

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

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

SENATOR DeFRANCISCO: This is not for capital projects.

SENATOR KRUEGER: Through you, Mr. President --

SENATOR DeFRANCISCO: As far as I know.

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

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

The Legislature modifies the Executive recommendation of $11.1 million by creating the elections enforcement program for $4.26 million. Within this program, $1.5 million will be used for compliance, $1.45 million will be used for enforcement, and -- and $13 million will be used for purchase and/or development of technology-related compliance and enforcement capital projects.

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

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Senator DeFrancisco, thank you.

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

ACTING PRESIDENT GRIFFO: Senator DeFrancisco on the bill.

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

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

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

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

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

Thank you, Mr. President.

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

Senator Hoylman.

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

ACTING PRESIDENT GRIFFO: Senator Hoylman on the bill.

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

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

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

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

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

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

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

Thank you.

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

Seeing none, the debate is closed.

The Secretary will ring the bell.

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Announce the results.

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

Absent from voting: Senator Sampson.

Ayes, 57. Nays, 3.

ACTING PRESIDENT GRIFFO: The bill is passed.

The Secretary will read.

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

ACTING PRESIDENT GRIFFO: Read the last section.

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

SENATOR GIANARIS: Mr. President.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

SENATOR GIANARIS: I believe

Senator Gipson has some questions.

ACTING PRESIDENT GRIFFO: Senator Gipson.

SENATOR GIPSON: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Gipson on the bill.

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

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

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

Senator Gipson.

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

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

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

Also, we have managed to secure --

ACTING PRESIDENT GRIFFO: {Gaveling.} Senator Gipson.

SENATOR GIPSON: Thank you, Mr. President.

Also, we have managed to secure $500,000 --

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

SENATOR BALL: Will the member yield for a question?

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

SENATOR GIPSON: Yes.

ACTING PRESIDENT GRIFFO: Senator Gipson yields.

SENATOR BALL: Just --

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

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

You may continue on the bill.

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

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

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

Again, I just want to point out that

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

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

SENATOR GIPSON: Yes.

ACTING PRESIDENT GRIFFO: Senator Ball.

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

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

SENATOR GIANARIS: Mr. President --

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

SENATOR GIANARIS: -- point of order.

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

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

ACTING PRESIDENT GRIFFO: What is your point of order?

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

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

Senator Ball, what is your question?

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

ACTING PRESIDENT GRIFFO: Senator Gipson.

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

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator Gipson, do you yield?

SENATOR GIPSON: Yes.

ACTING PRESIDENT GRIFFO: Senator Ball.

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

ACTING PRESIDENT GRIFFO: Senator Gipson.

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

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

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

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

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

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

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

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

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

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

Senator Ball does not yield, Senator Gianaris.

SENATOR GIANARIS: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Gianaris on the bill.

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

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

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

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

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

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

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

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

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

SENATOR GIANARIS: -- yield the floor.

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

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

ACTING PRESIDENT GRIFFO: Your point is well taken.

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

Senator Díaz.

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

ACTING PRESIDENT GRIFFO: Senator Díaz on the bill.

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

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

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

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

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

So, ladies and gentlemen, today I

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

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

And I'm proudly voting yes. Thank you.

ACTING PRESIDENT GRIFFO: Senator O'Brien.

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

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

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

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

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

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

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

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

economy.

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

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

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

ACTING PRESIDENT GRIFFO: Senator Libous.

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

Thank you, Senator.

SENATOR O'BRIEN: Thank you, Senator Libous.

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

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

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

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

Thank you.

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

Senator Valesky.

SENATOR VALESKY: Thank you, Mr. President.

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

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

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

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

for his personal attention to that as well.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Espaillat.

SENATOR ESPAILLAT: Thank you, Mr. President.

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

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

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

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

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

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

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Kennedy.

SENATOR KENNEDY: Thank you,

Mr. President.

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

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

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

Child advocacy centers utilize a

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

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

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

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

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

With that, I vote aye, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Squadron.

SENATOR SQUADRON: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Squadron on the bill.

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

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

These are seemingly small programs

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

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

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

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

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

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

So I want to thank Senator Gipson

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

ACTING PRESIDENT GRIFFO: Senator Hoylman.

SENATOR HOYLMAN: Thank you, Mr. President.

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

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

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

ACTING PRESIDENT GRIFFO: Senator

Savino.

SENATOR SAVINO: Thank you, Mr. President.

I also rise to support this bill. As the chair of the Subcommittee on Human Services, I also want to thank my colleagues who worked with me on many of the things that have been spoken about by the previous speakers. Senator Avella, Senator Gallivan, Senator Montgomery, Senator Felder, Senator Squadron, thank you for supporting us in our efforts to secure a lot of the restorations and improvements that many of you have spoken about.

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

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

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

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

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

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

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

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

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 61.

ACTING PRESIDENT GRIFFO: The bill is passed.

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

The Secretary will continue to read.

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

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

Senator Gipson.

SENATOR GIPSON: Thank you, Mr. President.

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

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

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

So the fact that we've put in about

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

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

ACTING PRESIDENT GRIFFO: Senator O'Brien.

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

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

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

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

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

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

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

Senator Kennedy.

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator Perkins.

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

ACTING PRESIDENT GRIFFO: Senator Perkins on the bill.

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

I'm not sure how many of you are

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

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

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

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

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

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

respected.

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

I vote aye.

ACTING PRESIDENT GRIFFO: Thank you, Senator Perkins.

Senator Stavisky.

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

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

Senator DeFrancisco, Senator Stavisky has asked you to yield.

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

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

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

Is this another form of bullet aid for colleges?

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

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

time to get a budget done.

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

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

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

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

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

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

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

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

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

SENATOR STAVISKY: How will the allocation --

ACTING PRESIDENT GRIFFO: Senator Stavisky.

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

ACTING PRESIDENT GRIFFO: The Senator yields.

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

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

capital needs are going to be.

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

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

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

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

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

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

SENATOR STAVISKY: If the Senator would continue to yield.

ACTING PRESIDENT GRIFFO: The Senator yields.

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

I'll yield.

SENATOR STAVISKY: That's called alumni guilt.

(Laughter.)

SENATOR DeFRANCISCO: Yes.

SENATOR STAVISKY: If the Senator would continue to yield.

SENATOR DeFRANCISCO: Yes.

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

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

SENATOR DeFRANCISCO: May I just respond to that?

SENATOR STAVISKY: Sure.

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

And we put it together, we gave all

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

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

With that said, I will be happy to yield.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you.

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

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

SENATOR STAVISKY: If the Senator would --

ACTING PRESIDENT GRIFFO: The

Senator yields, Senator Stavisky.

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

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

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

SENATOR STAVISKY: If the Senator would continue to yield.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR DeFRANCISCO: My sandwich is getting stale.

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

sandwich.

(Laughter.)

SENATOR STAVISKY: Really the last question.

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

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

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

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

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

SENATOR STAVISKY: Ninety-eight million, I see.

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

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

ACTING PRESIDENT GRIFFO: Thank you, Senator Stavisky.

Senator Bonacic.

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

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

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator Serrano.

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

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

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

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

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

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

dollars of that would be spent at local restaurants.

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

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

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

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

I will vote yes. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Serrano.

Senator Smith.

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

ACTING PRESIDENT GRIFFO: Senator Smith on the bill.

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

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

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

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

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

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

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

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

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

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

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

Thank you, Mr. President.

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

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

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Carlucci to explain his vote.

SENATOR CARLUCCI: Thank you, Mr. President.

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

paying for these unanticipated costs related to this harsh winter.

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

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

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

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

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

Senator Parker to explain his vote.

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

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

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

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

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

Thank you.

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

Announce the results.

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

ACTING PRESIDENT GRIFFO: The bill is passed.

SENATOR LIBOUS: Mr. President.

ACTING PRESIDENT GRIFFO: Senator

Libous.

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

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

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

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

The Secretary will read.

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

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

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

ACTING PRESIDENT GRIFFO: Thank you, Senator Gianaris.

Can I have some order in the chamber, please.

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

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

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

SENATOR TKACZYK: Thank you, Mr. President.

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

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

with public comment and review.

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

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

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

The Department of Environmental Conservation has failed to lay out a

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

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

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

Thank you.

ACTING PRESIDENT GRIFFO: Thank

you, Senator Tkaczyk.

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

(Response of "Aye.")

SENATOR GIANARIS: Show of hands, Mr. President.

ACTING PRESIDENT GRIFFO: Opposed?

SENATOR GIANARIS: Show of hands, Mr. President.

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

Announce the results.

THE SECRETARY: Ayes, 30.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

Senator Gianaris, why do you rise?

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

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

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

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

SENATOR GIANARIS: That was the last bill.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator Gipson.

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

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

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

We need to incentivize small business growth.

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

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

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

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

ACTING PRESIDENT GRIFFO: Thank you, Senator Gipson.

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

Senator Gianaris.

SENATOR GIANARIS: Show of hands, Mr. President.

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

Announce the results.

THE SECRETARY: Ayes, 26.

ACTING PRESIDENT GRIFFO: The chair's ruling stands.

Senator Krueger on the bill before the house.

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

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

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

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

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

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

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

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

Senator Krueger.

SENATOR KRUEGER: Thank you.

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

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

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

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

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

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Is there any other Senator wishing to be heard?

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

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator

Kennedy to explain his vote.

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator Kennedy, excuse me.

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

Senator Kennedy.

SENATOR KENNEDY: Thank you, Mr. President.

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

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

Mr. President, I vote aye.

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

Senator Gipson to explain his vote.

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

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

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

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

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

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

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

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

Announce the results.

THE SECRETARY: Ayes, 61.

ACTING PRESIDENT GRIFFO: The bill is passed.

The Secretary will continue to read.

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

SENATOR GIANARIS: Explanation, please.

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

Senator DeFrancisco.

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

SENATOR RIVERA: Excuse me, Mr. President.

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

SENATOR RIVERA: A point of clarification.

ACTING PRESIDENT GRIFFO: Point of information?

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

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

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

SENATOR DeFRANCISCO: Mr. President, never mind.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, one second.

Senator Gianaris, should I call upon Senator Hoylman?

SENATOR GIANARIS: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Hoylman.

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

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

SENATOR HOYLMAN: On the bill, sir.

ACTING PRESIDENT GRIFFO: Senator Hoylman on the bill.

SENATOR HOYLMAN: I was getting to that.

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Thank you, Senator Hoylman.

Is there any other Senator who wishes to be heard?

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

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Parker to explain his vote.

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

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

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

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

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

Thank you very much. I vote aye.

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

Announce the results.

THE SECRETARY: Ayes, 61.

ACTING PRESIDENT GRIFFO: The bill is passed.

The Secretary will read.

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

ACTING PRESIDENT GRIFFO: Senator Krueger.

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

ACTING PRESIDENT GRIFFO: Excuse me, Senator Krueger.

Can I have some order in the house, please.

SENATOR KRUEGER: Thank you.

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

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, do you yield?

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

(Laughter.)

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

SENATOR DeFRANCISCO: Thank you.

SENATOR KRUEGER: Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Krueger.

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

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

based in this budget we're voting for?

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

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

SENATOR DeFRANCISCO: Are you referring to tax cuts?

SENATOR KRUEGER: Yes. Revenue reduction, yes.

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

ACTING PRESIDENT GRIFFO: Senator DeFrancisco.

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

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

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

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

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

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

SENATOR DeFRANCISCO: Yes, I would.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

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

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

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

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

SENATOR DeFRANCISCO: Yes, I can. But let me just clarify something on the last issue.

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

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

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

New York City did not -- there's no

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

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

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So I think I'm

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

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

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

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

So I'm wondering why, given there

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

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

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

taxes relative to their income.

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

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

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

SENATOR KRUEGER: We agreed then.

SENATOR DeFRANCISCO: And we

agreed.

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

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

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

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

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

(Laughter.)

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

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

think that's a great idea, Senator?

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

SENATOR KRUEGER: Thank you.

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

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

entire state.

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

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

SENATOR DeFRANCISCO: That is correct.

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

ACTING PRESIDENT GRIFFO: Senator Krueger.

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

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

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

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

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

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

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

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

encouraged to come in?

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

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

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

substantial.

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

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

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

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

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

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

climate around the State of New York.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

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

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

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

answer.

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

Could you just repeat that, Senator?

SENATOR DeFRANCISCO: That's my best answer.

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator

Krueger on the bill.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ACTING PRESIDENT GRIFFO: Senator Squadron.

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

SENATOR DeFRANCISCO: Yes.

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

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

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

SENATOR DeFRANCISCO: Senator Squadron, I have no idea.

SENATOR SQUADRON: If the sponsor would continue to yield.

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

SENATOR SQUADRON: If the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

SENATOR SQUADRON: If the sponsor would continue to yield.

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

the sponsor's intent as well.

SENATOR DeFRANCISCO: May I interrupt a moment?

ACTING PRESIDENT GRIFFO: Senator DeFrancisco.

SENATOR DeFRANCISCO: Would you yield for a question?

ACTING PRESIDENT GRIFFO: Senator Squadron, do you yield?

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

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

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

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

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

If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

SENATOR SQUADRON: If the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Meaning not including the subsidy.

Yes, I will continue to yield.

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

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

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

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

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

Senator Squadron, can you repeat your question, please.

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

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

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

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

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

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

doesn't pay property tax.

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

SENATOR DeFRANCISCO: Right.

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

And you said 30 percent? Of what?

SENATOR SQUADRON: Thirty percent of their income.

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

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

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

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

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

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

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

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

SENATOR SQUADRON: Thank you.

On the bill.

ACTING PRESIDENT GRIFFO: Senator Squadron on the bill.

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

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

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

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

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

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

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

money.

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

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

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

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

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

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Hoylman.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thank you.

ACTING PRESIDENT GRIFFO: Senator Sanders.

SENATOR SANDERS: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Sanders on the bill.

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

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

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

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

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

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

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

Thank you very much, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Sanders.

Senator Gipson.

SENATOR GIPSON: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Gipson on the bill.

SENATOR GIPSON: I can remember a time as a business owner when it seemed like New York State knew nothing more than to try to come up with creative ways to tax business owners, to tax property owners. But over the last four or five years, this body, working in a bipartisan fashion, really has begun to take the issue of tax relief seriously.

And you're beginning to see the results of that over and over again. And this bill demonstrates even further how committed we all are to bringing tax relief to our various communities. The fact that we now have a zero percent manufacturing tax statewide is

phenomenal.

In my district alone, it will bring an enormous amount of jobs, it will bring an enormous amount of revenue, and it will encourage those who have good ideas about designing creative products and services that will lead to creating even more jobs, it will encourage them to come to New York State. And hopefully it will encourage them to come to my district in Dutchess and Putnam County, which was originally left out of this proposal.

But again, in working with the Governor's office and the other members of this body on both sides of the aisle, we have come together with a really good idea that is going to drive this state forward and make it competitive with all the other states, and I am very excited about this.

I also want to commend this body in providing $1.5 billion in property tax relief. This is going to build the foundation, the foundation that we have needed for so long to begin the real discussion, which is changing the way that we fund our public education system. Now that we have this foundation of solid

property tax relief, we can begin to really deal with the very complex issue of changing the way we fund public education to try to find a way to get it off of the backs of the property owners. And that's when we will achieve significant, significant property tax relief here in New York State.

I'm very excited about the opportunities this bill brings to my district and to New York State, and I look forward to continuing to work with my colleagues on both sides of the aisle to move in this direction. And I am be voting yes.

ACTING PRESIDENT GRIFFO: Senator Parker.

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

ACTING PRESIDENT GRIFFO: Senator Parker on the bill.

SENATOR PARKER: First, let me again congratulate the members of both the Senate and the Assembly for the hard work that was done on this budget. Putting together a $143 billion package of priorities is not an easy task, particularly trying to figure out to pay for it

all. I am catching heck trying to figure out how I'd do it on far less every month. So I do have an appreciation for the process that it takes to get here.

However, I am somewhat critical, I think, of what we've done from a revenue perspective in the State of New York, and I certainly think that we can do better. I stand to rise to add my voice to the chorus of my colleagues who are getting up and talking about things about, you know, protecting tenants, about the estate tax, but certainly want to associate myself with the comments that Senator Krueger made when she talked about the fact that we are doing so much for the richest New Yorkers in the state. We certainly shouldn't be penalizing people just because they're rich, but those folks who have more certainly have an obligation to contribute more. And that's not the value system that we've set up vis-a-vis this budget that we are voting on today.

And certainly let me also just comment that we are doing a better job than the Executive Budget first proposed. The Governor initially proposed a $350 million cash giveaway

to banks and to rich people across the state, and that's been modified significantly. But we certainly don't go far enough to make sure that we have a budget that is balanced in a way that in fact makes sure that people who have the most pay the most and those who have the least, you know, are relieved of some of the burden of having to maintain the costs of the state.

In particular, I think that we ought to look at some things that are innovative. I mean, I think that if we want to help businesses that we really ought to be looking at the businesses that employ the most kinds of people. Right? So, I mean, most of us talk about business in the context of employment and we assume that the larger the employer, the more people they employ. And that's in fact not in fact the case.

That when we look at where people are employed in the State of New York, as is around the country, it is small and mostly microbusinesses that in fact are doing the vast majority of that employment. But we do nothing in this budget to help microbusinesses for their tax burden, nor do we do anything really to help

small businesses in their tax burden.

But if you're a large corporation who really doesn't employ as many people and, you know, making most of the profits, you get the most help. It's really not a -- you know, this is not a common-sense approach to how we ought to be doing budgeting in the State of New York. We certainly ought to be looking at ways to help micro- and small businesses much more from their tax burden and their healthcare burden and some of the regulatory burdens that they have so that they can in fact not just do more business but continue the pattern that they already have of employing our constituents and making sure that the tax bases in our communities remain strong.

Also I want to comment on the stock transfer tax. And some of you who have been here for a minute know that this is my favorite tax if you've got to have a tax. I actually think we ought to raise the stock transfer tax and just collect that and just get rid of all other taxes, is really my proposal. But we'll get to that in later budgets.

Before I go to the stock transfer tax, though, Mr. President, one of the things

that we could do, Mr. President, is that we really could spend some time looking at every tax break we give to large corporations. And if we eliminate those tax breaks to large corporations, we actually could take the pool of money that we spend with these large tax breaks and these schemes to put, you know, businesses here and businesses there, and lower everybody's taxes, including micro, small and corporate taxes across the board. Right?

Instead of just figuring out targeted here, targeted here, just get rid of all of the specialties, how much that money is. You know, so figure out how many billions of dollars in breaks that we're giving for all these various categories. Eliminate all the categories and say, look, there's no special interest, there's no special interest that's going to get a special tax break because, you know, you're a left-handed person living in Brooklyn on this street. You know, like we have ridiculous things like that on the books. Get rid of all of that and just lower everybody's taxes. Right? It would be a much easier way to simplify the tax code and certainly I think get us to a place that we have a

common-sense tax approach.

But as relates to the stock transfer tax, the Governor was going to get rid of it. I thought that was a bad idea; I did mention that during the Senate budget resolution debate. I'm glad to see that we have not taken it off the books. But we're still not collecting any of it.

So again, as I have said before, you know, you're talking about somewhere between $16 billion to $18 billion that we would have collected from the stock transfer tax. This is a tax that is about a cent and a half per transaction that maxes out at $150 dollar per any one transaction. So if you're buying a trillion shares, it's still not more than $150. Right?

And then the beauty of it is 95 percent of the people who are paying the tax don't live in the State of New York.

The other piece is that every other major exchange in the world has a sales tax that looks similar to the stock transfer tax. They may call it something else, but it actually works in the same way.

And some might say, well, the moment you do it, everybody's going to run to Jersey or

everybody's going to do everything online. That's not true. Because people are not doing it in other places.

And the moment that you send it to Jersey, you know what? The day after, Jersey is going to have a stock transfer tax. And they'll be getting the revenue that we should be collecting here in the State of New York.

And again, I'm not saying that we should go back and collect the whole $16 billion to $18 billion. But a Nobel laureate economist has said that if you collect 20 percent of it, which would be approximately $3 billion, we could do that and we'd have a very, very minimal effect on the exchange.

And so, you know, what could we possibly do with $3 billion? There's plenty of things that we'd like to see done as relates to education, healthcare, affordable housing, public protection, transportation that certainly could get done if we had -- you know, debt reduction; you know, mandate relief -- if we just had that extra money that we're now forgoing, inexplicably, in our budget.

And so because of the ways that I

think that we are not in fact handling our revenues, Mr. President, as efficiently and effective and in the common-sense way that I think we could, I'll be voting no on this section.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President. If the sponsor would yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco yields.

SENATOR STAVISKY: My question concerns the enhanced real property tax circuit breaker. Regrettably, my income is under $200,000 a year, but on the other hand, I happen to be a shareholder in a co-op. How would I benefit from the circuit breaker?

SENATOR DeFRANCISCO: Mr. President, you're under $200,000 but you have income from a co-op? Are you asking whether that co-op income is added to the 200,000?

SENATOR STAVISKY: No, no, no, no. No, no. My question is my income is under

$200,000 a year. So I would benefit presumably from the circuit breaker as a shareholder in a co-op.

SENATOR DeFRANCISCO: It's my understanding that there's a tax for the co-op as whole, correct? And they apportion the tax benefit based upon, I believe, the values of the property or the taxes -- of how many residents there are, how many units, and they prorate it.

SENATOR STAVISKY: And if I may -- then let me rephrase my question. The answer is yes, toward the end of the tax year we do get a statement on what part of our maintenance and whatever -- because obviously we own shares in a corporation. A shareholder in a co-op does not own the property itself, simply shares in the corporation.

But how would I benefit on my personal income tax filing from this circuit breaker? Or would I benefit?

SENATOR DeFRANCISCO: I don't know if I can answer it any better. There's a tax -- if the tax increase for the whole co-op is 1 percent and it's under -- no, you don't have to be under. Circuit breaker.

So whatever the tax increase is, there would have to be a proration of what you're entitled to. If there's a hundred members of the co-op, I would imagine you'd get a one-hundredth of the benefit. You get credited to have paid one-hundredth of the tax, and then you make the circuit breaker calculation based upon that tax.

SENATOR STAVISKY: If the Senator would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR STAVISKY: In that section of the revenue bill that deals with the circuit breaker, it's part -- it looks like K.

SENATOR DeFRANCISCO: Okay.

SENATOR STAVISKY: In line 33, it appears that I would have to claim this circuit breaker on my personal income tax. Is that the way it would work?

SENATOR DeFRANCISCO: Yes.

The report would be based upon your pro rata share of the tax, and then you would report it on your tax return.

SENATOR STAVISKY: And we have no

idea what that benefit would be.

SENATOR DeFRANCISCO: We don't know. It depends upon the amount of the tax and what your share of that tax would be.

You will, once you get your statement from the co-op saying what your portion of the tax would be, sure.

SENATOR STAVISKY: If the Senator would yield to a last question.

SENATOR DeFRANCISCO: Sure.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR STAVISKY: How is this circuit breaker going to be implemented? Are there going to be rules from one of the agencies or from city or state?

SENATOR DeFRANCISCO: I'm informed that there's currently a circuit breaker in New York City.

SENATOR STAVISKY: For renters.

SENATOR DeFRANCISCO: Well, it's done precisely the way that the current circuit breaker that's in existence is computed. Now, I don't know that what is because we don't have a circuit breaker upstate.

SENATOR STAVISKY: All right, thank you, Mr. President. On the bill very briefly.

ACTING PRESIDENT GRIFFO: Senator Stavisky on the bill.

SENATOR STAVISKY: This highlights the needs of co-op and condo shareholders and unit owners. Because while the figure of 15.75 percent of a renter's income theoretically goes for property tax, and homeowners in New York City are capped at 6 percent, it's the co-op and the shareholder that really suffer. And we pay a disproportionate share of the property tax.

And the resolution of this difficulty should not really be in the State Senate, but in the City, where they have a classification system. And that's what's at fault with the whole system of property taxes for co-ops and condos. It's the way the taxes are calculated, based upon the classification system, that really cries out for change. And I hope in the future that legislation in the state can be developed so that this inequity can be resolved.

Thank you. I will be voting for this bill.

ACTING PRESIDENT GRIFFO: Senator

Nozzolio.

SENATOR NOZZOLIO: Mr. President, on the bill.

ACTING PRESIDENT GRIFFO: Senator Nozzolio on the bill.

SENATOR NOZZOLIO: Thank you, Mr. President.

Mr. President and my colleagues, I fully support this measure and rise to indicate that I believe it's critically important if New York is to be competitive ever again with other states.

That I hadn't intended to speak, but when hearing a discussion of academic studies that say or that are quoted as saying that tax policy doesn't motivate individuals into behavior, particularly leaving a state, I just had to rise and voice a concern that I've had for many years.

Students often ask me, Mr. President, those who wish to enter public service, what course of study would I recommend they participate in. Should they engage in studies involving government, should they study political science? Those are the typical

questions that young people entering into college and want to enter into public service often ask.

Well, my answer to them is clear, it's direct, and it bears no relationship to any of those subjects, however they may be interesting. A person involved in public service should be schooled in economics. Because every economic decision we have has a direct impact on the people that are served.

And that it's clear to me, in hearing some of the debate, that some of our colleagues could benefit from the experience of learning basic economics. Basic economics which would indicate that there are causes and effects, that policies do matter, and that one only need to do the math presented to us from the Census Bureau that shows New York State first was the largest state in this country, the largest of the 50 states, we were the Empire State, but we've lost our status as number one, we've lost our status as the second-largest state. We are now the third-largest state, and we are very close to being overtaken in population by other states.

And all the so-called economic theories that are being quoted for some reason

must be missing the fact that people are migrating from New York to other states because the taxes are too high in New York State. The property taxes, the business taxes, the taxes that you pay when you have to leave this earth are too high.

And it's not just the rich that you're talking about that are impacted by the estate tax. Go up and down the district that I have the honor of representing and talk to some of the farmers whose large capitalization requirements to run an average farm are causing serious questions as to whether or not they can pass the farm along to their family because of the large estate tax.

Mr. President and my colleagues, I don't want to belabor this, but I do believe it's so important. New York has to return to a place of competitiveness. This measure puts us on the right track. These tax cuts put us in the right direction. And, Mr. President, they're well deserving of our support. We want to become the Empire State once again. We need to be more competitive. That's why this is important.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Seeing and hearing no other Senator -- Senator Rivera.

SENATOR RIVERA: Thank you, Mr. President. Just something quick.

I actually would like to commend Senator Nozzolio, because he actually pointed out something that I only became aware of when farmers that don't live in my district and might live in yours came to my office and actually told me about this particular issue.

And one thing that I told them was that it was not something I was aware of as it relates to estate taxes and, second, that it would be a good idea, as my good colleague Senator Smith has said before, to actually take that notion and try to put it into the discussion of whether, when we're talking about estate taxes, whether there's a way to actually take farmers and particular situations with farmers and take them out of that.

And so I would say that I would give him the credit that that is a good point. However, as opposed to trying to take those particular individuals and trying to take them out of this consideration, Mr. President, instead

we're saying that because it will impact this small number of farmers that we shouldn't implement it at all.

And when we're talking about, as a lot of my colleagues have already pointed out, the extreme inequality that exists in this state -- and yes, Senator Nozzolio, many people are leaving the state. I would argue that many people are leaving the state -- certainly they're hard-pressed in the Bronx, where the median income for my district is $25,000 a year in 2014 in the City of New York. And these are folks that make the city work. They are the working men and women that actually make the city run and certainly provide so much economic activity in the State of New York.

So I would say that it is one of the things that we should consider when we're talking about this tax policy. But overall, I think the points have been made amply by all my colleagues that unfortunately this particular revenue bill does not take into account how tax breaks or the impact of taxes must be -- we must take into account what this has on our revenue, what impact does it have on our revenue, and, most

importantly, the impact that it has on the majority of the people in the state. And certainly the folks that I represent in my district I don't believe are well served by this particular budget bill at all.

So although I have voted in the affirmative on the other budget bills, I have to say as it relates to revenue I am in agreement with a lot of my colleagues on this side. And even though I'm in agreement on one point with Senator Nozzolio, I must vote in the negative on this bill.

Thank you, Mr. President.

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

The Secretary will ring the bell.

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Young to explain her vote.

SENATOR YOUNG: Thank you, Mr. President, to explain my vote.

It's always interesting to hear the exchange of ideas that we hear during the debate in this great chamber. However, I do want to point out the statement that people don't leave because of the tax burden is one that I strongly disagree with.

And I don't have to see a study to know that people have fled this state, jobs have left this state, companies have left this state because of the heavy tax burden.

And that's why this budget is so great. People are suffering in New York State. Seniors are suffering, families are suffering, homeowners are suffering, businesses are suffering because of the tax burden. This budget bill helps to turn that situation around. It will save jobs, it will help grow jobs, and it's a step, a major step in the right direction.

So I'm proud to stand up today to commend everyone who worked so hard to make this progress. This is truly great for the people of New York State and our economy. And I will be proudly voting aye.

Thank you, Mr. President.

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

Senator Parker to explain his vote.

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

I'm voting no, but I think there's actually more agreement in this chamber than the recent dialogue is indicating. I think the members of the Democratic Conference certainly think there ought to be tax reform, certainly there ought to be some tax relief, there ought to be mandate relief. We all agree with those. Those are core principles of our conference.

However, we can't start from the top. Right? I think, you know, we're kind of like, you know, we want to start from the bottom and then wind up here, right, where we let everybody share in it.

This budget in fact does not do that. When we look at and when we talk about economics -- and I know people don't want to see studies. But unless somebody here has a degree in economics and has been around the state collecting the aggregate data, at some point we

actually have to look at the professionals that have looked at this.

And when the professionals look at this, what they say is in fact, one, taxes are not what drives people out of state. And I know that our upstate economy is not doing as well as it should be, but that's because of years of benign neglect, frankly, by the state, at times when we did not manage the outpouring of manufacturing jobs and agriculture jobs from upstate, our underutilization of SUNY as a primary resource. All things that we're now turning around.

But, you know, when we look at why people have left, the tax burden certainly wasn't there.

And certainly when we talk about the tax burden, you cannot say that normal everyday people left and they had a problem with tax burden, but then so we're going to give all the money back to large corporations and giving it to large corporations is going to bring back regular people. It just is a mismatch there in terms of what we are saying the analysis is and where we ought to be going.

And so I vote no on this. I'm hoping that we do better as we go forward as relates to our revenue.

ACTING PRESIDENT GRIFFO: Thank you, Senator Parker.

Senator Parker to be recorded in the negative.

I want to remind all members that there will be a two-minute explanation allowed on the explanation of votes.

Senator Espaillat to explain his vote.

SENATOR ESPAILLAT: Thank you, Mr. President.

I join Senator Parker in voting in the negative on this bill.

Some of the factors that are considered when someone leaves the state are things like public safety. We can all agree that someone will leave a neighborhood or the state if they felt that their community was not a safe community.

Another factor that can drive a family out of a state is the fact that there is a poor equality of education for their children.

In fact, when people buy homes in a particular neighborhood, two of the factors that they look at are safety -- nobody wants their house broken into in the middle of the night -- and the quality of education you have for your children. And the taxes that you pay, the real estate taxes that you pay, you would like for them to go towards a good quality of education for your children.

So if these services are impacted by any budget, if we have a model that is reversed that is not a progressive tax reform model, then we will have certainly a reduction in services that are vital for families to stay in this state.

I don't think the rich will leave, you know, the cultural center of New York City. I don't think that they will leave the Metropolitan Opera House or the Metropolitan Museum of Art or the Guggenheim. I think that they like to be in New York City and they like to be in Manhattan because it provides all of these amenities.

So to say that people will run in droves out of the state because of our taxes I

think is mistaken. I think they will leave our state if our services are deplorable, if they are so bad that their families can no longer stay here. I remember my brother and sister left the state in the '70s when crime was really --

ACTING PRESIDENT GRIFFO: Senator Espaillat, how do you record your vote?

SENATOR ESPAILLAT: I vote in the negative, Mr. President.

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

Senator Marchione to explain her vote.

SENATOR MARCHIONE: Thank you, Mr. President. I rise to --

SENATOR LIBOUS: Mr. President, can we have some order in the chamber please.

SENATOR MARCHIONE: Thank you. I rise to explain my vote.

You know, in the State of New York farming is still the number-one industry. And in my district, it's the number-one industry. And when you look around and the age, the average age of the person who are owning farms now is 57 or 58 years old, and their equipment and their land

and their buildings, everything you need to run a farm is so expensive. But they're not cash-rich. And you say when the farmer dies it's $1 million, and you have to pay 16 percent after that, that's absolutely ridiculous.

We are losing our family farms. This is an absolute necessity. You talk about the very rich. What about our family farmers? What about the businesses that help feed each and every one of us in this room? What about the extra work they do, how it's a family farm, a family business? And we're looking at those people and saying, well, because someone in New York City is very rich and we don't want to start with people who are very rich, what about the farmers? What about the people who live in our districts?

It's critically important that this piece of legislation go through. You know, manufacturing as well, you talk about we're not successful upstate? You're absolutely right. We need help. And manufacturing taxes that will go down or become eliminated is a huge help to those of us who don't live downstate.

This is a terrific bill. I

compliment all of those who worked on it, and my vote will be aye.

ACTING PRESIDENT GRIFFO: Senator Marchione to be recorded in the affirmative.

Senator O'Mara to explain his vote.

SENATOR O'MARA: Well, I could just say "What she said" --

(Laughter.)

SENATOR O'MARA: -- because that pretty well sums it up.

But I think this bill clearly focuses on the two most important industries in our state, agriculture and manufacturing. It's what everything else is built off of.

Manufacturing, adding value to our economy, creating good-paying jobs with good benefits. The manufacturing jobs that are created in this state are the very best of jobs that we have. This legislation, in providing this broad-based tax support to the manufacturing industry, is going to help create opportunity for everyone in this state to earn a living on their own and not be supported by the state.

It's going to enable, with the inheritance tax, our family farms to be able to

hand their farm down to the next generation, which is critically important to our agricultural community. As well as the initiatives that we have in this budget for young farmers and beginning farmers, to help improve that, we are making a very strong step in the right direction here today.

While every building is a compromise and I think we need to do more in many areas -- particularly in the area of property tax relief, to provide meaningful property tax relief through mandate relief rather than the proposal we have here today -- although it's a compromise, it's a step in the right direction, and I will vote yes on this part of the budget.

Thank you.

ACTING PRESIDENT GRIFFO: Senator O'Mara to be recorded in the affirmative.

Senator Martins to explain his vote.

SENATOR MARTINS: Thank you, Mr. President.

I rise as well to support this piece of legislation. I'll be voting yes.

You know, when we talk about progressive, regressive -- we use terms like this

often in this chamber. But I represent a community of blue- and white-collar middle-America New Yorkers. People who are struggling to make ends meet, struggling to make their mortgage, raise their kids, maybe put a few dollars aside for education down the road. Those are the people I represent.

And when we talk about leaving money on the table, we don't leave money on the table. Every dollar beyond that which is necessary to support our education system here in New York State, every dollar beyond that which is necessary to support our local communities in providing vital services, every one of those dollars belongs to the taxpayers of New York State, they do not belong to us in this chamber.

So, Mr. President, I will be supporting this piece of legislation because there are tax credits, there is tax relief, there is real property tax relief in a meaningful way that puts money back where it belongs in the pockets of those people who are struggling to make ends meet in New York State. I vote aye.

ACTING PRESIDENT GRIFFO: Senator Martins to be recorded in the affirmative.

Senator DeFrancisco to close explanations.

SENATOR DeFRANCISCO: Yes, I would just like to point out that sometimes we are involved in this business of government and we wonder whether we're accomplishing anything, whether anything gets done, whether things that we want actually happen.

Well, over the summer last year Senator Marcellino and I and many of you went around the state, all ends of the state, having hearings about tax cuts. And not knowing what the result was going to be or not knowing whether anything was going to go anywhere.

And when we look at this budget today, it's very interesting to see that many of these tax cuts were recommended in the course of those hearings by citizens in all parts of the state, including reduction in the manufacturers tax, the corporate tax, the real property tax. We also got involved in simplification of tax filings. We got recommendations and pleas for 18A, reduction of the utility tax. We got farmers telling us about the estate tax. And we got people, those horrible rich people who want

to stay in New York rather than leave the state because their estates would be substantially wiped out by staying in New York. And we came up with a package much of which became part of this bill.

So I really am very happy that we were able to participate in this in a very, very real way, and thank my colleagues for the job well done.

Lastly, there was a comment that -- I don't know the context, but it was mentioned that we shouldn't base tax policy on the lucky sperm or the lucky egg club. Well, let me tell you something. Some people have gotten that luck based upon who they were born to, there's no question about that. But the people that I'm mostly concerned about is those people who came from parents like mine that didn't graduate high school, that worked like animals painting houses, seven days a week, until they were in their late sixties, people who worked hard, had no education, had nothing, and succeeded to have their three children go to college and make something of themselves.

Those are the people I'm concerned

about. And that isn't lucky sperm. That happens to be people that did the right thing, that worked hard, that took advantage of what this state had to offer. And they are being rewarded today as well by these tax cuts.

Thank you.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco to be recorded in the affirmative.

Senator Latimer.

SENATOR LATIMER: Thank you, Mr. President.

I rise in support of this bill. I must say I haven't said anything yet today, I've been listening. And then in the last debate I hear the fissures that exist in this state.

We have a state that stretches over 400-some-odd miles from one end to the other. Bronxville and the Bronx and Ray Brook in the Adirondacks are three very different places. We all come from all those different places.

This budget, in the aggregate, compromises the interests of those different areas. There are things in this budget that every one of us will hate, there are things in this budget that every one of us will like, and

there is not one of the 63 of us that's going to walk out of here believing that we've gotten everything we believe or that we would argue that our people believe in.

Now, I'm in the same business the other 62 of us are in. I know what it's like to get up and give speeches and write quotes and all that. But I think today is a day where once we say what we have to say, we have to remember that there is more that unites us than divides us. And we can work those divisions, but that does not help us run this state.

We have to understand that other parts of the state are different, from the parts we represent, the most urban and the most rural. As one member, I'm going to do my best to respect the urban and the rural, as well as the suburban, where I come from.

I repeat that I vote in the affirmative. And I encourage my colleagues to remember that we are in the same state, not in two and three different states.

ACTING PRESIDENT GRIFFO: Senator Latimer to be recorded in the affirmative.

Senator Boyle to explain his vote.

SENATOR BOYLE: To explain my vote, Mr. President.

New Yorkers need tax relief no matter what income bracket they're in. I can tell you that in my district on Long Island I've represented many people selling their house, senior citizens -- usually widows -- that I look at the title report and the mortgage is long paid off. They owe nothing on their house, but they're selling their house and leaving.

And they're usually very emotional about it, crying. And I ask them why they're selling the house, and they tell me "Because I literally cannot afford the taxes." They are being taxed out of their homes, something the government should never do. This is a good step in the right direction to stop that.

And it also happens at the high-end income. I have a number of very wealthy constituents who moved to Florida. I distinctly remember last year one of my wealthier constituents said, "Phil, I cannot afford to die in New York State."

Well, we may not think that people are leaving here because of taxes; I do. And

they do it in Florida too. You remember the commercial where Wayne Huizenga, the owner of the Dolphins, said "Come to Florida, because it's not what you make, it's what you keep"? They're stealing our people, they're stealing our constituents. We need to keep them here in New York State with the lower taxes.

I vote in the affirmative.

ACTING PRESIDENT GRIFFO: Senator Boyle to be recorded in the affirmative.

Announce the results.

THE SECRETARY: In relation to Calendar Number 376, those recorded in the negative are Senators Espaillat, Hoylman, Krueger, Montgomery, Parker, Perkins, Rivera, Sanders, Serrano and Squadron.

Ayes, 51. Nays, 10.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous.

SENATOR LIBOUS: Mr. President, could we go back to motions and then please call on Senator Valesky.

ACTING PRESIDENT GRIFFO: We will return to motions.

Senator Valesky.

SENATOR VALESKY: Thank you, Mr. President.

On behalf of Senator Avella, on page 20 I offer the following amendments to Calendar Number 278, Senate Bill 6599B, and ask that said bill retain its place on the Third Reading Calendar.

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

Senator Libous.

SENATOR LIBOUS: Mr. President, at this time could we please call up Calendar Number 373.

ACTING PRESIDENT GRIFFO: Calendar Number 373 will be called before the desk.

The Secretary will read.

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

ACTING PRESIDENT GRIFFO: Senator Libous.

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

ACTING PRESIDENT GRIFFO: There is a message of necessity before the desk.

SENATOR LIBOUS: Thank you. I move to accept the message of necessity at this time.

ACTING PRESIDENT GRIFFO: All those in favor of accepting the message of necessity indicate by saying eye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The message is accepted, and the bill is before the house.

SENATOR LIBOUS: The bill is before the house, thank you.

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

Senator Gianaris, why do you rise?

SENATOR GIANARIS: Mr. President, I believe there's an amendment at the desk. I ask that the reading be waived and that I may be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Gianaris, I have reviewed your amendment and rule that it is not germane to the bill and therefore

out of order.

SENATOR GIANARIS: I'd like to appeal the decision of the chair and ask that I heard on the appeal.

ACTING PRESIDENT GRIFFO: You may be heard, Senator Gianaris.

SENATOR GIANARIS: Thank you, Mr. President.

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

The purpose of my amendment is to eliminate proposals in the budget bill that would provide charter schools with special treatment and hurt public schools.

The underlying legislation contains significant changes, including a requirement that charter collocations approved prior to January 1, 2014, cannot be altered by New York City without the consent of the charter school, which has significant and long-term implications.

And the amendment that I'm offering is not about charter school kids. They deserve

the best education possible. This is about making sure that all the schools in our system are treated fairly and equally.

I was a little bit surprised at how quickly this body moved with respect to dealing with this issue in reaction to a controversy that emerged a couple of weeks ago. I only wish that the same action would have been taken to address the Campaign for Fiscal Equity court case that's been dragging on for years and years.

Charter schools were created as a model of innovation and to discover new tools in teaching, not to become a parallel system of publicly supported quasi-private schools. The budget language would allow charters to challenge a school district if a collocation offer is not to their liking, and potentially force New York City to pay for any private rent charters would owe.

It is unfathomable, in an era where almost 90 percent of the space in New York City classrooms is already in use and we have severe overcrowding problems in all of our schools, that funds would be used to pay charter school leases instead of addressing overcrowding generally.

It's important that our traditional public schools don't have the ability of refusal of a collocation request the way charters would be granted in the underlying legislation.

And just one example of the problems that this would create involves the Mickey Mantle School in P.S. 149 for disabled students, who are scheduled to lose programs and space for their services if the collocation proposed at that school proceeds.

Charter schools make up about 4 percent of the total school population. Instead of providing rental assistance to charter schools, this budget should focus more on all public schools, and any monies dedicated in the budget bill to supporting only charters should be redirected for the benefit of all public schools regardless of their status as a charter or not.

And that's what the amendment would do. I thank my colleagues for their time, and I ask for their support on this amendment.

ACTING PRESIDENT GRIFFO: This is a vote on the ruling of the chair. All --

SENATOR LIBOUS: Can we have a show of hands on this vote, please.

ACTING PRESIDENT GRIFFO: Yes, Senator Libous.

This is a vote on the ruling of the chair. All those in favor of overruling the ruling of the chair signify by raising your hand.

Announce the results.

THE SECRETARY: Ayes, 25.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

Senator Gianaris, why do you rise?

SENATOR GIANARIS: Mr. President, I believe there's another amendment at the desk. I ask that its reading be waived and that Senator Parker may be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Gianaris, upon review of the amendment that is before the desk, I rule that it is not germane to the bill and therefore out of order.

SENATOR GIANARIS: I appeal the decision of the chair and I ask that Senator Parker be heard on the appeal, please.

ACTING PRESIDENT GRIFFO: The decision is appealed.

Senator Parker, you may be heard.

SENATOR PARKER: Thank you,

Mr. Chairman.

My amendment to this budget bill is germane because not only does it not unreasonably expand the object of the underlying bill but also maintains the same purpose and addresses the same areas of law.

The purpose of my amendment is to ensure that teachers and principals will not be penalized for testing results over the proposed three-year student testing moratorium, and to eliminate the use of merit pay for certain schools and school districts.

The Majority should be applauded for listening to the concerns of New Yorkers and applying a three-year moratorium to high-stakes testing consequences for students. However, the Majority failed to apply that moratorium to teachers and principals.

The result is that during this three-year period teachers and principals could be subjected to negative employment consequences due to testing results from their classes. It makes no sense at all to impose a moratorium on testing results for students but not do the same thing for teachers and principals.

Because of the student moratorium, the results of the first three years will not properly demonstrate what students are actually learning. If the Legislature is concerned with the rollout of Common Core, then testing consequences should also apply to everyone. Instead, the Legislature is simply placing the entire burden of Common Core and high-stakes testing problems squarely on teachers and principals.

Teachers and principals should be given the same three-year moratorium that students are receiving. It's the fair thing to do for educators and the right move to protect our children from the negative consequences of the Common Core rollout.

Mr. President, thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Parker.

Again, the vote is on the ruling of the chair. All those in favor of overruling the ruling of the chair signify by saying aye.

Senator Gianaris.

SENATOR GIANARIS: Show of hands, please.

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

Announce the results.

THE SECRETARY: Ayes, 27.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

The bill is before the house.

Senator Tkaczyk.

SENATOR TKACZYK: Thank you, Mr. President. I have a few questions, if the sponsor would yield.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk, Senator Flanagan to speak without objection.

Senator Flanagan.

SENATOR DeFRANCISCO: Mr. President, I was going to do that. I was going to refer questions on education to our education expert, Senator Flanagan.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco defers to Senator Flanagan without objection.

Senator Flanagan will yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk.

SENATOR TKACZYK: Thank you.

One of the challenges we face as lawmakers is to make sure that our public schools have the resources they need to adequately educate our kids without overburdening our property owners. Can you tell us how many of our K through 12 public --

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

SENATOR GIANARIS: Mr. President, Senator Tkaczyk's mic doesn't appear to be working properly. It's difficult to hear her.

ACTING PRESIDENT GRIFFO: Can we adjust that, please, for the mic of Senator Tkaczyk.

And may I continue to have order in the house, please.

Senator Tkaczyk, would you try?

SENATOR TKACZYK: Thank you, Mr. President. Is that better?

ACTING PRESIDENT GRIFFO: It's still not on, one second.

SENATOR TKACZYK: Testing.

ACTING PRESIDENT GRIFFO: I think the light is not on but the mic is working. Is that correct?

SENATOR TKACZYK: The light is not on. But is the mic working?

ACTING PRESIDENT GRIFFO: Okay, the mic is working. Technical glitch.

Senator Tkaczyk, you may continue.

SENATOR TKACZYK: Thank you. If I could ask my question to the sponsor.

ACTING PRESIDENT GRIFFO: The sponsor yields. You may ask your question.

SENATOR TKACZYK: How many of our K through 12 public schools are facing educational and fiscal insolvency in New York State today?

SENATOR FLANAGAN: Mr. President, through you, there are a number of schools who have come to you, to my colleagues, and have spoken about the costs of properly educating students. I believe that there are a number of different ways to look at how people view that. The Comptroller has his own definition. There are various outside entities that have their own interpretation.

And what I would offer is that in this budget we're providing, between aid to education and STAR funding, $25.7 billion to public schools all across the State of New York. We have over a 5 percent increase in this year's budget, which is by far the single largest growth area in the entire budget. We have a personal growth income index to provide protections to schools.

Last year and this year we, in concert with the Executive, advanced more money. We are going to spend well over $1.1 billion, closer to $1.2 billion. And I have school runs for many districts, and I can look in -- frankly, all across the state there are a number of schools who did quite well in this budget, and I believe that addresses many of the concerns that they continue to raise.

And I will clearly say that the single largest obligation we have is the proper funding of education in the State of New York.

If you want to get to specifics, I believe the Comptroller in their report said it was approximately 90 districts. They have a different definition than the school business

officials. There is no -- as you are well aware, school districts legally cannot go insolvent or declare bankruptcy in the State of New York. How you want to debate educational insolvency may be a different matter.

But let's be clear, there's $25.7 billion, and this year's increase is again the single largest growth area in the entire budget.

SENATOR TKACZYK: Thank you.

If the sponsor will continue to yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: One of the organizations that did look at educational and fiscal insolvency was the school business administrators, and they did come out with a report. And one of the things they did point out is that there are about 206 schools that they show are facing fiscal and educational insolvency, that they're cutting their educational programming and not able to make up the budget gaps that they've had to deal with

over the years.

We still have, in this budget, bullet aid; is that correct?

SENATOR FLANAGAN: There is educational grant funding in this budget.

SENATOR TKACZYK: Would the sponsor continue to yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: How much money is dedicated to bullet aid in the Assembly and Senate budget bill?

SENATOR FLANAGAN: $19 million.

SENATOR TKACZYK: Would the sponsor continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR FLANAGAN: Yes.

SENATOR TKACZYK: Wouldn't it be appropriate for that bullet aid to go to those schools that are obviously facing fiscal and educational insolvency?

SENATOR FLANAGAN: Senator Tkaczyk, we heard Senator DeFrancisco have a colloquy with

Senator Krueger or Senator Stavisky on a related matter involving higher education. There is -- and we have passed this in the past, which I believe you supported, and your colleagues; we did a resolution last year for a distribution of that funding.

The Assembly last year, they decided to line certain things out in the budget. And yet they had a pot of money that was set aside as well.

What we are endeavoring to do is to be responsive to schools that come to us and say we have a potential problem. And if you look at the school runs, we have about 700 school districts in the State of New York. Not everybody does as well as they would like, and sometimes not everybody does as well as we would like them to do. So there will be an agreement, there will be an understanding. Whatever that money and the distribution of that money will come before this body for a full discussion and debate at the appropriate time.

SENATOR TKACZYK: Thank you. Would the sponsor continue to yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: I have a couple of questions on the pre-K proposal in the budget.

The budget proposes to fund $340 million to 3-and-4-year-olds under the pre-K program. How many children would this be assisting who are eligible in New York City?

SENATOR FLANAGAN: I'm not sure of the exact number. But this is based on discussions with our colleagues who represent the City of New York, based on discussions with the Executive and, frankly, with the City of New York.

And I should be clear that there's a differentiation for the City of New York and the rest of the state. And essentially this is a reimbursable program for schools that will be involved. The City of New York has made this a top priority.

For many of the districts outside of the City of New York, they embrace the idea of pre-K but they are grappling with whether or not they can maintain their core academic program right now.

So this is sort of a spend-to-get proposal. I don't have a finite number for the City of New York, for the rest of the state. But what I do know is this. If they decide to access the program, their needs will be met.

SENATOR TKACZYK: If the sponsor will continue to yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: Just so I understand, 88 percent of the funding is going to pre-K in New York City. And we recognize that New York City doesn't have 88 percent of the children who might be eligible for pre-K. Are you saying that if there are more than -- more children upstate than the 40 million that is geared towards upstate would be eligible, those schools will get funded?

SENATOR FLANAGAN: I believe there are couple of a factors that are involved. One is timing, one is flexibility, one is financing. And financing right now is probably the most challenging. Because even if we are passing this budget today, it would be very difficult for a

number of schools all across the state to create and build up a pre-K program.

I believe that for schools that are interested in that, that they will be able to do that, that the requisite funding will be available. And, you know, this is an annual document. If next year for some reason we come back and there seems to be a lot more people interested in a lot more school districts, and they make that a priority, that's something we could certainly discuss at the time.

But I'm confident -- and by the way, this is not just me, this is my colleagues listening and responding to many of our constituents. When schools came to us, when they were talking about pre-K, what they were saying is the pre-K proposal from the Governor was not helpful. It was not helpful because it was a mandate, it was underfunded and not properly funded in any way, shape or form.

We listened to them, and their number-one priority was GEA relief, which we have obviously very clearly and strongly delivered in this budget.

SENATOR TKACZYK: If the sponsor

will continue to yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: How will the funding for pre-K programs outside of New York be distributed?

SENATOR FLANAGAN: It's based on a number of factors. It is a $40 million pot that's available. Schools can make application. And, you know, I should bring up as well we don't want to lose sight of the fact that we spend approximately $385 million statewide right now on pre-K funding. This is a new pot of money available.

I believe that schools will be able to make an application. SED will have to review those applications, and they will be the ones determining the final approval as to the validity or the merits of whatever the program may be.

SENATOR TKACZYK: Thank you.

On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk on the bill.

SENATOR TKACZYK: This budget is

far from perfect, but it is also better than the one-house budget resolution that we passed a couple of weeks ago. It does provide, as was noted, $1.1 billion for school aid, about $300 million more than what was in the Senate resolution and $500 million more than what was initially proposed in the Executive Budget.

While I'm very pleased to see the education aid increase, I have conferred with school superintendents in my district who believe that for some schools the increase will not forestall layoffs and educational programming cuts. And the pre-K funding is not fair and equitable in our state.

I just want to share some of the comments I've received from my school districts. One, a small city school district, would receive an additional $1.1 million in aid, but the gap with their levy limit is still over $2.9 million this year. "Teachers will be cut, programs will be sacrificed and our students will suffer. We have done the hard work. We've closed schools, consolidated resources, eliminated positions and become more efficient. This is not helping us deal with educating our kids."

From an average-needs school district, they expect that they'll be laying off about 10 positions, or 7 percent of their staff. The increase does not cover their health insurance increases.

And lastly, a rural school district is reducing their two-day pre-K/kindergarten program to a one-day kindergarten program and laying off a couple of teachers.

And I found what they said profound, and something that a lot of schools are dealing with: "Our fund balance and reserve accounts are depleting rapidly. At the current rate, we will deplete these accounts in two to three years. We are essentially balancing our budget on reserves and programming cuts, and this is a trend we cannot continue."

And I would just urge my colleagues, as we finish this budget, that we look to the future and make sure that we're working with our school districts throughout the state to make sure that they're adequately being funded without overburdening local property owners, who we can't do that without making sure that they have the state aid support that they need.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Peralta.

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

ACTING PRESIDENT GRIFFO: Senator Peralta on the bill.

SENATOR PERALTA: I know most of you are probably expecting fire and brimstone from me right now. After all, here we are, yet another year, another education budget bill, another missed opportunity to pass the DREAM Act.

And don't get me wrong. I'm very angry and I'm still very disappointed, because I believe that all New York students who meet state residency and income requirements should be able to access state higher education financial aid regardless of immigration status. Because I believe that the DREAM Act is a logical extension of the laws already in place for universal primary and secondary education and in-state college tuition for undocumented students, I believe that the DREAM Act belongs in the final enacted budget.

But I also know that, like educating

a child, the process of guiding a policy as important as the DREAM Act from an idea to a bill to an enacted law takes time, patience, and a lot of hard work.

I recognize that the bill we vote on here today is far from perfect. I am deeply concerned about the potential erosion of mayoral control, and I believe the failure to include the DREAM Act was a complete mistake. But this bill also represents the enormous strides progressive ideals and long-cherished priorities have made in just the last few months.

Primary among those progressive ideals is equality of opportunity and ensuring that every child, every child has the same opportunity to learn and grow and get ahead. And that starts with the most important building block of all, a great education for every New York child from preschool through college.

While universal pre-K has been policy in New York since 1997, it has never been adequately funded. Today we take an important step toward changing that and making pre-K in New York truly universal. But for me, as important as anything else in this budget is

something that has largely gone unnoticed: language in the Smart Schools Bond Act that will help get kids out of trailers and into real classrooms.

For decades -- not years, decades -- the children of hardworking immigrant families in the Corona and Elmhurst neighborhoods that I represent have had to try to learn in deplorable facilities no one would expect to find in the wealthiest city in the world. Forget state-of-the-art technology; the dilapidated classroom units many of our kids are stuck in do not even have bathrooms. Many of those so-called temporary classrooms have been used for more than 15 years.

If all children, no matter where they live or how much money their parents have, are to get a genuine chance to succeed in school, we need to provide them with real classrooms in which to learn. The bottom line here, folks, is until there's a seat for every child, it's a game of musical chairs. No matter what you do or how you zone or rezone, someone is left standing.

I have been saying for years that there has to be a state of emergency declared to

finally end three decades of school overcrowding and conditions you would expect to see in undeveloped countries, not the greatest city in the world. Doing away with the worst of these temporary classrooms is a long overdue first step, a very long overdue first step.

So for all the low-income working families in my district who couldn't afford to send their kids to pre-K, so for all the kids whose growth is stunted by overcrowded schools and makeshift classrooms, so for everyone who has fought to give our kids a leg up early in life so they don't fall behind later, today is a step forward. It is progress. Today we have achieved hope that tomorrow will be better.

But beyond making UPK a reality, beyond taking a step toward ending school overcrowding, this bill does another thing that is just as important. It brings us one step closer to writing the DREAM Act into the books of law. With this bill we ensure that every 4-year-old will get quality public pre-K education regardless of immigration status. We take a critical step toward ensuring every elementary, middle and high school student will

be taught in a real classroom regardless of immigration status.

While two weeks ago my colleagues across the aisle decided en masse that a group of hardworking teens and 20-somethings should be punished for the acts of their parents, every single yea vote today is a victory for the families of those same hardworking young people. You see, you may have deferred the American dream for kids 17 and up, but you're opening the door for their little brothers and sisters to seize on the dream.

The DREAM Act is a continuation of the work we do today, as it is a continuation of the bill this body passed with bipartisan support in 2002 that gave undocumented students access to in-state tuition, which afforded those students an opportunity to attend college. Now it's up to us to step up to the plate and give them an opportunity to finish college so they can become productive members of society.

Two weeks ago we fell two votes short of passing the DREAM Act into law. Today we take a step closer. With the exception of two mention of this chamber who were absent two weeks

ago, every currently elected New York State legislator is on the record. We have the vocal support of the Governor, we have the vocal support of the Comptroller, the Attorney General, and two of three legislative majority leaders.

I look forward to passing this budget bill today and then getting back to work on making the DREAM Act a reality. We have nearly three months left to make the New York State DREAM Act the law in New York. This has been a difficult and deeply disappointing month for all New York Dreamers, but today we take another step forward. Tomorrow we begin the final push.

Mr. President, I vote yea.

ACTING PRESIDENT GRIFFO: Senator Espaillat.

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

This is a bill that proposes to have an increase in the Foundation Formula of $250 million. In addition to that, there is $720 million in the appropriation bill. And there's language on this part of the bill for after-school programs which the City of New York

will be able to access for their schools.

Moreover, I want to congratulate both houses, Mayor Bill de Blasio, and the Governor for being able to get $300 million, a commitment of five years, and for the next two years $300 million for universal pre-K. All data shows that children that attend these classes have an advantage, a clear advantage. In fact, the Head Start program, which is the only surviving program from the '60s for the federal government, says exactly that, they have a head start.

And so they will have -- it manifests itself in their vocabulary, in their analytical reasoning, in their ability to do well academically. So this is a major, major accomplishment for the City of New York to have this $300 million for five years. I think we will be able to go back to it five years from now and see the importance of this budget appropriation.

However, Mr. President, some of those young children that will benefit from the universal pre-K money or from the after-school programs or from the increase in the Foundation

Aid are undocumented. And they may very well be undocumented when they finish high school. And then they will not be able to access higher education because we do not have a DREAM Act.

A $25 million investment -- now, let me return to the numbers. A $250 million increase in the Foundation Formula, $720 million for after-school programs statewide, and $300 million per year for five years for universal pre-K. And yet we didn't have the political will in this body to come up with $25 million for Dreamers, young men and women many of whom attended kindergarten through the eighth grade, high school, graduated from a New York State high school or got their general equivalency diploma, and now their backs are up against the wall. They can no longer access higher education, they can't afford it, and we're shutting the doors down on them.

This is a travesty, Mr. President. We expected much more from this body. I will be voting yes on this bill because of the commitment to education, but we must never forget that we're leaving behind 8,000 Dreamers that should also have an opportunity.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Hoylman.

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

ACTING PRESIDENT GRIFFO: Senator Hoylman on the bill.

SENATOR HOYLMAN: Echoing my colleagues, I wanted to congratulate the chamber, my friends on the other side of the aisle, and my colleagues in the conference on the successful initiative for pre-K, and of course Governor Cuomo and Mayor de Blasio.

I am concerned about aspects of the charter school management that are in the bill. In particular, Mr. President, this bill institutionalizes collocations, and the impact in my district is very concerning.

The process that's been put forward in terms of the city having to accommodate collocations or it going to arbitration or private rental space being found elsewhere was done without any consultation, I'd like to note, with teachers or principals or students.

And more importantly is that

New York City doesn't have the space for these collocations. The New York City Department of Education's own statistics show that elementary schools are at 96.8 percent utilization and high schools are at 94.8 percent utilization. So I don't know where these charter schools are going to go except in private locations.

And if you do collocate a charter school, Mr. President, what happens, unfortunately, is that you often end up losing a music room or an arts room, and that's to the detriment of the kids who are there, whether they be in the charters or in the traditional public school. And class sizes increase, too. So I think we should be mindful of these impacts.

We should also, though, be concerned about the issue of mayoral control, an issue that's going to be coming up for reauthorization here in a couple of years. I mean, this is basically mayoral lack of control, if you ask me.

We passed this -- this chamber passed it in 2002, and I believe in 2009. But now we're creating a dynamic, Mr. President, where again we're institutionalizing divisiveness, where charters will have an

incentive to litigate, to arbitrate against traditional public schools. And I think this runs counter to the theory of charter schools.

And I am a strong supporter of them. Charters are meant to complement, not compete. Charters and the charter school advocates will tell you they are public schools, they're not private schools.

The Department of Education, the mayor of the City of New York should have control over where these schools are located. He or she should be working with the charter schools to make that determination. There should not be the divisiveness, there should not be the institutionalized antagonism. And I'm sorry to say that I think this bill will result in that, and therefore I'll be voting no.

ACTING PRESIDENT GRIFFO: Senator Díaz.

SENATOR DÍAZ: Thank you, Mr. President.

Today is one of those days when I feel happy, one of those days when I raise my hand to heaven and say "Praise the Lord." Today is one of those days, and I'll tell you why.

As you know, ladies and gentlemen, for the past three years I always stood up here and I blast everyone, all my colleagues. And I was the only Democratic Senator that voted against the whole bill because of the DREAM Act. For the past three years. And I asked all my colleagues, join me, vote against the budget because of the DREAM Act. They all believed all the promises that were given to them, with cocoa butter and whatever, and they never follow me. I was the only one.

But today, today everything changes. Today I'm proudly voting yes. And I'll tell you why I'm proudly voting yes. Because the Governor of the State of New York, the Honorable Andrew Cuomo, and the leaders of this chamber, the Honorable Dean Skelos and Honorable Jeff Klein, has done an excellent job in protecting every single student in public school, every one.

Senator Hoylman just said charter schools are public school. And they are protecting every single student, especially, especially the black and Hispanic children in my district. And that's why I'm so happy today.

I'm happy, Mr. President, because

Mayor Bill de Blasio will be able to get the money he wanted for UPK. I'm happy because parents of children in New York City will see and have the opportunity to give an early childhood education to their loved ones because our Governor -- I'm praising the Governor today. I'm praising the Governor today. After three years, I'm praising the Governor today. And I'm praising Jeff Klein and I'm praising Dean Skelos.

And I want to repeat that as many times as I could today. Because the Governor and the leaders of this chamber found money, found money to establish UPK without increasing taxes.

I'm happy, Mr. President, because black and Hispanic children in charter schools in New York City no longer have to be afraid of losing their godsend opportunity. Charter schools are a godsend blessing to black and Hispanic children in my district and in poor districts.

We keep fighting every year, fighting, fighting, fighting to protect children, to protect the minorities. And when the minority got a good opportunity, we want to deny those opportunity. That's pure hypocrisy. Oh,

everybody come here, everybody come and make their business fighting this case, fighting this case for the poor black and Hispanic children. Everybody come. And everybody come here asking for money because black and Hispanic children have been left behind. And now when we have an opportunity to help black and Hispanic children, now they want to take that away.

You should know, you should know that I was one of the initial proponents of charter schools. Reverend Floyd Flake from Queens, Reverend Wyatt Tee Walker from Manhattan, and myself from the Bronx, the three of us together we fought for charter schools. And we established the first charter school in Harlem, Canaan, Canaan Charter School.

And I was one of the only two Democratic Senators, one of the only two Democratic Senators that voted to increase the number of charter schools from 200 to 460. Only two Senators, Democratic, voted for that, Senator Craig Johnson and myself. The rest of the Democratic Senators voted against to increase charter schools.

And I kept saying, Mr. President and

ladies and gentlemen, charter schools are mainly, mainly, not totally but mainly are located in minority neighborhoods, in black and Hispanic neighborhoods. Ninety percent, 90 percent of those students are black and Hispanic. Charter schools is a blessing. And you can see there are 50,000 waiting children and their mothers and fathers waiting to see their kids, their children goes in.

Somebody might say, somebody might say -- and I heard that before -- Oh, but charter schools is only for the lucky ones because it's by lottery. It's by lottery, so not everyone have the opportunity.

Well, hello, what about housing? I created -- ladies and gentlemen, I created Reverend Díaz Plaza. I created Reverend Díaz Plaza, a building with 50 units for 50 families, low-income. I got, we got 3,000 applications for 50 apartments. We got 3,000 applicants.

The line was all the way around the block for Reverend Díaz Plaza. Fifty, only 50 apartments, and we got 3,000 applications. And then I created Reverend Díaz Apartments for 97 apartments, and I got close to 4,000

applications.

So what would I say -- Oh, because everyone cannot get an apartment, we should not do it, and we should stop creating low-income houses for the community because this is a lottery and because not everyone will be able to get an apartment, we should stop?

No, on the contrary, we should continue fighting, we should continue creating, we should continue building low-income family housing. Even though, even though, ladies and gentlemen, not everyone will be able to benefit.

So that's the case here with charter schools. It's a lottery. Not everyone will be able to benefit. But, ladies and gentlemen, let's save, let's save whatever we can. Stop this nonsense of trying to kill black and Hispanic children especially, forget about the rest of you, in my district.

I got 21 charter schools in my district. I want more. Give me all those charter schools in my district. Let all of the black and Hispanic children in my district benefit from this. They all children from God, black and white, brown and black and yellow.

They're all children of God.

Ladies and gentlemen, that's why I'm happy today. And I praise the Governor. Governor, listen to me, I'm praising you today. And I'm praising Jeff Klein. Jeff Klein, Jeff, I'm praising you today. Thank you very much. And you, Senator Skelos, I'm praising you today, Senator Skelos. Thank you.

Thank you, ladies and gentlemen. And, Mr. President, let me see if I have something more to say here. You should know -- what you should know. And today, Mr. President, you should know that I'm voting yes and that I am Senator Reverend Díaz, and this is what you should know. Thank you very much.

ACTING PRESIDENT GRIFFO: Senator Sanders.

SENATOR SANDERS: Thank you, Mr. President.

There are many good things that we can praise about this bill, and indeed I will end up agreeing with it and voting for it. But I would be remiss if I did not speak about the forced accommodation of charter schools this is going to impose on New York City.

Now, I am not against charter schools. Indeed, I am a proponent that we have to have experimentation. You have to see what will work, and we should build on what works and move from there.

And the evidence says that some charter schools work and this is good, we should go that way. It also says some do not, and we should be aware of that.

I am saying that there's a couple of points that have been -- should be raised on this issue. Of course I'll start with why only New York City is forced to accommodate charter schools. If we think that this is a correct thing, then it should be made for the entire state. I believe that we are State Senators and not New York City Senators all.

This, my friends, is an unfunded mandate. We are going against the thing that we say that we never do or should not do. We are saying that New York City has to accommodate or pay the rent of a charter school or any other type of school. My friends, if you're not coming up with a hundred percent of the rent, then it's an unfunded mandate or a mandate that is not

adequately funded.

This abuse of power, I would argue, will cause budgetary problems for the Department of Education in New York City.

I end where I began, and I encourage everyone that if we really think this is a worthy thing, then let's pass it for the entire state. Let's see if we can get every school district in the state to accept the same guidelines. Let's see how far that one will go.

Thank you very much.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

While Senator Flanagan is returning to answer my question, let me just perhaps explain what I meant when I referred to bullet aid earlier.

I am not a proponent of bullet aid in K through 12, but I have never seen bullet aid used in the higher education budget for SUNY and CUNY capital construction. And that's the point I was making, that I think we need clarity and transparency, not backroom deals, so to speak, in

terms of aid to the colleges and universities.

If the Senator would yield for really just two areas, real quick.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR STAVISKY: Okay. Under the Higher Education Services Corporation budget, that's Part G, on the $8 million appropriation for the STEM subjects -- and Senator LaValle has held hearings on how to encourage people to major in the STEM subjects, and it's an important issue, I think, for everybody.

But how do you account for the disparity in the level of high school achievement that you find throughout the state? STEM is for the top 10 percent, but the top 10 percent, there may be a wide variation in ability. That's my question: How do you account for the wide variation in high school programs throughout the state?

SENATOR FLANAGAN: Senator Stavisky, I'll be clear, I'm happy to answer your question. I'm going to give you my own opinion. I want to be clear I'm not speaking for anybody

else.

I think it's a far-reaching question. It could probably entail a long series of debates and hearings on that subject alone. And I know, for example, Senator DeFrancisco has constantly, in budget hearings and in the course of budget debates, has spoken to issues involving remediation, programs that go on through SUNY and CUNY.

But in relation to variation, I think it's a combination of things. One is educational leadership. Two is local control. School boards run school districts; they are the management team at the local level. They jealously guard that local control. You may have a school -- one of the schools in my area, Three Village, is renowned for its science program. That's a decision that they made, that they continue to make at the local level.

So educational leadership, local control vis-a-vis school boards. And there are a lot of demographic factors. Poverty is certainly an overarching problem in every corner of the State of New York. It's not isolated to any one given area.

So it's not any one thing in isolation. I think there are a number of things in totality that have an effect not only in education, but in society in general. But certainly in education those are very relevant factors.

SENATOR STAVISKY: If the Senator will continue to yield.

SENATOR FLANAGAN: Yes.

SENATOR STAVISKY: My question really is targeted at the high schools and the disparity in achievement levels from one high school to the other throughout the state. And to give the top 10 percent may be unfair to other students in other parts of the state.

SENATOR FLANAGAN: Senator Stavisky, could you just repeat the last part? I want to make sure I'm answering properly.

SENATOR STAVISKY: There is a disparity in the achievement level between students -- since the STEM scholarships are provided for the top 10 percent in each school, how do you provide for the disparity between schools?

In other words, a student in

School A -- it may be a very competitive school. Let me give you an example. I happen to be a graduate of the Bronx High School of Science. And to award the top 10 percent, I would never have received it. You know, those folks were -- but those students are competing against students in other parts of the state where the students may not have received the kind of background and training that those other students received and therefore may not be in the top 10 percent.

SENATOR FLANAGAN: If I follow some of the logic of what you're advocating, it sounds to me as if you want to say that there should be a distinction based on the qualitative nature of the program. This proposal makes sure that 10 percent of each school, that they are eligible.

It sounds like -- correct me if I'm wrong, but it sounds like you only want to be dealing with the top-flight schools. Because that -- the proposal is equitable in the sense that everyone is eligible, and it's the top 10 percent in every school. We don't go and say that the Bronx High School of Science or Harborfields High School, where I happened to

graduate from, that we're now going to measure a qualitative difference and say, well, you know, Bronx is going to get more because it's a more rigorous program. I certainly would have no interest in doing that.

SENATOR STAVISKY: That's not what I'm suggesting at all. What I'm suggesting is perhaps there may be other standards that can be used in addition to the top 10 percent.

I'm going to vote for the bill, but I'm just throwing that out as a possibility.

SENATOR FLANAGAN: I am listening intently.

SENATOR STAVISKY: And in fact, there was a report in one of the newspapers where 77 or something percent of the CUNY students at the community colleges required remediation. That, to me, is indicative of the problem.

SENATOR FLANAGAN: Yes. And I would respectfully offer that Senator LaValle has been extraordinarily outspoken in trying to address that, not only financially but policy-wise, along with Senator DeFrancisco.

There's no shortage of opinions in these areas. And I believe that all of our

colleagues share the same concerns. Because, you know, if you get through a high school and you're not college and career ready, as the saying goes, that's not really advantageous to that individual nor to the community or the society as a whole.

SENATOR STAVISKY: And we shouldn't be spending money on remediation when the tax dollars are needed at the high school level, in my opinion. Totally -- and I do appreciate the role that Senator LaValle has played in the whole issue of remediation, and hopefully we will continue to do that in the days ahead.

Second area, and that is the TAP increase also in the Higher Education Services Corporation budget. You're increasing TAP by $150. If the Senator would yield.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR STAVISKY: Approximately how much has the tuition cost gone up in the past year?

SENATOR FLANAGAN: Approximately $300. And the increase is 165, it's not 150.

SENATOR STAVISKY: I'm sorry, 165.

But my point, if the Senator would yield for a question.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR STAVISKY: Would you agree that the cost of tuition is rising faster than the TAP reimbursement and therefore placing an unfair burden on the students as they accept more and more of the cost of higher education at SUNY and CUNY?

SENATOR FLANAGAN: I'm going to say a couple of things. First of all, this is one of the great aspects of this process. Senator LaValle, who I'm in a neighboring district, we work together on a lot of different issues, he and a number of the members of our conference -- and I would say he in particular has been the most outspoken about tuition assistance. He has been passionate in terms of advocacy for middle-class families. And obviously that is where TAP is directed.

I love TAP. I'm sure there's not a member in this Senate here who wouldn't embrace the idea of TAP. And I would agree with you it is about making sure there is no disparity.

In my priorities, certainly TAP is extraordinarily important. And yet I know for like my own family, I wouldn't be eligible. That's fine. But there are a lot of people, there are tens of thousands of people who can and should be eligible. And I believe that we have been very fair and very aggressive at the same time in terms of our advocacy in relation to TAP.

SENATOR STAVISKY: I happen to agree. I think this is a marvelous start, and I am delighted with the increase in TAP. And I thank you for your responses.

ACTING PRESIDENT GRIFFO: Thank you.

Senator LaValle.

SENATOR LaVALLE: Thank you, Mr. President.

Senator Flanagan, thank you for remarks that you made, and compliments. I appreciate that very much.

I just wanted to try and bridge a gap here with some comments, discussion that been made.

There is no bullet aid for higher education. There has been pots of money, and

those pots, both at SUNY and CUNY, have been largely delineated in terms of need by the members and by the central administration in both SUNY and CUNY as to what their needs are. There's always been a robust discussion by the presidents, who have pointed out that they had certain needs, capital needs.

This year the Governor put money for both SUNY and CUNY for critical needs. And because of the debt cap that we have, I think we have had a robust discussion on the needs, that we have capital needs outside of the economic development needs that the Governor has addressed both in this budget and previous budgets.

And so we're beginning our way back toward -- and I think we see some light at the end of the tunnel in terms of the debt ceiling. And so this is the beginning of moving in steps towards meeting the capital needs.

And so what happened is that we took some of the money from critical maintenance and we put it into these pots to allow for other needs. But those decisions, as they have always been made, will be made by members in the area with their university, whether it be CUNY or

SUNY. And as we move forward, we will be meeting those needs.

For instance, I sent out to the campuses a letter asking what are your needs. So that this is not being made in the abstract, it's being made with the input of the campus presidents as to what their priorities are.

In regard to the tuition issue, I think both houses were critically focused on college affordability, people of all levels. And so if there were more money at the table, that area would have been even more robust than it was.

Tuition has gone up $300. We placed $165 in this budget. But each campus, each campus has adopted its own tuition credit program. And that was when we did SUNY 2020, it was critically important to the Legislature that while we were increasing tuition we were also ensuring that those who had the greatest need were being taken care of.

And so this budget will be very helpful to the campuses because it will take some of the pressure off that heretofore had been with the tuition credits.

Lastly, the whole idea of STEM programs. Well, our young people have gotten a message in the last two years where 50 percent of graduates have been unemployed. And so starting at the high school level, students are beginning to focus their attention on STEM programs. In Suffolk County we actually in the fall of 2014 will be opening a regional STEM high school. We have districts partnering with one another, sharing resources to provide STEM programs.

And so I think you will see that greater focus in each and every high school on providing better programs, more programs, so that students can be competitive in some of these programs that hopefully will lead to jobs.

I also say that we can't forget that we need philosophers and social workers and political scientists. But right now there is a great interest and young people are saying this is where the jobs are. And as I go around and talk to students at both the high school level and the college level, they talk about wanting to enter into some sort of STEM program when they go to college.

As you know, Senator Stavisky, this

was one of the Governor's programs that he talked about both in his State of the State address and was very dogged in negotiations that this be included in the budget.

It's a first step. I'm very disappointed that we didn't have the resources to include the independent colleges in this program. But it's a first step, and we will flesh it out as we move forward. And we will also make sure that at the high school level that the programs are there for the students so that every student at every high school across the state will have a fair opportunity to get a STEM scholarship.

So to Senator Flanagan, he has done a remarkable job on the elementary and secondary. He deserves -- I think for most of us he stands 10 foot tall in the job that he did in elementary and secondary.

I will be voting in the affirmative.

ACTING PRESIDENT GRIFFO: Senator Latimer.

SENATOR LATIMER: Thank you, Mr. President.

It could be fairly argued that for the first 90 days of this legislative -- I'm

sorry, on the bill, Mr. President.

ACTING PRESIDENT GRIFFO: On the bill.

SENATOR LATIMER: It could be argued that education issues have been front and center more than any other public policy area over the course of these 90 days of our legislative session. And certainly the budget that we have before us touches on so many different public policy areas. We've heard, in the hour that we've started to discuss the bill, discussions of UPK, of charter schools, the combination of Foundation Aid and GEA adjustment.

I rise to address what this budget talks about regarding the Common Core. And I've been a critic, pretty clearly over the course of this year, of the path that the Board of Regents and the State Education Department has taken on Common Core.

And I think when we talk about Common Core, we're really talking about a combination of things that include, from the past, No Child Left Behind, Race to the Top, the APPR program, all of which has put before us a major change in the way we intend to educate our

kids in this state. It's something that can't be underestimated. It didn't end with the battle over who's going to be on the Board of Regents, it doesn't end with this particular budget.

But Senator Flanagan said something I thought was very prescient when we had Commissioner King into the Senate Education Committee meeting 60 days ago. He said, in essence -- I summarize what he said -- is that there needs to be change and action on the part of the Board of Regents and the Commissioner, or we, the Legislature and the Executive, will act.

What we have in this budget is part of that action. Because those of us who have been critical of this -- not because we hate the process, but because we care deeply about the way education is delivered in our own communities and for our children -- this is an example of us taking action in an important area.

And let me be clear. I'm a critic of what I've seen in Common Core because I believe, as I think most people in this room do believe, that there should be local control over schools. Because I think parents -- and I'll use the three communities I used in my earlier

comment. Whether you're in Brooklyn or Rye Brook or Ray Brook, in three parts of the state, parents want to have influence over the way their children are educated. They want to be able to go in and impact with a teacher, with an administrator, what they like and don't like about the way their kids are educated.

Because when it's all over with, a year of taxation, when we look cosmically about what we have left at the end of days, it is our children and their lives. And we care about that whatever our political party is, whatever our perceived ideology is, whatever the color of our skin is, wherever we may live in this state.

Rubén Díaz talked very passionately about the people in his district and the things that he's done for them. I don't have a George Latimer Plaza anyplace, probably never will, but I care just as passionately about the kids in my district, and I believe that every one of us has that sense.

In this budget there are some things that I think put the right balance on where we are heading in Common Core. Number one, and most importantly on this, I think this budget

articulates the concern that we have over data privacy and data collection. We want proper data that helps teachers teach. We do not want something intrusive that goes into people's lives, tracks them in ways that are inappropriate.

And so this budget I'm very happy to see creates a Parents' Bill of Rights for data privacy and security. It establishes guidelines for data collection, transparency with restrictions. There's a chief privacy officer. All of this addresses very directly one of the major criticisms when I first saw what the rollout of Common Core would be -- 400 data points, loaded up in the Cloud and accessed by who, and to track what Johnny did in third grade well into his adult life. All those concerns, I think this is the right step that we're taking.

I think it's correct for us to look at this and say we do not want to have the high-stakes testing in grades 3 through 8 reflect on the transcripts of students' performance records. And that's particularly important because we have said that they have not yet had the opportunity to be fully taught and go into

the pedagogy of what Common Core is. And to brand a child early in his career over this type of a sea change is inappropriate.

But I would also say -- this is at the heart of Senator Parker's amendment -- that it is also illogical and unfair for us to argue that the teachers can be judged by tests that we are not judging the children on. If our task is to change the way we delivery education and what we want is an intelligent way to make that sea change, then I don't think we want to track things, I think we want to properly implement them.

Senator LaValle first used the comment, at that Senate Education meeting, "We ought to hit the stop button." I repeated him, but I happened to slam the table, so I got the press, Ken, instead of you. You deserved it, it was your original thought. But I agreed with that.

And the bottom line is if it doesn't make sense for us to track the children until we're fully implemented, I don't think it makes sense to track the teachers.

I know we've got APPR and No Child

Left Behind. But you know something? Either we as intelligent people drive public policy or we use excuses for why we can't change public policy. And in this particular case, if we're going to redirect the way we teach kids from soup to nuts in all parts of this state, then I think we owe it to those children to have an intelligent, consistent rollout of what it is we're going to do. We're starting in the right direction on some of these things.

I will summarize, because the hour is getting late and we have other bills to deal with.

This is, in terms of Common Core, a first step in the right direction. However, what I hope, as has been expressed in other forums, is that the Commissioner and the Board of Regents understands that this legislative body and the other house and the Governor do not normally like to legislate in the area of legislation; this is not what we prefer to do for education. But we are doing it today in this budget because something is deficient and it needs to be corrected. And I hope that that message comes through loud and clear and we will see a

more responsive Board of Regents and a more responsive Department of Education on these issues.

With that, I will cede the microphone, and I intend to vote yes on this bill.

ACTING PRESIDENT GRIFFO: Senator Montgomery.

SENATOR MONTGOMERY: Thank you, Mr. President. Thank you, Mr. President. I rise to speak on the bill.

ACTING PRESIDENT GRIFFO: Senator Montgomery on the bill.

SENATOR MONTGOMERY: Yes, thank you. I want to just comment on a couple of areas that are of concern to me.

But before I do that, I want to just compliment the Governor on the fact that he has instituted for the state and the city to be authorized to audit the charter schools, the same as they are authorized to audit any school in the State of New York. So I appreciate that.

I am, however -- I have a great deal of concern for the way that this budget in fact encroaches on the authority of the Board of

Regents. I note, for example, there is a particular area of the budget, on page 62 of this budget, it says that the chief privacy officer -- the Commissioner shall appoint a chief privacy officer. When did we ever encroach upon the ability of the Commissioner to appoint his staff? That seems to be very, very far-reaching into the authority of the Commissioner.

And there are a number of other areas that are specifically, it seems to me, under the purview, should be under the purview of the Board of Regents but we are now legislating it.

So certainly I agree that we, generally speaking, do not do education policy in this way. And I hope that we're not going to -- this will not be a precedent being set here where it's in fact the Governor that legislates and the Legislature that legislates education policy to the point where we direct the Commissioner who to appoint on their staff. So that's one area.

The other area that I also am concerned about is the fact that this budget also legislates policy for the City Department of Education. So it's no longer even the mayoral

control, this is gubernatorial control that we have established. And the legislation specifically says -- and this is only for New York City. So every other part of the state, I'm assuming, will maintain, as Senator Latimer says, their local control, but New York City loses its local control in this legislation.

For instance, in Part BB on page 71 in this bill it talks about the city school district in a city having a population of 1 million or more. That's us, New York City only. And it says that we must, the New York City Department of Education must allow any charter school that wishes to collocate with an existing public school in that building, they must be allowed to do that.

And furthermore, if there's not space, they must be required to find space for that charter school at no cost to the charter school. And if the charter school is not happy, the charter school can take the Department of Education into arbitration. So that, to me, is specifically a policy that reaches way into New York City's local control of their schools.

The other issue that I have great

concerns about is the fact that these charter schools -- I do not see anywhere in this budget, while you're reaching in to force the charter school issue as it relates to New York City's Department of Education, there is no resources applied to forcing an integration of charter schools as a model -- and any other models -- into the public school.

Everybody is saying that charter schools are public schools. Well, that's for sure. And we want the best models to come forth and to be integrated into schools broadly. I don't see any indication that budget enforces that process.

So while we are being forced to accept charter schools relocation, we are not being helped, nor are the charter schools being helped, to make sure that whatever it is that is so great about them becomes integrated into the larger public school system.

So in my mind, what we are doing in this budget is we are supporting the development of two separate systems. One, the charter system, and the other the so-called public charter system and the other public school

system.

So we go backwards from Brown. We go backwards from the time that it was required that we have a single standard for all children that we fund through a public education system.

So I'm very concerned, I'm very unhappy with this direction. It is not local control. It is establishing a central control located here in Albany, and especially the control of New York City.

So, Mr. President, I'm not going to be supporting this education bill. And certainly I know that many of the constituents that I represent have come to me -- especially parents -- in tears, because we have set up a civil war among parents specifically around collocation. And that is very unfortunate, because this bill ensconces collocation as a procedure, a process, that the charter schools in that city will be able -- or the Department of Education will be forced to comply with and to accommodate this system that has created so much unhappiness and chaos and unfairness among children in the City of New York.

So, Mr. President, I will be voting

no on the education bill.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: Thank you, Mr. President.

So, So many people have spoken, and I appreciate what they said, so I am not going to spend a lot of time going back over territory that has been raised. But yes, there are many improvements for education and related activities in this bill. Not far enough, but better than when we started. And I would like to highlight that I appreciate that we are making some progress on our commitments to education and higher education.

But I would also remind us as we do so that we were so far behind the ball of what we had already committed, we are still not where we expected to be in 2014-2015. But I do appreciate many important issues have been covered at least financially.

I share my colleagues' concerns both about Common Core and what more needs to be done there and what needs to be clarified in respect for our teachers and our students and our school

districts.

I share the concerns of my colleagues particularly from New York City vis-a-vis the yet to be completely understood language regarding charter schools. It actually is disturbing to me that on the day we are passing a budget bill relating to language going forward with collocations and rent obligations, no one can actually explain exactly how this will work, neither the Governor's people nor the City of New York nor anyone who I have chatted with who has actually read and reread the budget language when it comes to how the disputes will be resolved, what will be the future obligations of the City of New York vis-a-vis perhaps additional charters.

I think every schoolchild deserves the best education in a quality location. But speaking for New York City, our schools are already at 95 percent capacity and the schools in my district are actually at -- you can see the numbers in the blue books -- 115, 125 percent of capacity. So when you talk about wanting to add additional schools with collocation, without the ability of the City of New York to say this isn't

going to work -- does it worry me? It worries me. And the fact that the language here in the budget bills don't really give us a clear-cut explanation of how we're going to deal with it, that creates a real concern for me.

I wanted to highlight something that I believe was part of my colleague Senator Velmanette Montgomery's concerns, the concept that in this bill we are taking language supposedly to address the parental privacy concerns vis-a-vis giving private student data to shared learning infrastructure service providers, but we're not really explaining what the rules would be and how parents could opt out or how school districts could opt out.

And in fact there are bills much stronger than the language in this budget bill. There's a bill by my colleague Joe Robach and Assemblymember Danny O'Donnell that would go much further to explicitly explain what kind of student data could be shared with outside vendors and what kind of information could not. And the language in here is very gray area at best.

It also creates, as my colleague pointed out, some kind of privacy officer to be

appointed. But when I look up the information about who came up with the idea of privacy officers to oversee private data of students being distributed to middlemen or for-profit vendors, I learned that that proposal comes from the organization ALEC, and I tend to have a very knee-jerk negative reaction to proposals recommended by the organization ALEC because every time I read one of their proposals, I know I'm supposed to run the other direction.

And yet that language is within this bill. And it also leaves me with real concern about not having thought through the details enough.

So personally I believe I need to vote for this bill because the goods outweigh the bads. But I would urge my colleagues to immediately after the budget revisit the question of student privacy and distribution of their information to organizations like inBloom and other companies. And we can still fix this and get it right by bringing a separate bill to the floor.

And again, there are several in both houses that would address these concerns by

moving beyond the budget to address that specific set of privacy-rights issues on behalf of parents and students throughout the State of New York in a separate freestanding bill. We don't have to start from scratch. I'd be very happy to support Senator Robach's bill coming to the floor and being passed, and I bet many of my colleagues would share that view on both sides of the aisle.

I'll be voting yes, Mr. President. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Senator Parker.

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

ACTING PRESIDENT GRIFFO: Senator Parker on the bill.

SENATOR PARKER: I'll try to make this brief. My colleagues are telling me I'm talking today like we have "Free Nights and Weekends." Less is more as we wind up the budget.

But I felt like I really couldn't go pass this budget without making a couple of comments about some things that I think that are

actually really good in this budget. And I'm really pleased to stand up with my colleagues who are in fact, you know, lauding just some really, really good things that we are seeing here.

This budget is better on primary and secondary education than any other budget that we've seen in the last five years. And as you may remember, a large number of Democratic Senators and Assembly people joined me and Assemblywoman Cathy Nolan in the beginning of the session in signing a letter requesting $1.9 billion additional money for this year's school funding.

Our goal was really to live up to the states's promise under the Campaign for Fiscal Equity to fully fund our schools. We haven't quite gotten there yet, but we did add another additional $1.1 billion for schools this year.

And there's other good news in this budget, including the Smart Bond, which will allow our schools to upgrade their technology. These are really, really important and good things for the children of the State of New York.

As it relates to UPK, you know, we

all should be declaring victory. And I really want to congratulate not just the legislative leaders but, as well, the Governor and the Mayor for all the work they've done in terms of making sure that students and parents are able to ensure a good future for the children of our state.

We engaged in a lot of debate this year about universal prekindergarten and, you know, what plan was better and what we were going to get to -- you know, what was going to happen. But we worked that stuff out and I think we got to a place that we're on the right track. Three hundred forty million dollars statewide, $300 million for New York City public schools this year, another $300 million next year, I think is a very, very good start. But there's still much more to go.

In that debate that we had about funding and how we go forward, what we never debated was that universal pre-K works, point-blank, period. And we must continue as we go forward to live up to our responsibility to educate every single child in this state to the best of our ability.

We also do, I think, a good thing in

this budget about granting the authority in the budget to expand after-school programs. However, we don't fund it. And so after-school programs we must see, as we do our next budget, as an extension of the full school day. That as we look towards, you know, doing K through 12 and UPK and so on and so forth, we must extend the day by doing after-school programs and funding them.

And then as we go to that, looking at our sports, athletics, arts and music and dance programs also as extensions of our educational programs to make sure that young people are being engaged, not just through test preparation but in terms of rounding themselves out as full people in our societies.

As relates to charters, you know, I am somebody who supports charters, I'm on the record on that. I've worked, you know, with many of the charter schools in my district. But, you know, this is a microsolution. And we really shouldn't be giving so much, you know, energy to something that educates less than 4 percent of the children in our state.

Again, if we put every charter in

New York City, you know, and they all did what they do now, you're talking about, you know, 230 kids -- you're talking about, at most, 37,000 kids in a system that has 1.2 million kids in it.

And, you know, it hasn't worked in the same way that it should actually work. And I think I share Senator Montgomery's concerns here that we're taking away local control from our School Chancellor and our Mayor to manage the schools and institutionalizing an educational apartheid that Mayor Bloomberg put in motion by elevating charter schools above traditional public schools in the system.

And again, I think that it's not about, you know, charter schools versus traditional public schools, but it's how you in fact manage that process. And when you create a system in fact in which you bring charter schools into a traditional public school setting and only rehab and paint and fix up and refurbish the areas where the charter schools are, you create an unequal system. And that's what educational apartheid is about. And that's unfortunately what we have done, and I'm scared that that

system is going to be institutionalized in this.

And again, this is not a knock on charter schools, but we need a better way to manage the system so that we don't create these civil wars over education in our districts.

I think, you know, Reverend Díaz is right when he in fact says that the people in our communities are fighting over these lotteries to have charter schools. But that's only because we've allowed the traditional public schools to fail. We've allowed them to fail. And if we keep saying, well, public schools are your only option but then your kids can't all get into the charter schools, what does that mean for the 98 percent of the kids in the rest of the system who are not getting into charter schools?

They must maintain their intended role of being laboratories for educational progress that then gets duplicated into traditional public schools. And that's the process that I'm committed to and I'm looking forward to working with this body on doing so that we make sure that the successes of charter schools are in fact duplicated in other places.

But we should be wary as we have

this debate right now, when you look at the evaluation and test scores at charter schools, they're frankly doing no better than public schools. So, you know, people are desperate but they don't have all the facts. There are some charter schools that are doing well, but on average the charter schools are not really outperforming the traditional public schools. So buyer beware.

As relates to Common Core, I want to associate myself with Senator Latimer's comments. And, you know, I think that we're on the right track when we say that we need to do a better job at managing the process of bringing Common Core into our schools across the state.

And again, as I've said to some of my colleagues, you know, people are like, "How come you're not up in arms about Common Core?" Because in my neighborhood, which is primarily black and Latino kids, they've been failing the tests. And we've been yelling about that, you know, from the very beginning, that our kids are failing the tests. Now that good white kids are failing the tests upstate, now we have to stop everything and slow it down.

And that's fine. And hopefully everybody will benefit from the slowdown and we will in fact implement this thing in a way that in fact takes into account the learning styles of every single child and makes sure that all communities get both testing and a curriculum that in fact addresses the educational needs of each community.

That being said, to repeat my argument from the hostile -- which I'm disappointed did not pass today, the hostile amendment which I introduced that I'm disappointed did not pass today -- it is actually illogical to in fact say that we need a moratorium to implement Common Core for students and don't give teachers and principals the same kind of latitude to have a moratorium on the evaluations that take into account the children's performance on these same tests.

And so I still continue to call for, after this budget process is over, an opportunity for us to fix this injustice to both our teachers and our principals. Because I think that if we don't do that, we're going to wind up again with additional problems.

As I wrap up, I want to speak to something that again I am disappointed was not addressed, and this is the issue of the GED and the new Test Assessing Secondary Completion, the TASC. And the TASC is replacing the GED test.

And, you know, again, like Common Core, we have failed to see the management problems in making TASC work and training and getting everybody up to speed on it before we started rolling it out. So we rolled this thing out on January 1, 2014, but we didn't train teachers, we didn't train test centers, we didn't train anybody on how this thing is actually going to work going forward.

And I again am calling on us to have a moratorium and slow this process down so that we can implement it correctly before we face the same kind of failure that we're facing now as relates to Common Core. We need to give everybody an opportunity to get up to speed on TASC.

As relates to higher education -- and I only have about five or six more things I want to talk about. I'm joking. I'm joking. Take my time? Okay, thank you.

As relates to higher education, you know, higher education is as important as K-12 education. Right? A two-year degree now is what a high school diploma was 10 or 15 years ago. So it's critical that we are developing an education system that makes a smooth transition from K-12 education to higher education.

Part of that transition is not just competencies in reading, writing and arithmetic, but also within the context of fully funding these issues. And I think that Senator Toby Stavisky has made a really, really good point about support for the actual higher education institutions. And I agree with her that we have not nearly done as much as we need to do for CUNY.

Again, as earlier, I'm happy that this budget provides $35 million for Roosevelt Hall at Brooklyn College, which is in my district, because I think it's going to be a good start to helping making sure that we have a facility that encourages the proper learning environment at that important institution, what we call "the Harvard of public education."

And the budget also does a lot of

good things in terms of increasing the base aid to CUNY and fully restores the $544,000 that was cut from CUNY childcare centers. Which is critical, because we know that at CUNY these are nontraditional student. The average age of a CUNY student is actually 25 years old.

And it restores $1.2 million that was cut from the Search for Education Elevation and Knowledge, which is, you know, the SEEK program. It fully restores $1.7 million cut from the Accelerated Study in Associate Programs, that's the ASAP program.

And most importantly, the budget and the process bringing TAP and other opportunity programs into the 21st century. TAP was increased by roughly 3 percent in this budget, or $165 this year, which is the first increase in TAP in a decade. In a decade.

But we still fall woefully behind within the -- so we're creating a gap, though. A number of years ago, like about two years ago, we voted for a rational tuition model that increases tuition every single year at both CUNY and SUNY. However, we have failed our commitment to make sure that TAP keeps pace with the increases that

automatically happen at CUNY and SUNY.

I in fact want to suggest that we pass a bill in the Legislature that creates an automatic COLA for TAP, that automatically makes sure that CUNY and SUNY students are at least -- but I think all students should in fact be getting an automatic increase in their TAP award that is commensurate with the increase from the rational tuition model that we implemented in both CUNY and SUNY.

For the first time ever, orphans, foster children and wards of the state have been made eligible for TAP instead of denying them help to go ahead in their educational process. The budget also authorizes the science, technology, engineering and mathematics -- a STEM initiative program for undergraduates.

Which brings up an interesting point. So on one hand we're saying everybody should have STEM education, but we don't in fact acknowledge the fact that for you to make it in STEM fields, right -- so if you're in science, technology, mathematics or engineering -- for you to advance in those fields you have to have a graduate degree. Yet once again we submit a

budget that fails to create graduate TAP.

Members of this body, I am begging you to in fact go forward and find the resources to create graduate TAP. It is absolutely nonsensical for us to say we're encouraging STEM education when we in fact know, sitting here today, that for you to get even an entry level job in a STEM field you have to have a graduate degree, yet we're not providing the kind of base financial assistance for students to get those degrees.

And so, you know, although again it's been really important for us to have STEM education and to be encouraging it, we haven't done that in a proper way until we in fact are providing for graduate TAP.

And lastly, we still have not fixed the nonsensical way that part-time TAP is administered. Right? Part-time TAP is administered in a way that you have to be going for a year or two full-time and then you have to apply -- it's all these things that -- take off the red tape. Just real simple. From going full-time, I apply for TAP, if I meet the income eligibility, I get it. If I'm a part-time

student, I'm applying for TAP, if I meet the income eligibility I should get it.

It shouldn't have -- if you're a part-time student, you shouldn't have to jump through additional administrative hoops just because you're going part-time. We still want part-time students to have the ability to achieve that education. We know they cannot do it without the financial aid. And so it was actually a fiscal trick and really a joke for us to say that we have part-time TAP when in fact we've moved the goalposts so far away no one will ever reach it.

You know, we've done a good job, I think, in this budget, and this is why I'm voting for this budget, in terms of increasing the base aid for SUNY and CUNY, both the childcare centers, opportunity programs, and for technology training. There's some very, very good things in here. There's some things that we still need to fix. But I'm going to vote aye, Mr. President, because I think that we are on the road to making sure that education is achieved for all of our students in the State of New York.

Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Parker.

Is there any other Senator that wishes to be heard?

Seeing or hearing no other Senator who wishes to be heard, I call upon Senator Flanagan to close debate.

SENATOR FLANAGAN: Thank you, Mr. President.

I appreciate all the comments from my colleagues. I wanted to go over some things and respond to some of the concerns that were raised, speak to the issues involving the overall education budget.

But I'll go back to some of the things I said early on. There are many, many good things in this budget. There are many, many stellar things in the education budget. And collectively, we are advancing almost $25.7 billion of New York State tax money to public schools. No one should apologize for that. That's a billion, well over $1.1 billion, closer to a $1.2 billion increase from last year. Again, the single largest growth area in the budget.

My colleagues and I listened to many of our communities, our school districts, had tons of meetings. I'll give you a perfect example. In my office -- you see this stack of bills here -- I have letters and resolutions from school districts all across the state. And every one of those letters begged us for GEA help. That's what they were. There was a whole campaign put together so there was a statewide effort to address those issues.

So $25.7 billion, almost a $1.2 billion increase, the single largest growth area in the budget, without question. And there are components in there, $280 million for expense-based aids. Those are things that school districts are entitled to and they should get.

There's $250 million of new money for Foundation Aid. Foundation Aid is important for some of our colleagues. Someone mentioned small cities and school districts like that; that's an important component. It doesn't work everywhere.

GEA. That is what we heard more than anything else, probably 25 times over. This year's budget provides $602 million more GEA

relief. That is the largest area of the education expenditure, and it is purely and wholly and completely responsive to our constituents.

The Governor came in, gave us a good starting point. Problems with his budget, no question; $323 million, we're now up at $602 million. Our priorities were GEA relief. That's what you see in this budget.

So in terms of overall funding, there's a tremendous amount of good things. Things that didn't get talked about, there's $14 million for Teacher Centers. That's money that was restored, cut out by the Governor, put back in, so we have an agreement there.

Libraries. The Governor cut funding to libraries. Senator Farley, champion of libraries. We put that money back and added a million dollars on top.

Nonpublic schools. My colleague Senator Felder has been probably the most outspoken. There are four different pots of money: $4.5 million for safety grants, $8.1 million for transportation for after-school programs, primarily in the City of New York;

$5.23 million in nonpublic school aid; and another pot of $16 million. That is recognition of services that they provide, the fact that they're educating children all across the State of New York, and that's a good and positive thing.

Smart Bond Act. I think Senator Parker spoke to this fairly briefly. But that, you know, for me, the best thing about the Smart Bond Act is it's going to go to the voters. That will be out on a referendum. That will allow them to make a decision. There has been a healthy debate about that: How should we do it, who should be eligible. But that's going to be on the ballot, and ultimately the public decides. So that's the great equalizing factor for us.

There was discussion about a large variety of things. So charters, I want to speak directly to charters. I have heard so many different things about charter schools. And I think part of what happened, in fairness, in the last couple of years there's been very little discussion about charter schools. But because of actions taken this year and, frankly, actions taken in the City of New York by the new

administration, that created a juggernaut in some ways and broke a logjam in some other respects that led to, in my opinion, a healthier debate.

So I look at it this way -- and I don't have a charter school in my district, so let me be very clear. I have part of the district called Longwood, they have a charter school that they deal with. But by and large, there's 70,000 kids in the City of New York, 8,000 kids outside of the City of New York. It's a statewide issue. They represent slightly less than 3 percent of all the students in the State of New York, but they're public school students.

So when we're talking about non-public school kids and we're talking about public school kids, we're talking about almost 3 million students in the State of New York. And we have an obligation, if we have existing laws -- and we do. There will always be people who say, I don't like charters at all. That's fine. But when we have laws, they should be properly enforced.

And the last thing in the world, I don't care if it's a charter school or a non-charter school, kicking kids out in the

middle of the year, bad policy. Just bad form. Doesn't matter what the community is. And that is the reason that we see some of the things that are in here.

So I believe the protections are there. They're valid. People may disagree. But I also want to reiterate, for school districts outside of the city, there has been a lot of comments raised about cost. Any changes, any changes regarding tuition will be absorbed by the State of New York. There will be no further costs to local school districts. I've heard it a hundred different times.

The reality is there is no additional cost to the local property taxpayer. Whatever increase there is going to be will be absorbed by the State of New York. And that's frankly the way it should be. If we're going to be looking to deal with these issues prospectively, that might open a window for things to be done that would be helpful in that area.

Now, Common Core. Senator Latimer spoke to this, and a number of my colleagues commented on this. I believe that we have some

terrific products in this legislation, and there's a lot of reasons for it. We did statewide hearings starting last fall. Many of my colleagues participated. We issued a report, advanced legislation, had a multitude of discussions.

I sit as the Senate representative on the Governor's Common Core panel. All the issues that were raised in the context of the Governor's panel had been raised previously through the Senate, through the Assembly. And all of you know, we heard from parents. This thing started out from educators, and then it morphed into the people who are at the forefront, the parents and the students.

And when I speak about the parents, I'm no different than anyone else. Parents represent the students. They're obviously interrelated and integrated, so they are synonymous, frankly.

In what we had advanced and now what is in this legislation, there are many good things. And I believe that they should be highlighted. We're basically banning standardized testing for pre-K through 2. And

the crazy part is that we actually even had a discussion about whether or not that be public policy, that it never should have been public policy. The kids who are 5 years old and 4 years old sometimes have trouble holding a pencil, let alone taking an exam.

There's legislation in here -- or there's comments in here about unnecessary testing. There's issues involving privacy. There are at least 13 different points that have been -- now will be put into statute. And these are all in response to things that we heard from the public, from educational professionals. And I would concur that this is an excellent start, but it is by no means finished, and I'll explain why in a second.

There is a Parent Bill of Rights. Where did we did get that from? We got that from parents, listening to people out in the field, out in our communities. And there are extensive provisions in there, and we are now in a position where we're telling SED and the Regents how to do their job. And frankly, ladies and gentlemen, I don't like that. That's not the public policy that I would like to see in the State of

New York.

The Regents came out with an action plan, but it's not fast enough, it's not swift enough, it's not detailed enough. And we did tell them -- Senator LaValle certainly spoke at the committee meeting, as did many others -- that if you don't act, we will act on your behalf. Fortunately, some of the recommendations that they made are now being codified.

So a Parent Bill of Rights. Senator Krueger alluded to an organization called ALEC. I've had as many meetings on these subjects as any member of this body. I have never had correspondence, I have never had any meeting with anyone from a legislative entity called ALEC. I know who they are, but they never came to see us, never talked to us about privacy.

The people who came were parents. And I'm going to throw out a name, most of you may know the name. Her name is Sheila Kaplan, she is an ardent advocate. She's one of many, many, many parents and community members who came and talked about a Parent Bill of Rights, privacy, the creation of a chief privacy officer. So there are no outside organizations.

We did get good input at a hearing in Syracuse from national organizations about how we could enhance the privacy laws, go beyond what the federal government does. All those things are generally if not specifically contained in this legislation.

Having said that, the timing on this is very important. Because as we wrap up -- we even feel like we're in a little cocoon sometimes, so we go back out into the real world at some point tonight or tomorrow to our constituents. In large part what you see here is timely action that will directly affect students, students in the next month, because ELA and math exams are going to be administered.

This provides protection for those students so that they don't have adverse impacts, so it's not made part of their permanent transcript or record. This is responsive to the needs of students right now.

We still have work to do on Common Core, because SED and the Regents are still not doing it as well as they should. And if we have to continue to intervene, I am very confident that we will, because today we're

proving we're not hesitant to take action when action is appropriate.

Now, I mention that this is timely right now because of students in this coming month. There is no question, every one of my colleagues cares deeply about educational professionals, principals and teachers in particular. They're at the forefront. And there's nothing more important than having a good teacher and a good principal in a classroom and in a school.

I know that there will be continued ongoing debate, robust discussion, healthy exchanges in terms of what should be done to protect teachers. I don't want to have any adverse impacts on teachers. And I believe as we finish the budget and move into the second phase of our session, that we will have many, many discussions on that. And I am confident that in some way, shape or form before we leave here in this session, that we will take further action. If SED and the Regents decide to do something sooner, more power to them.

So there are a whole litany of things that we have accomplished in this budget

collectively, collectively. And I'm going to just touch on one more thing regarding Common Core. Here's where we all need to do more work. We need to go to the federal government, we need to go to our colleagues -- because the reality is those tests that we keep talking about, ELA 3 through 8, those are not our tests. We administer them, and we'll put them together, but the federal government is making us do it.

We need to be going to our federal representatives. Those are really federal tests. That's not the State of New York saying to school districts we want you to do this. We're constrained or restrained by law that we have to administer these exams. We need to do a better job of going to our federal representatives and having them advocate for changes in regulation, in statute and educational policy at the federal level.

So on the whole, I think there are many positive things in this budget. Again, going back, GEA, GEA, GEA. It's like the old adage, real estate is location, location, location. There's over $600 million. Again, close to $1.2 billion overall.

There will be those who will always have comments that say the glass is half-empty. I believe it's more than half-full and we're moving in the right direction. And I know we have plenty more work to do, but this is a very solid education budget that everyone should be able to embrace.

ACTING PRESIDENT GRIFFO: The debate is closed.

The Secretary will ring the bell.

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Gipson to explain his vote.

SENATOR GIPSON: Thank you, Mr. President. I rise to support this bill.

One of the things that I'm just very happy to see in there is that the thing that so many of us have advocated for, which is to eliminate the standardized testing for pre-K through second grade, I think is a huge step

forward.

We know that at such an early age we should not be trying to standardize our young children's minds, we should inspire them to be individuals, to reach their maximum creativity. That's how we're going to come up with new ideas and new products in the future. And I am so happy to see this eliminated so that our kids at an early age can reach their maximum creative potential.

And I will be voting yes. Thank you.

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

Announce the results.

THE SECRETARY: In relation to Calendar Number 373, those recorded in the negative are Senators Hoylman, Montgomery and Perkins.

Ayes, 58. Nays, 3.

ACTING PRESIDENT GRIFFO: The bill is passed.

SENATOR LIBOUS: Can we proceed with Calendar Number 377, Mr. President.

ACTING PRESIDENT GRIFFO: The

Secretary will read Calendar Number 377.

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

ACTING PRESIDENT GRIFFO: Senator Libous.

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

ACTING PRESIDENT GRIFFO: There is a message of necessity before the desk.

SENATOR LIBOUS: I move to accept the message.

ACTING PRESIDENT GRIFFO: Can we have some quiet in the chamber, please.

All in favor of accepting the message of necessity signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The message is accepted, and the bill is before the house.

SENATOR LIBOUS: Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator

Rivera.

SENATOR RIVERA: Thank you, Mr. President. Would the sponsor yield for a few questions.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: I will not. I'm going to hand it over to the expert of health, Senator Hannon.

ACTING PRESIDENT GRIFFO: The sponsor defers to Senator Hannon, without objection.

Hearing none, Senator Hannon, do you yield to Senator Rivera?

SENATOR HANNON: Yes, I do.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: And I don't have an objection either. Senator Hannon, through you, Mr. President, is certainly an expert, an excellent person to answer the following questions.

I have a couple of things I wanted to clarify. On Section 2801H, on line 31 on page 24 of the bill I wanted to see if you could

explain that part of the legislation to me, please. Through you, Mr. President.

SENATOR HANNON: That was a provision in regard to having a public forum in regard to certain medical facilities in a certain county, and to have that open forum to be held.

SENATOR RIVERA: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR HANNON: And, Senator Rivera, perhaps I could ask that Senator Klein, who had suggested that particular section, provide a further explanation of it.

ACTING PRESIDENT GRIFFO: Do you require further explanation, Senator Rivera?

SENATOR RIVERA: I have other questions, if Senator Klein is going to yield.

ACTING PRESIDENT GRIFFO: Senator Klein, without objection?

SENATOR KLEIN: Sure.

ACTING PRESIDENT GRIFFO: Senator Klein.

SENATOR KLEIN: Through you, Mr. President, I'd just like to just briefly describe the amendment.

The purpose of the portion of the budget bill is simple. As more and more large clinics are being built without any sort of Department of Health approval, this bill creates a demonstration program in the County of the Bronx to allow for a public forum so that the community can have input before such projects are built.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would continue to yield.

ACTING PRESIDENT GRIFFO: Senator Klein, do you yield?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you, Mr. President.

Is there a particular reason why the provision only refers to the Bronx and not the rest of the state?

SENATOR KLEIN: Well, this is an issue that certainly eventually is going to have an impact throughout the state. As many of you know, a lot of hospitals are now sponsoring

clinics, ambulatory care programs. Because really the future is to have many doctors housed under one roof in these large facilities.

Also it is not profitable for hospitals, as you know, or not very efficient, to offer very long hospital stays. So most of these procedures can be done not even having the individual required to stay overnight.

So while I agree with the concept of efficiency in healthcare, agree with what a lot of these providers are proposing, to sort of streamline healthcare and make it very easy to for the patient to obtain services sort of all under one roof, this is something that presently has no oversight by the Department of Health.

Certainly locally this hit home in my district, in the community of South Riverdale, where Montefiore, an excellent healthcare provider, decided to put right smack in the middle of a residential community a proposed 11-story ambulatory care center. It may not be considered a hospital by the Department of Health, but certainly it's very, very large, very, very cumbersome, and it caused a community outcry.

People are outraged that this large institution is going to be put right in the middle of a residential block, not take into consideration the density of the neighborhood, not take into consideration the traffic patterns. They're expecting over a thousand people a day to come in and out of a roadway on a very narrow block.

So I thought it was important that we at least, at least require that the Department of Health really take some community concerns. And so what this would do is allow for a community forum, which would be set of by the Department of Health, making sure to get local community board input, having them explain what they're doing about the density, the need, as well as traffic. And then really leaving it up to the Department of Health to either mandate, modify, or disapprove the potential project.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would continue to yield.

ACTING PRESIDENT GRIFFO: Does the Senator yield?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you.

So if this is a -- I'm trying to figure out if it's something that is -- you mentioned this clinic of Montefiore or the proposed building that Montefiore is potentially putting up. And while I certainly have been -- I'm familiar with some of the stories, this is something that would impact the Bronx as a whole. Is that -- so my --

SENATOR KLEIN: Through you, Mr. President -- oh, I'm sorry.

SENATOR RIVERA: So my question, through you, Mr. President, if it's going to impact the Bronx as a whole, what type of impact could it have on other facilities that are potentially attempting to do something, to build one of the three in the categories that are established in this bill?

SENATOR KLEIN: Through you, Mr. President. This would apply to very large facilities. These would have to be facilities that are over three stories in height and over 30,000 square feet. So this is not your little

small neighborhood doctor's office. These are very large facilities.

And again, I don't think it's too much to ask, when anyone is building a project of this size in any community, let alone the Bronx, that they explain to the community and answer some basic questions: What is the impact that this is going to have on the quality of life of the community? How are you going to deal with the traffic? How are you explaining the need for this facility in the community -- you know, is there a market, are there people who need to utilize these services?

And again, this in no way gives -- the Department of Health sort of having to respond to the community, it doesn't give the community a veto power. What it really does, pure and simple, is give the community a voice and then allows the Department of Health to really weigh and listen to what the community has to say and act accordingly.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would continue to yield.

ACTING PRESIDENT GRIFFO: Senator

Klein, do you yield?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR RIVERA: Thank you, Mr. President.

When I spoke about institutions or facilities, I was less referring to the facilities to be built and more referring to the institutions that might be impacted or plans that might be impacted from other institutions. Like certainly Montefiore serves both of our constituencies, it serves most constituencies in the Bronx, it's a huge hospital.

In the case of St. Barnabas, for example, which is a safety net hospital, which is actually potentially going to build something like one of these categories, may be in the plans of doing it, was there any thought -- through you, Mr. President -- of the impact that it would have of kind of adding another regulatory framework to what these institutions have to go through now, because it is not -- I do not believe that it is as simple as choosing a space and just building something without actually

having some other -- you know, making sure that the Department of Health actually approves the services that they're going to provide in this new space.

So through you, Mr. President, was there any thought about the impact that it would have on other institutions, like safety net hospitals such as St. Barnabas?

SENATOR KLEIN: Sure. Through you, Mr. President.

Really the idea for this legislation, really the genesis of the legislation was when myself and my colleague Assemblyman Dinowitz, who also represents the same community, actually wrote a letter to the Department of Health asking why, if this proposed facility kind of looks like a hospital, feels a like a hospital, is serving a large number of people like a hospital, why don't they have to go through the certificate of need process. And we received a very lengthy letter to say if it's not considered a hospital, it's not a hospital, as simple as that.

So I think requiring them to at least hear from the community is not unduly

burdensome.

And as far as the concern you have about St. Barnabas, I spoke to Dr. Scott Cooper a couple of days ago. I know he's planning on doing affordable housing and some other clinic, which I helped and supported him a couple of years ago when that was actually within my Senate district. And I do not believe that it would be covered.

First of all, what he's talking about is affordable housing. He's not talking about expanding a healthcare unit or providing any type of ambulatory care.

But again, as I explained, we're not giving veto power to the local community, we're not allowing the local community board to just stop a project. But we are giving a voice to the local community and hoping and kind of mandating that the Department of Health at least hear the concerns of the community and then act accordingly.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would continue to yield.

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Klein yields.

SENATOR RIVERA: I have a particular question, through you, Mr. President, on the language that says -- I want to see if you could help me define what it's supposed to -- when it says that the Department of Health is supposed to consider "the physical characteristics and social fabric of such community," what exactly does that mean? Particularly the term "social fabric," I'm not sure I understand what that means.

SENATOR KLEIN: That would apply to what I said earlier. You know, a lot of times they would bring, you know, sort of an ambulatory care center or something like this into a community and they would need to identify really the need in the community -- who are you targeting, what population.

You know, I think as economics go, I understand why Montefiore is proposing this. You know, they rely very heavily on Medicaid dollars. I think they're the largest Medicaid recipient in the United States. And they're trying to tap into a market that is private-pay and Medicare.

Makes sense.

But again, they should be able to have to show that there is a need for that type of facility here. I think that's probably the easiest burden or hurdle that any potential healthcare institution should have to meet. I think the more serious ones are the height, the density, the traffic and things of that nature.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would continue to yield.

ACTING PRESIDENT GRIFFO: Senator Klein, do you yield?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you, Mr. President.

I want to refer a second to line 30 on page 25, which reads as follows: "After due consideration of the comments of the community forum, in consultation with the Education Department, the commissioner shall either approve, modify or deny authorization," et cetera.

Is there any particular reason why the Education Department is in that language of that bill?

SENATOR KLEIN: Yeah, because what this really is, in the present characterization, is really considered right now large doctor's offices. And as you know, that certification is done by the Department of Education.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would continue to yield.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR KLEIN: Yes, Mr. President.

SENATOR RIVERA: So I'm still -- so it is something that is going to impact one particular -- in this case, impact that one particular institution.

As it relates to what the Department of Health has to do, what -- right now, what kind of expertise or experience do they have in evaluating what the language of the bill is calling "the appropriateness of the size, height, bulk, dimensions and scope of such clinic, facility or center when compared to the

surrounding physical characteristics"? I just want to know if the Department of Health would be able to perform this.

SENATOR KLEIN: Remember something. You know, as I said, the genesis of this had to do with locally zoning variances weren't changed, weren't met. So this project really would be known as an as-of-right project. That doesn't mean it's right. That doesn't mean that the institution shouldn't have to explain and answer those questions.

But I think the key, Senator, is line 30 that you talked about before. After this entire process takes place, after this entire hearing takes place, after all of these questions are answered, the commissioner shall either approve, modify, or deny authorization for the establishment of any such clinic, facility or center.

So ultimately the final hurdle -- or the final decision, I should say, is made by the Department of Health.

SENATOR RIVERA: Through you, Mr. President, if Senator Klein would yield for one more question.

ACTING PRESIDENT GRIFFO: Does Senator Klein yield?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: As far as the time and money that it would add to the process if an institution wants to do something, put one of these up, either a freestanding clinic, outpatient healthcare facility, or ambulatory care center, as far as the time and the money that would be added to all the regulatory framework that they would have to undergo right now, has there been a consideration of what that would be?

SENATOR KLEIN: Puts the burden on who, the Department of Health or the proposed project?

SENATOR RIVERA: Through you, Mr. President, through the institution itself that is trying to -- that is building one of these.

SENATOR KLEIN: Well, again, I don't think it's too much of a burden or too much of an expense to require any health facility and

their sponsor to actually show up at a hearing, talk about your plans.

Remember, these hearings are being set by the Department of Health. It's just a matter of the sponsor showing up with diagrams, I guess, and everything else to explain to the community how this project will work. So I don't think it's much of a burden at all.

And as a matter of fact, you know, moving forward, this is going to become an issue in other places. I think in some cases you're going to see some of these places located in industrial parks. Which are not near any communities, and you're probably not going to have community members or the community board even want a hearing.

But I think more and more when you see these really clinics or very large healthcare institutions that aren't considered hospitals in residential communities, you're going to see communities that are very, very concerned. Not necessarily that they oppose the healthcare institution, not necessarily that they may disagree with the whole concept. But I think they have a lot of questions, and I think the

community, first and foremost, deserves answers.

SENATOR RIVERA: Through you, Mr. President, just actually one more thing if Senator Klein would yield.

ACTING PRESIDENT GRIFFO: Do you yield for a final question, Senator Klein?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you.

Again, if it's -- this actually goes to the core of it. If it is such a good idea, why not impose it on the entire state? What kind of -- why would you put it just for the Bronx?

SENATOR KLEIN: As I said, the genesis of this legislation came out of, you know, a community concern.

As you know, Senator, 38 percent of the people employed in Bronx County are employed in the healthcare profession. This is something that means jobs. But I think also when you're building these large facilities, I really don't think it's too much to ask that the local community, in the sake of the community board or other interested parties, get their say.

And I think that's going to make for a better facility. I think it's going to really cause better planning. And really, I think really better PR, where the communities will hear. This came out of, as I said, a very, very large proposal. It's 11 stories that they're proposing. Didn't contact anyone. Didn't contact the local community board. No one really knew what they were even building there until finally someone found out and they had a big rally.

So I think this will prevent that. This will cause these proposals or these sponsors to be good neighbors, understand that they're locating in a community, understanding that this will be their future client base and they should respect their wishes.

And I think this is something that really needs to be done statewide eventually. And I thought it was important that in the Bronx, especially as it involves this project, the pilot program be in Bronx County and see how it works here if we want to follow through with the rest of the state.

SENATOR RIVERA: Mr. President, on

the bill.

ACTING PRESIDENT GRIFFO: Senator Rivera on the bill.

SENATOR RIVERA: Thank you, Mr. President.

I certainly want to thank Senator Klein for the time that he spent answering some of the questions.

And although I certainly agree with the general thrust of having more community involvement, I don't think that this particular bill would be the -- or this particular language would be the way to do it.

I do feel that there is limited experience or expertise in the Department of Health to be able to evaluate some of the things that the language is asking the Department of Health to evaluate. I'm still not sure what "the physical characteristics and social fabric of such community" means.

And I do think that there is -- that it has -- that the impact that it might have on institutions -- I certainly know where the genesis comes from. I read the local papers as well, and certainly I saw some of the rallies,

and our local news station, Bronx 12, certainly covered a lot of them.

But I do think that the impact that it might potentially have on other institutions that this is not directly aimed at, who have done things like this in the past and have done it with a very -- and in this particular case I'm talking about other safety net institutions, certainly St. Barnabas, which is in my district. And as Senator Klein mentioned, it was previously in his district.

And there's a lot of work that St. Barnabas does with safety net clients, and they serve a very needy population. They're in the process of considering how they're going to expand to make sure that as it relates to the waiver I'm going to be talking about in a second, the waiver that we just got from the federal government that allows us to be able to figure out how to serve people better, how to get less hospitalizations, et cetera, they're figuring out how they're going to expand their services to be able to achieve this. And this will actually impact directly whether they would to be able to do that. And they have already a very good

relationship with the local community.

It seems to me that in the ways that this is written, and some of the language is little bit vague -- and I certainly wanted to say that even though, again, I agree with the overall thrust of the purpose of the language, I certainly was surprised to find it there and would really like -- you know, would potentially want to work with Senator Klein afterwards to see if there's some way that it can be cleaned up.

But I wanted to mention that because I do think that it is one of the parts of the healthcare bill -- we voted on one earlier, Mr. President, and we're voting on the second one now -- and there's actually a lot of positives in it. I did want to go through that because it impacts certainly my constituency and might potentially impact another institution which is very core in my district.

But as far as the rest of the healthcare bill, I actually think that we did quite well. And I certainly thank Senator Hannon as well as Assemblymember Dick Gottfried on the Assembly side, since I know that there were a lot of battles that were fought there, and at the

staff level as well. But I think that we have a very good health bill in front of us.

We have a couple of issues -- and we actually voted on a couple of health things in other parts of the budget. Certainly there were the $1.2 billion as it relates to capital of the healthcare facilities was in the capital budget, and I think it is a very positive thing. We certainly need more of it, but 1.2 is going to help us along.

The Basic Health Plan, we've talked about it on the floor of the Senate before. And the language that was in the original Executive proposal made it to the final version. I am very happy about that. And certainly hundreds of thousands of New Yorkers who will be impacted positively by this are also happy that it is there.

I'm also happy about the 2 percent cap extended for another year. It is what we have been trying to do to control Medicaid costs for the last couple of years. It has been successful, and we will continue to do that in the years to come.

There's also funding for the

New York State of Health, as we clarified a little bit earlier in the debate. It is not in the same place where it was before, but importantly, the funding is there. And we will continue to have one of the exchanges that is most successful across the country.

There's also repeal of third-party audits for residents, which is something that there was debate about as far as how residents should be audited and whether there should be a a third-party audit. There were some concerns that we had there and that ultimately made it to the final version.

I am concerned that the prevailing wage did not make it to the final version as it relates to nursing home workers. I'm certainly very disappointed in that and was under the impression, right up until the end, that it was going to be in there. Unfortunately, it did not make it.

I think we have to ask a very key question, how did that not happen. And it is something that is going to impact thousands of workers across the state, people that serve constituents in all of our districts. We have to

ask what happened with that. So that's a concern that I have.

And finally there is -- as refers to home care worker parity, there was a conversation that we had had about how much money was in the Executive proposal and that we wanted more -- $100 million more, there was an increase of $100 million, and I think that is a positive thing. We didn't get as much as many of us were fighting for, but it definitely helps us along as far as home care worker parity is concerned.

These are just some of the highlights, but I do think that overall we have a good health budget that achieves a lot of the things that we wanted to achieve this year and moves us along in the path of making sure that we control costs and provide quality healthcare to New Yorkers all across the state.

So besides those concerns that I expressed earlier related to the Bronx in particular, as well as the prevailing wage aspect of it, I think that this is a good bill, I will be voting in the affirmative, and ask my colleagues to do the same.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Hannon.

SENATOR HANNON: Thank you, Mr. President.

Thank you, Senator Rivera, for a -- I thought you were just going to ask questions, but you got into the whole part of this bill.

I just want to talk about some of the highlights that we were able to do in the health budget. And it's certainly a collaborative type of effort because it has such far-reaching implications.

I think the biggest thing that's going to be a transformation will be when and if the proposed $8 billion waiver is granted by the federal government. And that in and of itself could be something that will cause policy changes for years to come. Because the stated purpose of that waiver is to decrease hospital admissions by 25 percent over the next five years. Decrease hospital admissions.

Now, people who don't get better quicker; what's going to happen under that waiver is the place of care will change. And so the debate we already had in regard to the proposal

by Senator Klein that's in the budget will continue. And we will have other places throughout the state where hospitals will find less and less usage and the question will be how do we find an available, appropriate place for the care to be given to the people of New York.

And accompanying that waiver there is a proposal by the Executive, which we have accepted, for $1.2 billion in construction money for places throughout the state to be -- and that money would be administered by the Dormitory Authority.

Both for the waiver money from the federal government and for the construction money, we have added to the budget what we believe to be an appropriate input by this body, by the public, by other members of the healthcare community. Because the last thing we want to do is have all these transformations go forward by the so-called experts talking to the so-called experts. And if that happens, we'll find the same type of adverse reaction by the general public as we found in education when we had the educational experts talk to each other and be very surprised when parents showed up at protests

throughout the state.

Other parts of this budget, there is continued, and on a rolling two-year basis we have continued it, the global cap, which fixes an amount of money in regard to Medicaid spending and says that if the total amount of spending is pierced, then the Commissioner of Education, in consultation with the Director of the Budget, can reduce the allocations of money to each of the providers.

However, that a cap has worked so well that this year we're going to be able to turn back 2 percent to all the healthcare providers, the 2 percent that we took from them a few years ago because we didn't have the money to keep funding them.

There's other successes, I think, in regard to installing in the Insurance Law to prevent surprise billing and to have a fairness in reimbursing physicians for what's called out-of-network medical procedures. We've added for another class money for the Doctors Across New York. We were able to increase the funding for spinal cord injury research; the total Assembly, Senate, will be $5 million, getting us

back to what we hope to be eventually the pre-fiscal-crisis funding of $8 million or even more.

Early Intervention, a source of consternation throughout the past year to everybody in this house. We were not able to have a fundamental change in how we do Early Intervention. I think that is coming about gradually by the administration.

But we did point out that the oldest bills, the bills for nine months ago, hadn't really been paid and it was not proposed to pay them. So we are appropriating $3.9 million in order to make up for that for people who have provided services who, without this money, might go out of the business of providing the services.

And this is not just some type of low-key good-wish type of thing. Children who get Early Intervention services can often do far better in terms of their future health, do better in their future education. And so by this early intervention we save society and ourselves a considerable amount of money.

It's been mentioned that we're adopting the Executive proposal for the Basic

Health Plan. This is a health plan that's neither fish nor fowl. It's not Medicaid, it's not a total insurance. It will be offered by the same insurance folks. It will be there for people between 138 percent and 200 percent of poverty. There will be a heavy, heavy federal participation, 95 percent federal participation.

It will also, neither fish nor fowl, take much of its participants from people who are already in the exchange. And it has been the subject of a lot of study. The budget does not absolutely authorize it, it authorizes the administration to go forward if there are savings to be had. And the savings are projected for almost zero to $300 million a year, certainly one of the widest estimates I've ever seen.

We have altered significantly what's called the Statewide Health Information Network, unfortunately named the SHIN-NY. But there is a need, we've altered it in a way that there will be input and a deep look at how it's going to be configured, what's going to be done, what the governance of it will be.

People often say, well, just join everything together. It's not that easy. We

need to make sure we're not duplicating what's already there. Every hospital in this state already has electronic medical records. The question will be what is the authority to go forward. If you want to join up physicians, are we going to go after physician's offices. Open questions, very important questions.

A couple of things we didn't do, and I just want to talk about them. It was mentioned before about the certificate of need, the process of going to the Health Department to determine if you're going to get a license to go ahead with a certain given medical facility.

The reform that ought to be there to make this far more streamlined I don't think happened whatsoever. But we did not go ahead with what was proposed for the urgent care regulation. The case hadn't been made for it.

Neither did we go ahead with the office-based surgery increased regulation. The case had not been made for it.

I did think -- we passed in our one-house that the retail clinics would have been a great addition to primary care in this state. The Assembly did not agree with that, and so

that's not in the final bill.

There were proposals in regard to how the reimbursement of nursing homes would take place in terms of the acute care and the degree of acute care of their patients. That was called the case mix index. That's been rejected.

We also rejected the prescriber prevails changes which the Executive had proposed.

And we rejected the regional health information collaboratives that the Executive had proposed. This was another quasi-attempt at adding to the layer of regulation in this state. It had the feel-good nature of, well, we really need to get the communities involved, but it did not have four corners to the proposal. It was not definite as to what the proposal would consist of. And it needs more work.

With the vagueness of that proposal we thought let's let the administration move forward, you can make grants to localities, you can make grants to localities under a drawing-board plan called SHIP, State Health Insurance Plan, that has been funded by federal grants and is really is the blueprint for much of

the transformation that's taking place in healthcare in this state.

And with those grants and also with the preventive agenda in regard to wellness, which is now tied into all the hospitals in the state, the thought would be those need to be done before you start formalizing some type of superstructure that does not exist now, and even though there are some people who'd like to harken back to the old HSAs of 40 years ago. But anything in healthcare that's 40 years old really is just to be studied for history, not to be reactivated for the current needs.

So those are some of the things that have been done. I'd simply sum up -- oh, wait, no. Counselor Baldwin tells me we also rejected the proposal to look at how the pharmaceutical costs are determined for purposes of reimbursement.

We do reimburse pharmacies, independent chains. The idea is to strike a fairness and a balance. What had been proposed, average acquisition costs, just didn't strike that balance. It really had too many tweaks to it. It gave the administration unfettered

discretion to change it at will. And we put it off for a year while it's studied.

And supposedly that was at great cost. The mysteries of modern medicine are matched only by about the mysteries of modern pharmaceuticals. The costs vary sharply from month to month. And we're going to have to address it as part of our modern healthcare system, but for the moment it's been postponed for a year.

And so those are the things. Oh, the comment is there is more change happening in healthcare now in this state. It goes far beyond exchanges and Obamacare, it goes to the fundamental way we deliver care in this state. Obamacare just changed how we do some reimbursement. And in fact Obamacare is more of an individual basis while the rest of what we're doing in this state is more towards managed care.

And it's that managed care where we're changing how we do our physical health, our mental health, behavioral health, people with substance abuse, people who are covered dually under the state Medicaid and Medicare system. All of those are the great changes that are

taking place. And I think that this budget mirrors well where we need to go in that direction.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk.

SENATOR TKACZYK: Thank you, Mr. President. Would the sponsor please yield for a couple of questions.

ACTING PRESIDENT GRIFFO: Senator Hannon, do you yield?

SENATOR HANNON: Yes.

ACTING PRESIDENT GRIFFO: Senator Hannon yields.

SENATOR TKACZYK: Thank you.

I appreciate how complex the health budget is, and I really appreciate that you mentioned the Early Intervention program. And I know you've been working on that diligently, and I greatly appreciate that. I have some questions about that specific program.

How much in the budget was allocated for this program for the 2014 fiscal year?

SENATOR HANNON: Well, we added for the bills for 12 months to nine months ago.

Which were, when you think about it, when the fiscal agent that we required of the State Health Department got going, and they didn't get going very fast. Those are the bills that really weren't paid. And so that's $3.9 million for that.

The rest of the program, we'll get the number for you in a minute.

What we had hoped to do was to establish a far better process and procedure so that as the services were rendered, the providers submitted the bills, it went through the fiscal agent, that that would be clearer and faster.

SENATOR TKACZYK: Mr. President, I'm having trouble hearing the sponsor.

ACTING PRESIDENT GRIFFO: Senator Hannon, can you maybe move over to the chair?

SENATOR HANNON: It's right here.

SENATOR TKACZYK: Okay, that's better.

SENATOR HANNON: Okay. Turning the volume up helps too.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk, do you want to continue?

SENATOR TKACZYK: Yes. So what

you're saying is the money that was added, the $3.9 million was for those three months where the fiscal agent was not acting as a fiscal agent. So the budget didn't cover a certain portion of the year?

SENATOR HANNON: The rest of the appropriation was over $160 million. So this is obviously one of the bigger endeavors that the Health Department undertakes, but they did not cover that specific quadrant of the unpaid claims for there, and they had actually made the representation perhaps we'll just let that stay and let that work its way through.

But it was working its way through a system that hadn't worked a year ago and we didn't think it would be sure to work now. And we're fairly confident that the system proved the services had been rendered.

SENATOR TKACZYK: Will the sponsor continue to yield?

SENATOR HANNON: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: Is there enough money in the budget that we're voting on today to

make sure that all of the claims will be covered by the Early Intervention providers that have been submitted?

SENATOR HANNON: We're reasonably sure. It still depends, at the end of the day, with clean claims. Sometimes that all tends to work out well; sometimes it doesn't.

But I do know that we've gotten the full attention of the Department of Health. I certainly know that the counties are wary, so they don't feel they're going to get any extra burden added to them. And we do have a fiscal agent functioning. So it seems to be reasonable.

I wasn't totally happy. I would have liked a guarantee. Assemblyman Gottfried and I have legislation in. We'll probably even amend that further and submit it to this body for consideration. But we need to move forward with it.

SENATOR TKACZYK: Thank you. Will the sponsor continue to yield?

SENATOR HANNON: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: So it's my

reading that we still need a legislative fix. We think the funding is there, but the problem the with the fiscal agent needed a legislative fix so that, going forward, those Early Intervention providers would get paid timely and would not have to check from third-party insurance companies.

Is it your position that we don't need a legislative fix, or we still need a legislative fix through your legislation?

SENATOR HANNON: I would be far happier if we had legislation. I do believe, though, there is a reasonable projection that it will be working now. But I could be happier, as I said, for legislation.

SENATOR TKACZYK: On the bill.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk on the bill.

SENATOR TKACZYK: I have another question for the mental health piece, so maybe I'll ask that and then go on the bill.

ACTING PRESIDENT GRIFFO: Sure. Senator Tkaczyk, who would you like to ask?

SENATOR TKACZYK: I think Senator Carlucci is chair of Mental Health.

ACTING PRESIDENT GRIFFO: Without objection, Senator Carlucci?

Senator Tkaczyk.

SENATOR TKACZYK: Thank you, Senator Carlucci.

There's a lot that I like about the mental health budget and I'm going to continue to work with you on making sure that we're doing everything we can to get the Community Investment Act working and increasing local mental health services.

One of the questions I have, though, is on the developmental disabilities portion of the budget. Both the Assembly and Senate budget bills added language to give transitional-care adults the same due process rights: The right to an impartial hearing and judicial review, as it exists for all other disabled adults in OPWDD-operated or certified institutions.

Why was that due process language dropped from the final budget bill?

SENATOR CARLUCCI: As of the budget negotiations, we weren't able to come to a final agreement on that issue.

SENATOR TKACZYK: Would the sponsor

continue to yield?

SENATOR CARLUCCI: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: Why?

SENATOR CARLUCCI: Well, there was a lot of moving parts there. And we tried to work towards an agreement, but unfortunately we weren't able to come to one as of today.

SENATOR TKACZYK: Would the sponsor continue to yield?

SENATOR CARLUCCI: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR TKACZYK: Thank you.

Would you be working on this through the legislative process and possibly coming up with a bill that addresses that language?

SENATOR CARLUCCI: I'm sorry, would the Senator please repeat that question?

SENATOR TKACZYK: My question was since this language was dropped from the final budget bill, will you be working through the legislative process to bring that language to the floor in the form of a bill?

SENATOR CARLUCCI: Yeah, absolutely. I look forward to working with Senator Tkaczyk and any other Senators that wish to work with me and the Mental Health Committee on this important issue.

And this is something that we wanted to address, and we were working with the Assembly, with the Governor's office, to make sure that people that are out of state that are transferred in, that come back into the State of New York, are given the same protections, the same rights as anybody else.

So I think this is an important issue and something that I'd love to work with the Senator and any other colleagues in the chamber on this issue.

SENATOR TKACZYK: Thank you.

On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk on the bill.

SENATOR TKACZYK: I'll be voting yes on this bill and appreciate much of the work that's been done by my colleagues.

But I want to speak about our most vulnerable citizens, our very young disabled

children and their families, who are getting help through the Early Intervention Program. And I think we are at a crossroads.

I appreciate that there's money specifically added to help pay for past payments, but I still believe we need a legislative fix. And because of the change and what we did last year in the budget, the billing process for Early Intervention providers is not working. These providers are not getting paid timely.

This has resulted in children not getting the services they need at a very young age. Providers are going out of business. And many of those providers are women-owned businesses, and those providers are often women. This change was not business-friendly. It hurts children and frankly makes no sense and needs to be fixed.

As John Hofmayer, who's director of the United New York Early Intervention Providers, said to me this past week, "I have yet to meet a therapist or agency who has not suffered greatly through this transition. There are skilled therapists who have left the field, agency owners who have closed their practices. Many who remain

have maxed out their lines of credit and mortgaged their homes."

Providers are still waiting for payments, as we discussed, from bills that are more than 100 days old. One provider in Greene County said this week: "As providers are stopping work and going out of business, counties are feeling the shortage." She has received three emails this week from three different counties begging providers to come back, and they're asking for services for their children.

Children today are being born with disabilities like Down syndrome, autism, cerebral palsy, to parents who need help. And they need help on how to care for their disabled child. April is even Autism Awareness Month. But when the parent calls for help, no one is answering. We have to fix this. We have a very damaged system.

As this provider said, "In order for us to be willing to come back to Early Intervention after this year of sacrifice and uncertainty, we need more than assurances that things will get better. We need Senator Hannon's bill to pass into law so that we have stability

and we can get back to doing what we love, providing services to the needy infants and children in Early Intervention."

I look forward to voting for Senator Hannon's bill, and I urge the Majority Coalition to bring that legislation to the floor.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Hassell-Thompson.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. Just a few comments on the portion of the bill that was earlier discussed with Senator Klein.

ACTING PRESIDENT GRIFFO: Senator Hassell-Thompson on the bill.

SENATOR HASSELL-THOMPSON: Thank you.

Members of the hospital team of Montefiore, Simone and WestMed came to see me about this facility because my district is contiguous to that of Senator Klein's, and a lot of the people from those neighboring communities would be using that facility.

And there was a deep concern -- and Senator Klein, I won't challenge anything that

you've said in terms of the order, because many times facilities, when they have as-of-right, may not necessarily contact the community on the front end. But I know that at some point they did have conversations with the community about this project.

The comments I want to make, however, is that this facility is not a hospital, certainly not a hospital as we think of and now hospitals in the traditional sense. But we have to recognize, as I listened to Senator Hannon talk, how medicine is changing and how we provide services to people makes a significant difference in terms of where they are provided.

I also heard the word "clinic" being used. And this is not a clinic. And it's important that we make that distinction because many times when we think of clinic, we think that the people who are coming are only poor people. But what we're talking about is the fact that many people still don't have primary physicians. And even with their new health benefits and insurance, they have nowhere to go to take these benefits that now they have.

So one of the things that many of

the hospitals are doing as a public/private partnership is looking at creating WestMeds. And WestMed is one of the partners in this project. What's important about that is that WestMed is the medicine of tomorrow. It is a facility where you go, you see your primary physician and then every other service that you need, whether it's x-rays, whether it's any kind of lab work. Everything is under one roof.

And while that might look like a hospital, certainly there are no beds, this is not a residential stay. But this is a service.

The thing that a little bit surprised me when I talked with each of the partners was that the building was very tall. And one of the things, as somebody who's served on the city council in my city, anyone that wants to build anything above six stories, we worried about things like shadowing, and so what happens to anybody who is in the shadow of this building.

More than that, we begin to talk about what the parking is going to look like and what the traffic is going to -- how the traffic is going to impact communities where these facilities come.

I admonished the hospital -- because that's who approached me first -- that they were coming at this juncture, when there was a problem, to talk about it. And I agreed with all the things that I heard because I encourage people to come to the city councils. And in the case of New York City, it's to your community boards, because your community boards are the place where there's real open discussion and the whole community usually comes and expresses their opinion.

They have assured me that they have worked with the community, but the push-back continues to be that they don't want the facility there.

Now, what they've attempted to do, as I understand it, is to consolidate. There are several different facilities in this surrounding area of Riverdale, and what they're doing is consolidating all of them into one facility. And the doctors are first-rate. These are not students, but these are people who are specialists in their field.

All of this becomes very important in terms of what's going to be provided and how

that service is going to be delivered. I think that what we have is a case of too often when people have as-of-right -- and for those of you who are what we call up in the country and you don't have to worry about as-of-right as much as we do in the city, you come in and no matter what the objections, you will build anyway.

But one of the things that I've always encouraged, particularly because I've worked with Montefiore in many instances, as has the Democratic Leader, Montefiore just took over our two hospitals and have folded them into the whole umbrella of Montefiore in order to save those hospitals and to make sure that care continues to be provided in our communities.

And so having worked with them, I know that the capacity to be good neighbors. But I think one of the difficulties is that this is a project that Riverdale doesn't want. They just don't want it. So no matter what you ask them to go, there's always going to be -- you give a checklist and then they correct all the things that you tell them and you go back and you get another checklist. And it's very clear that that's not a facility that they want.

We need the facility. And I'm not sure how we can work out the differences in terms of height, in terms of the parking, but those are things that all of us are going to have to work on. Because healthcare has to come to our communities. And if we continue to be NIMBY, we don't want it in our communities, then the people who really need the services are suffering.

And so that we can't be the bureaucrats that always speak for the people who have the greatest needs. We should be speaking on their behalf, and not on our own behalfs, and in many instances that's what does occur.

I saw this in the budget, it was called to my attention. I was deeply concerned, partly for some of the same reasons that Senator Gustavo Rivera talked about, but mainly because my concern is I don't want bad feelings about this facility and I don't want a self-fulfilling prophecy that it comes and it becomes all the nightmare that the people of Riverdale are afraid will happen.

But I also have the distinct feeling no matter what we do, that feeling is not going to go away. I'm not sure what we're doing to be

able to do, but I was concerned that the way -- I think my real concern was the way this action was taken in the budget, in a manner that seemed to be somewhat surreptitious.

And I'm glad we've had the opportunity to at least discuss it on the floor and to state that the County of the Bronx, which is highly represented in this chamber, is deeply concerned about how we provide healthcare in the best possible manner. And if every community is going to be closed to us, then what are we going to do about how we move forward?

We're having hospitals that are closing all over the place, and those that are staying open, they're going to be changing. There's going to be a real revolution in the way hospital facilities look, and more of them going to be to moving toward a WestMed model. And so we have to anticipate that.

But what we can hope is that there will be a consideration and an understanding of the demographics of an existing community and how do we blend into that community and not overshadow it and create animosity on the part of the people who are residents. And particularly

because of the location of this particular facility, it becomes more important that we do that.

And just my last comment on this budget, certainly I am deeply concerned that we're not addressing additional issues around HIV and AIDS. I wanted more money in the educational facility, more outreach to be done in certain communities. Even though, you know, we're talking about the fact that there are almost no new cases of transmittal of HIV by mothers through breast milk. But we are having a continued increase among young girls, ages 12 to 22, that continues to be a major issue and a concern.

And a lot of that is because we're just not doing as much as we need to be doing in our -- and one of Senator Velmanette Montgomery's favorite things is school-based clinics. We're not expanding them, we're not funding them at the level that they could and should because we're not teaching our girls particularly about sensuality and their own sexuality. We're afraid to do it in the home because parents are not educated to do it or whatever their reasons, and

we're prohibiting our institutions from doing it.

So there has to be a point at which we help to do something different. Because I am concerned about the numbers of young girls who continue to -- and pregnancy today is the least of their concerns. But certainly other transmitted diseases are continuing to be a major issues, and we're not addressing that in a wide broad public policy in the way that I think it ought to.

So I appreciate, Senator Hannon, the extensive work that you've done in this budget. And I can appreciate that, but those are just some of the concerns that I needed to share in terms of my concern about where we need to be looking as we go down the road.

Thank you. Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

She doesn't appear to be in the chamber, but I do want to thank Senator Tkaczyk for her comments about the Early Intervention

issue, because I too am troubled at the lack of a legislative solution.

This is an issue that I have been working on also for a number of years. And last summer I was in downtown Flushing and a group of south Asians come up to me and said, We own some facilities that provide the Early Intervention services to children who are autistic or developmentally disabled or have some type of handicapping condition, and they weren't being paid. And to me, that's not fair.

And in fact, St. Mary's Hospital in Bayside sent out a letter saying that they were eliminating their Early Intervention program because they weren't being paid.

Now, the fact that it's not included in the budget or with its own freestanding bill seems to me to beg the question. And --

SENATOR HANNON: I'll take that as a question.

SENATOR STAVISKY: All right. And let me just say that it's important because Early Intervention --

ACTING PRESIDENT GRIFFO: Senator Hannon --

SENATOR STAVISKY: Let me just finish my one sentence.

SENATOR HANNON: Could I yield to that question?

ACTING PRESIDENT GRIFFO: Senator Stavisky --

SENATOR STAVISKY: Yeah, let me just finish the one sentence.

ACTING PRESIDENT GRIFFO: Senator Stavisky has the floor.

Senator Hannon, why do you rise?

SENATOR HANNON: To yield to her question.

SENATOR STAVISKY: Let me just --

ACTING PRESIDENT GRIFFO: Okay. Senator Stavisky will continue, then yield to you.

Senator Stavisky, continue.

SENATOR STAVISKY: -- because Early Intervention does work.

I will be happy to yield.

ACTING PRESIDENT GRIFFO: Senator Hannon.

SENATOR HANNON: I agree with you, it does work. We had legislation that we put

out. When we brought it up in the negotiations, they scored it at virtually $700 million. Now, we thought that was pretty ridiculous and outrageous.

But they continued to add to the problem by talking about the successes. They issued a report. Pretty much everybody in the Early Intervention community said the report was not correct. We continue to want to have legislation. They decided they would have nothing more than about a two-day discussion of this whole thing.

So the fact that there is no further legislation in there is because we could not get them to agree. The "them" being the Executive, the Department of Health.

We will continue to pursue this. As I said before just when I was talking about health, getting this program going well saves those kids future problems, saves their health future problems, and saves society an immense amount of money we'd otherwise have to address down the road.

So I agree with you.

SENATOR STAVISKY: If you --

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Would the Senator respond to a question?

ACTING PRESIDENT GRIFFO: Senator Hannon, do you yield?

SENATOR HANNON: Yes.

SENATOR STAVISKY: Have there been any other independent studies to assess the monetary cost?

SENATOR HANNON: No, but there's been a lot of discussions that we think that -- the question of cost is a very interesting thing. Because part of the adoption of a fiscal agent, which had been proposed by this administration and several prior administrations, was it was really a shifting of cost, can we get insurance companies to pick up something that is covered by their policies.

Getting a determination as to which companies offer which policies is somewhat difficult. The stumbling block comes not because of, say, if we're covered by Empire and we know what the policy is and we know if you're a state employee you're covered by Empire, et cetera. It

really comes because of the companies that are self-insured.

And self-insured are a special category under ERISA, one of the federal labor acts. And we're not even allowed as a state to ask a company if you're under ERISA. It's a total anomaly, they changed it only a little bit in the Affordable Care Act, but not enough.

So that the fiscal agent purports to just say to the insurance company, Are you self-insured or you're not? And then you have to presume, if they're not, who's going to pay for it. And if there isn't coverage, the state has to pay for it. All of that adds to delay, and there wasn't a decent mechanism.

So the question of cost is -- it's a question really of who's paying, not the total cost. Is there an independent study? No, there's not, because you have this barrier as to what the state can ask of the self-insured companies.

SENATOR STAVISKY: Thank you, Mr. President.

Thank you, Senator. That was pretty much what the EI providers had said to me. Thank

you.

ACTING PRESIDENT GRIFFO: Thank you. Is there any other Senator wishing to be heard?

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

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Carlucci to explain his vote.

SENATOR CARLUCCI: Thank you, Mr. President.

I want to thank my colleagues for working on this very important piece of legislation, this budget bill. I want to thank the members of the Mental Health Committee. We were able to do quite a bit.

Some of the most important pieces, I think, are respecting and acknowledging the hard work that direct-service professionals do. The direct-service professionals in the State of

New York, the tens of thousands of them are the backbone of the Office for People With Developmental Disabilities. They do some of the hardest work. And unfortunately, they haven't seen a cost-of-living adjustment in about a half a decade.

So with this budget we're able to raise their salaries by 2 percent --

ACTING PRESIDENT GRIFFO: Senator Carlucci, excuse me.

Can we have some order in the chamber, please?

Senator Carlucci, continue.

SENATOR CARLUCCI: Thank you, Mr. President.

Our direct-service providers are really the backbone of the Office for People With Developmental Disabilities, the DD system. They have some of the hardest jobs. And unfortunately, the average salary for a direct-service provider is around $29,000 in the State of New York. And think of it, they haven't received a COLA in five years.

So I want to thank my colleagues for coming together to find a way to say we can do

that COLA, a 2 percent COLA, starting January 1st of 2015.

Another important piece is that we've got to really pay attention and make sure that there's a career ladder that we engage people who are doing some of the hardest work. That we say yes, if you want to make a profession in being a direct-service professional, that there's a career for you, there's a career ladder.

And in this budget we were able to put in a Direct-Service Professional Credential Pilot Program to make sure that there is a career ladder, that hopefully people that are doing this work don't have to work two to three jobs to do this, to raise a family, that they'll be able to live in the community and be able to do this over a long period of time.

Some of the other important pieces that we were able to do. Right now the Centers for Medicaid Services are putting a mandate on the state to close our sheltered workshops. We have 8,000 people with developmental disabilities currently in sheltered workshops that are going to be forced to close over the coming years. We

need to find ways to put people into integrated employment settings.

With our developmental disability tax credit, we're going to give employers up to $5,000 to hire someone with a developmental disability. So this will not only give people a meaningful job, but it will allow people with developmental disabilities to really achieve their full potential.

Another very important piece is updating the Community Reinvestment Act of 1993. We've now increased every bed from a floor of $70,000 to $110,000 that will be invested back into the community any time there's a closure at any one of our facilities.

So there's a lot of good things in this budget. I want to thank my colleagues for working together and protecting some of our most vulnerable populations.

Mr. President, I'll be voting yes. Thank you.

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

Senator Rivera to explain his vote.

SENATOR RIVERA: Thank you,

Mr. President, just to briefly explain my vote.

As I said earlier, I think that there's a lot of very positive things in this budget bill. Just a couple of things I didn't point out before.

Certainly, as we talked about Early Intervention, I certainly thank everyone who fought to make sure that that was in the budget. That was a very positive thing.

Also, the private equity provision, something that was rejected, was something that we in the Democratic Conference certainly thought that needed to be out of the budget, and it was, and that was a positive thing.

Also we have the -- as Senator Hannon mentioned, we have Doctors Across New York, we have $2.5 million for a physician loan program. And the physician practice support is something that we also supported.

I just thought it was necessary to stand up for a second and say that those are things that were also in this budget and I think are positive overall, and that's why I will also be voting in the affirmative.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera to be recorded in the affirmative.

Announce the results.

THE SECRETARY: Ayes, 61.

ACTING PRESIDENT GRIFFO: The bill is passed.

SENATOR LIBOUS: Mr. President, can we now go to Calendar Number 372.

ACTING PRESIDENT GRIFFO: The Secretary will read Calendar Number 372.

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

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

SENATOR GIANARIS: Mr. President, I believe there is an amendment at the desk. I ask that the reading be waived and that Senator O'Brien may be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Gianaris, upon review of the amendment I rule that it is not germane to the bill and therefore out of order.

SENATOR GIANARIS: I'd like to appeal the decision and ask that Senator O'Brien

be heard on the appeal.

ACTING PRESIDENT GRIFFO: An appeal has been so made and, Senator O'Brien, you may be heard.

SENATOR O'BRIEN: Thank you, Mr. President.

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

The purpose of my amendment is to ensure that public officials who are found guilty for acts of corruption do not profit from their wrongdoings. Public officials collect pensions accrued while in office even while they are in jail for crimes they committed while in office or even through their abuse of their office.

The 2011 ethics package signed by Governor Cuomo prevents this from happening in the future, but did not apply to any public officials who held office prior to that date.

In order to protect the well-being of our constituents, we must make sure that public officials cannot profit from their

wrongdoings. Allowing a convicted official to collect a six-figure pension is bad for the taxpayers and sends the wrong message to the voters.

This proposal simply allows a court to decide whether or not to pursue restitution for an official's crime. That means that where taxpayers were cheated by an official's conduct, the taxpayers have a right to collect that money through the official's pension. This is a common-sense way to protect taxpayer dollars being administered by impartial judges.

When public officials violate the public trust, they are breaking an oath to uphold the laws and Constitution of the State of New York. Officials agree to uphold the law, and they violate that agreement when they commit acts of public corruption. Because of that violation, courts should be free to decide whether an order of restitution is necessary to make the taxpayers whole.

Thank you, Mr. President.

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

The vote is on the ruling of the

chair and overruling the ruling of the chair. So all those in favor of overruling of the ruling of the chair signify by saying aye.

Senator Gianaris.

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

ACTING PRESIDENT GRIFFO: A show of hands has been requested and so ordered.

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

Announce the results.

THE SECRETARY: Ayes, 27.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

Senator Gianaris.

SENATOR GIANARIS: Mr. President, I believe there is a final amendment at the desk for the night. I ask that the reading of that amendment be waived and that Senator Krueger may be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Gianaris, upon review of the amendment, I rule that the amendment is not germane to the bill and therefore out of order.

SENATOR GIANARIS: I appeal the decision of the chair, and I ask that Senator Krueger be heard.

ACTING PRESIDENT GRIFFO: The appeal is so noted, and Senator Krueger will be heard.

SENATOR KRUEGER: Thank you, Mr. President.

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

This amendment that I offer today would add $340 million for allocations to cities, towns and villages in the Aid and Incentives for Municipalities program, or AIM, under "Local Government Assistance" in this appropriations bill.

The AIM program is a property tax relief program that has a proven history of success in this state and, when sufficiently funded, effectively suppresses the growth of municipal property tax levies.

Under my amendment, AIM funding

would increase by nearly 43 percent over current funding in the next fiscal year, providing $140 million more to the cities, towns and villages outside of New York City and $200 million to New York City. As we know, AIM funding has been flat or reducing for several years.

AIM funding has provided significant municipal property tax relief. Since local governments across the state are under immense fiscal stress due to unfunded mandates, the aftermath of the Great Recession, a declining property tax base and now a 2 percent cap on property tax levies, growth in AIM funding is more critical now than ever. The time has come to restore the AIM program as a key component for providing fiscal relief to local governments and their property tax owners throughout the state.

I sat through budget hearings and heard local officials from towns, villages, county officials, board experts from the State School Board Association, an endless stream of examples of the problems that our local governments were facing and our local school districts were facing.

It is our responsibility as the state government to ensure that we're providing adequate funding to guarantee that the actual services that need to be delivered at the local level are delivered. This is a perfectly reasonable increase in AIM funding, and we should not go home here tonight unless we're prepared to provide it to our localities.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Again, this will be a vote on procedure, on the ruling of the chair. All those in favor of overruling the ruling of the chair please say aye.

SENATOR GIANARIS: Show of hands, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Gianaris has requested a show of hands.

All those in favor of overruling the ruling of the chair please show your hand.

Announce the results.

THE SECRETARY: Ayes, 28.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

The bill is before the house.

Senator Squadron.

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

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, do you yield?

SENATOR DeFRANCISCO: Yes, I would.

ACTING PRESIDENT GRIFFO: Senator Squadron.

SENATOR SQUADRON: Thank you.

I wanted to ask the sponsor a little bit about this pilot program that's in this bill for public financing of election.

SENATOR DeFRANCISCO: I've been asked to refer that question to Senator Valesky. He would like to respond to the questions and to explain that part of the budget.

And I'll answer anything else, except about housing in New York.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco defers to Senator Valesky without objection.

Hearing none, Senator Valesky, do you yield to Senator Squadron?

SENATOR VALESKY: Yes, I yield.

ACTING PRESIDENT GRIFFO: Senator Squadron.

SENATOR SQUADRON: Thank you.

And as much as I do object to not being able to discuss this with the sponsor, I look forward to discussing it with Senator Valesky.

If Senator Valesky just would describe what this pilot for this single election is.

SENATOR VALESKY: Certainly. This is a pilot project, a voluntary matching program in the office of the State Comptroller for this year's election for the State Comptroller.

It's a six-to-one match. Contributions from $10 to $175 from individuals, residents of New York State. Two thousand or more of those would be matched once that candidate received $200,000 in contributions.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: And this would

be for which election cycle?

SENATOR VALESKY: This would be, Mr. President, for the election for the office of State Comptroller in November of this year.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: Thank you.

And under this proposal, when would the first distribution of public dollars potentially happen?

SENATOR VALESKY: This pilot program would also apply to both the primary and the general election for the office of Comptroller. This provision of the bill would take effect on the first of May.

SENATOR SQUADRON: If the sponsor continue to yield.

And I appreciate that. Based on the calendar --

ACTING PRESIDENT GRIFFO: Senator Valesky yields, Senator Squadron.

SENATOR VALESKY: Yes.

SENATOR SQUADRON: Based on the calendar laid out in the bill, when would be the first day that candidates would be eligible to receive public dollars for the election?

SENATOR VALESKY: They would be eligible to receive matching funds once the candidate received at least 2,000 contributions from a $10 to $175 range. And when that total dollar amount equals $200,000, they would be able to apply for those matching funds.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: And I appreciate the thresholds.

Just in terms of dates, is it fair to say that the first distribution of matching funds would be sometime in mid-July?

SENATOR VALESKY: Yes, that's fair to say.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: Based on our analysis of this proposal, in fact the first distribution of matching funds could be in 77 business days from today. Does that sound about right?

SENATOR VALESKY: Give or take.

(Laughter.)

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Certainly.

SENATOR SQUADRON: When New York City enacted a system of matching funds, does the sponsor know the period of time between the passage of that provision and the distribution of the first set of matching funds?

SENATOR VALESKY: Well, that was a number of years ago, and I'm sure you're aware of that.

But I'm glad you raised that issue, because the system that has been in existence in New York City has certainly given the State of New York a template upon which to pattern this pilot project for the office of State

Comptroller.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: And it's the reading of the bill that it would require the promulgation of rules and regulations, the hiring of apparently 12 full-time people to administer this program. It would all have to happen within that 77-day period.

Does that lead to any concern for the sponsor about the ability to have a successful matching funds program in an environment where we know some very members of this house have real concerns about matching funds programs?

SENATOR VALESKY: Well, I don't share those concerns. I certainly have confidence in the Board of Elections' ability to comply with this piece of law, and I'm sure they will carry it out.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Certainly.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: Has the sponsor had or been aware of any conversations with the Board of Elections in which they have suggested that they are comfortable enacting this sort of matching funds system in 77 business days?

SENATOR VALESKY: I have not.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY Yes.

SENATOR SQUADRON: I actually am a big supporter of matching funds systems. I've run for office under a system, the Wild West system in the state, and I've run for office with a matching funds system, and there's no question that it empowers regular people. And the system encourages all of us to do what all of us are in this business to do, which is speak to folks about the public service we want to provide if we are given that privilege.

And I do worry, though, about any proposal that would undermine the argument for this. You know, I know that just a couple of

weeks ago we had a provision on here in which Senator DeFrancisco expressed a real concern about this sort of system. And I also know that the City Campaign Finance Board has over many years had a lot of legitimate concerns raised about its function. And there's a lot of legitimate concerns about when you're using these kinds of dollars, you want to make sure they're really going to their purpose. So I want to make sure that we're not undermining it.

Let me ask, in that context, why only the Comptroller? Why only the Comptroller?

SENATOR VALESKY: Mr. President, through you, this is a result of negotiations between the Governor, the Senate and the Assembly. And as a result of those negotiations and as a good first step down the path toward a matching system in the State of New York, it was determined that the Comptroller's office or the election of the State Comptroller would be the place to begin a pilot project, the appropriate place.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Certainly.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: Is it because of the fact that statewide candidate in New York State can take more than $60,000 from individuals or limited liability corporations, what amount to essentially unlimited sums, that we started with a statewide race, or is it because of some other factor?

SENATOR VALESKY: Well, Mr. President, you have to start somewhere. And it was determined through the negotiation process of this budget that the office of State Comptroller would be a fine place to begin.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes, I'll yield.

SENATOR SQUADRON: Was there any discussion of including other offices in this 77-day pilot?

SENATOR VALESKY: There have been lots of discussions among the Governor, the Senate, the Assembly, about matching funds, offices that would be eligible for a matching fund program, years in which the program would

start.

But as far as this budget is, in this final budget bill, this Public Protection/General Government budget bill, as a result of those negotiations it was determined among the Governor, the Senate and the Assembly that the office of Comptroller would be an appropriate place to begin a pilot or a test project.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yup.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR SQUADRON: In a scenario in which no one chose to participate in this pilot program and this were a test, as the sponsor refers to it, would the sponsor's view be that that would make it likely that we would then take the next step in expanding a matching funds system in this state?

SENATOR VALESKY: Well, I do think that whether any candidate for this office participates in the matching program or not would have very little to do with whatever this

Legislature, in the next three months or so between now and the end of the legislative session, or the next Legislature would do on this question. I'm not sure there's any correlation at all as to whether participation in this pilot has any influence on what any future Legislature might do around matching funds projects.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

SENATOR SQUADRON: So just to understand, the idea is that this is a test to see if this works, but whether or not the test happens will have no impact on the ability in the future to expand a matching funds system?

SENATOR VALESKY: Mr. President, through you. Whether or not the test happens is directly the responsibility of the candidates who are running for the office of State Comptroller, not the Legislature that is enacting this pilot project.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY Yes.

SENATOR SQUADRON: Has there been

any sense that any candidates for Comptroller would participate in this test, thereby allowing us to show its impact?

SENATOR VALESKY: That would be a question that would have to be asked of the numerous or not so numerous candidates that may be running for the office of State Comptroller this year.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields, Senator Squadron.

SENATOR SQUADRON: Thank you.

Moving forward, is there anything about this -- well, actually, moving forward, the sponsor talks about sort of the process by which we ended up with this test that may or may not be a a test. Just to understand, because I know the Assembly in their one-house budget put a system of matching funds, I know that Senator Klein has in the past sponsored a system of matching funds, I know that Senator Stewart-Cousins, I believe, currently sponsors a system of matching funds.

Just to understand sort of where we

are in the dynamic here as this very quick test happens, why didn't we end up with more this year? Is it the belief of the Majority Coalition overall that this is as much as we should do right now? Or was this a negotiation based on the fact that many members of the Majority Coalition oppose matching funds?

SENATOR VALESKY: This pilot project was the result of three-way negotiations between the Governor, the Senate and the Assembly. This is the result for this particular budget that was agreed to.

But certainly going forward, as I indicated earlier, we have three months of the session left this year, and there's certainly every indication that negotiations and discussions among those three parties will continue as to the potential of enhancing a matching system for other offices in future years.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: Thank you. And I appreciate the implicit fact in that statement that the sponsor at least believes that expanding this would be a positive thing, that this is too little and too late when it comes to putting the kind of matching funds system in that we so desperately need and that so many folks and of course the Governor himself -- and I was remiss in saying this -- in his budget address, in his State of the State, made very clear how important exactly this kind of matching funds system would be. So I'm glad to see hear the sponsor at least seems to share that view.

Just so that I can really understand, as affects the races for Governor, Attorney General, and State Legislature, would this bill do anything to close the so-called LLC loophole by which corporations can contribute essentially unlimited amounts of money if their principal starts new businesses?

SENATOR VALESKY: This bill's focus in terms of campaign financing is on establishing this pilot program for matching funds.

SENATOR SQUADRON: I'll take that

as a no.

If the sponsor would continue to yield.

SENATOR VALESKY: Yup.

SENATOR SQUADRON: Would this bill do anything for -- for Governor, Attorney General and State Legislature do anything about contribution limits, which for statewide candidates are over $60,000, for State Senate candidates are more than $16,000, for State Assembly candidates are nearly $8,000 -- would it do anything about the extraordinarily high contribution limits that currently impact this for the offices of Governor, Attorney General and State Legislature?

SENATOR VALESKY: Mr. President, this bill's focus or this part of this bill's focus is to demonstrate the efficacy of a matching system in the State of New York through a pilot program for the office of State Comptroller this year.

SENATOR SQUADRON: So I'll take that as a no.

If the sponsor would continue to yield.

SENATOR VALESKY: Yeah.

SENATOR SQUADRON: Would this bill do anything about the fact that according to a recent study by the New York State Public Interest Research Group, more than 50 percent of all contributions made in this state don't come from individuals but come from non-individual entities, nonresidents of the state by nature?

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

SENATOR DeFRANCISCO: Yes, I think I -- I just wanted to mention that I referred the questions with respect to this bill as to the pilot program to Senator Valesky. I would be happy to answer all the other campaign finance issues you may have because he has explained all that it is and that there may be discussions in the future.

So I would be more than happy to answer all your other questions, if you don't mind, Senator Valesky.

SENATOR SQUADRON: I'm pleased to hear that Senator DeFrancisco is back in the ring. Welcome.

SENATOR VALESKY: Well, if I may

just --

ACTING PRESIDENT GRIFFO: Senator Valesky, you may continue.

SENATOR VALESKY: If I may just answer that final question to address some of the issues that Senator Squadron has raised, I think it's worth noting that as we complete this budget process, the minority in this house has offered a total of six amendments -- all were ruled by you, Mr. President, not germane -- everything from pensions to hydrofracking to Hire New York bill, charter schools, Common Core, AIM funding increase. Yet there is no amendment or no attempt of an amendment to anything that Senator Squadron has presented during his series of questions. So I think that's worth noting.

Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Valesky.

Senator Squadron, you still have the floor.

SENATOR SQUADRON: Thank you. Thank you. And I'll talk about that in a second.

But, Senator DeFrancisco, I think we were coming to the end of this, but let's just

see. Is there anything that -- would this bill do anything about the fact that for races other than Comptroller -- for Governor, Attorney General and State Legislature -- the fact that there are essentially 250 contributors in New York State that give the lion's share of all the contributions in contributions well over $5,000 and that less than 3 percent or around 3 percent of contributions in this state to any candidate running come in $250 or smaller chunks?

SENATOR DeFRANCISCO: Well, there is no change in here with respect to levels of donations and caps on expenditures, caps on donations. There's nothing in this bill on that.

However, now that you ask, there are some very important things that are in this bill. And the very important things that are in this bill is that there are several additional changes in the law making higher penalties for violations of the Election Law. In fact, one Election Law provision dealing with public corruption has been removed from the Election Law and put in the Penal Law for criminal enforcement.

In addition, there's a new offense called corrupting the government which has

substantial penalties.

In addition, bribery nowadays -- a bribery has always been someone offers, someone accepts. Well, the DAs throughout the state have been saying wait a minute, the offer should be enough for the highest penalty, because that's the crime. Whether it's accepted or not, they're trying to bribe a public official.

So now the definitions of a bribery and attempt are the same as they currently are. An attempt is someone doesn't accept, and it's just an offer. A bribery is an offer and acceptance. But the penalties of a bribery and an attempted bribery are now the same. So you can't just say that someone didn't accept the bribe and therefore I should get the lower charge, the attempt.

In addition, there's a new compliance enforcement unit that's put in the Board of Elections. And a lot of good things there. How many technical violations never get picked up? Now the compliance unit is going to have to pick them up and not say "I gotcha," but give the candidate 30 days to cure if it's an inadvertent violation and not an intentional one.

Which gives all of us the opportunity to fill in a blank that maybe someone didn't fill in correctly.

But once it's turned out to be intentional, you continue to refuse, well then there's substantial penalties and that's where another important point happens. There is a -- this is the last thing I'll say, and then you can go on. But you're looking for a forum, I'm giving you a forum.

The last thing that I'll mention right now is there is now an enforcement counsel that's going to be assigned to the Board of Elections. The Board of Elections will continue to do their job. However, this individual, selected by the Governor with the advice and consent of both the Senate and the Assembly, that individual -- because the criticism has been, well, two Democrats, two Republicans, they always result in a tie, nothing ever gets done. This individual not only can investigate and present these problems to the board, but, in the event there's a tie, he or she can break the tie.

So even though, even though some of the things you were looking for with respect to

public finance and limits and so forth didn't occur, there are substantial reforms in this budget bill.

SENATOR SQUADRON: And I thank the sponsor for that walk down Distraction Lane.

On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Squadron on the bill.

SENATOR DeFRANCISCO: Excuse me.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco.

SENATOR DeFRANCISCO: I thought that maybe the public might want to know what reforms we have done in this budget, good reforms, not just listen to someone complain about things that are not in the bill.

So that wasn't a diversion, it was an attempt to educate.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: We appreciate you providing information on the bill.

Senator Squadron, continue to keep your comments germane to the bill.

SENATOR SQUADRON: As I have, Mr. President. Thank you.

ACTING PRESIDENT GRIFFO: On the bill, Senator Squadron.

SENATOR SQUADRON: On the bill, Mr. President.

And it's interesting that when we're talking about the very small number of heavily invested, deeply pocketed individuals and entities that contribute the lion's share of dollars to candidates for election in this state, instead what we get is distraction.

Because the truth is we have a huge problem in this state. We have some of the most lax campaign finance laws in the country. We have contribution limits that shock individuals across the state when they learn about them. We have a system and a culture where a very, very small number of folks even participate in order to help elected officials raise dollars. And we have loopholes like the LLC loophole that let individuals, through a pretty simple mechanism, literally contribute unlimited sums to candidates in this state.

We need better enforcement on the Board of Elections. And we agree on that, and let's just be clear. We agree. That's positive,

it's good. The reason we have to talk about this is you have a Governor, a State Assembly majority and members of both the minority and the majority in this house that support doing something about the absolutely shameful campaign finance system that we have in this state, and yet we don't have a chance to vote on that in this budget.

And I appreciate Senator Valesky requesting more hostile amendments in this process. But as he points out, all six of those hostile amendments have not only failed, they've failed to even get a vote on the substance of the matter.

And this is not an issue where we need to raise the question again, it is an issue where we need a result. And I would hope that Senator Valesky would share our commitment and my commitment to reaching a result on this issue, not simply having another bill come up and be voted down through parliamentary procedure.

The fact that we have a proposal here that would require within 77 days or so a state entity to be ready to put out matching funds, and we haven't spoken to the state entity that's going to do that, the Board of Elections,

according to the sponsor, haven't gotten any commitment from any candidates that they're willing to do this, means that it's not a real test. It's a system that's designed to undermine the arguments for matching funds and for finance financing over time.

And I know that that's not the sponsor's intent. I know the sponsor is a long-time supporter of this. But unfortunately that is going to be the consequence here. By the sponsor I mean Senator Valesky, who spoke on the bill, which I appreciate.

The truth is we know what we need here. We know what works. The Governor was very clear laying this out at the beginning of the year. Senator Klein, that member of the Majority Coalition has been clear. Senator Stewart-Cousins has been clear. Speaker Silver and the Assembly majority have been clear.

And we don't have anything that's going to change the system in the state before us right now. In fact, I fear what we have before us is something that's going to undermine the argument for fundamental reform that we so desperately need.

It might lead to distraction, it might lead to some patting ourselves on the back for dealing with a Board of Elections that's been underfunded and unable to do its job, but it is not going to deal with the core problem in this state, small numbers of heavily invested, deeply pocketed individuals and entities who have a vastly outsized influence instead of the regular people across this state who should be empowered in elections for Governor, for Attorney General, for Comptroller, for State Senate and for State Assembly.

This won't do that. And I really fear what it will do is give opponents of this -- of whom we know there are a whole lot in this house -- ammunition to prevent a system of matching funds and public financing from ever in the foreseeable future being implemented in this state.

That's the reason I'm going to have to vote against this bill, it's the reason I'm so disappointed today. And I really do hope that Senator Valesky's suggestion that we will see this again this year turns out to be true. If we do, I look forward to standing shoulder to

shoulder and figuring out how to make it a reality.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Squadron.

Senator Gianaris.

SENATOR GIANARIS: Thank you, Mr. President.

I would ask Senator Valesky to excuse my back, but ask him if he would yield for some questions.

ACTING PRESIDENT GRIFFO: Senator Valesky, do you yield?

SENATOR VALESKY: Certainly.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

SENATOR GIANARIS: Thank you.

I would ask if the sponsor remembers when this body passed the Public Integrity Reform Act in June of 2011.

ACTING PRESIDENT GRIFFO: Senator Valesky.

SENATOR VALESKY: Yes, Mr. President, I do recall that.

SENATOR GIANARIS: And if the

sponsor would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: Does he recall that in that act that we passed in June of 2011 there was a requirement that the Board of Elections would establish regulations by January 2012 dealing with the disclosure of independent expenditures?

SENATOR VALESKY: Mr. President, I appreciate Senator Gianaris reminding me of that. We've passed a couple of thousand bills between then and now, so I appreciate his refresher.

SENATOR GIANARIS: Thank you.

And if he would continue to yield again.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: Allow me to refresh some more. And I would ask if Senator Valesky is aware that the Board of Elections, given a full six months to implement regulations dealing with disclosures of independent

expenditures, took almost a year and a half to actually get as far as adopting those regulations. It took till October of 2012 before they were adopted.

SENATOR VALESKY: Well, Mr. President, I will repeat what I said in my answer to Senator Squadron's question. I have confidence in the Board of Elections' ability, subsequent to the passage of this legislation, to comply in a timely fashion with the statute at hand, which is a pilot project in matching funds for the office of State Comptroller.

SENATOR GIANARIS: And if Senator Valesky will continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: Does Senator Valesky have any evidentiary reason to believe that a Board of Elections that could not adopt in almost a year and a half simple disclosure regulations somehow in three months or so will be able to adopt something much more ambitious in terms of implementing for the first time in this state a public matching fund program?

SENATOR VALESKY: For one race, Mr. President -- one, one race, the office of State Comptroller -- yes, I am definitely confident that the Board of Elections will be able to comply.

SENATOR GIANARIS: Again, if Senator Valesky would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: The question was not whether he's confident, the question is whether he has any evidentiary evidence that the board can do something this ambitious in this short a time, because we do have some evidence that they cannot.

SENATOR VALESKY: Mr. President, I am convinced that they will be able to comply with the statute.

SENATOR GIANARIS: If the Senator would continue to yield.

SENATOR VALESKY: Yup.

SENATOR GIANARIS: And I apologize if I'm being redundant with some of the things Senator Squadron covered, but if I could ask

again, why is this applied to the State Comptroller only and no other offices?

SENATOR VALESKY Mr. President, can Senator Gianaris repeat the question? I'm sorry.

SENATOR GIANARIS: Why the Comptroller only, is the question. Why was that office selected and no others included?

SENATOR VALESKY: The office of Comptroller was selected as a test pilot for the 2014 election based on negotiations between the Governor, the Senate and the Assembly.

SENATOR GIANARIS: And again, if Senator Valesky would yield.

SENATOR VALESKY: Yes.

SENATOR GIANARIS: I would ask if Senator Valesky can enlighten us regarding those negotiations, if he could take us into that back room for a moment and explain to us which of the parties in that room had a problem with expanding it beyond just the Comptroller's office.

SENATOR VALESKY: Well, Mr. President, that's a question that I am not able to answer. I am not in that room, so he will ask have to ask others who perhaps were.

SENATOR GIANARIS: Would Senator

Klein like to yield? I believe I was invited to ask others in the room to answer the question.

ACTING PRESIDENT GRIFFO: Senator Klein has not spoken on this bill, Senator Gianaris.

SENATOR DeFRANCISCO: I'll answer it, but I don't know what it is.

SENATOR GIANARIS: You weren't in the room either, apparently.

(Laughter.)

ACTING PRESIDENT GRIFFO: Would you like Senator DeFrancisco to attempt?

SENATOR GIANARIS: If he'd like to give it a try.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, do you yield to Senator Gianaris?

SENATOR DeFRANCISCO: Yes.

SENATOR GIANARIS: The question was -- and I'm afraid to say I think you might not have standing to answer it either. But the question was in the room in which these negotiations were ongoing, which was the party that was opposed to expanding this beyond just the Comptroller's office?

SENATOR DeFRANCISCO: Well, you

know as well as anyone does that you negotiate with an object to try to attain some goal, and those negotiations in many situations are private negotiations so no one is unduly blamed for one position or another.

I can tell you quite candidly I personally was in some of the discussions, and I'll tell you I would not have necessarily done a pilot. There was a difference of opinion on many people. Each person in this room may have a different position. But to suggest who took this position or another, different people in each conference would have different answers to that.

So Senator Valesky mentioned that there will be additional negotiations. If people start pointing fingers that this person wouldn't do that, this person wouldn't do that, the level of trust to try to reach a result I think would be hurt. And so -- and plus it's irrelevant.

SENATOR GIANARIS: Would somebody continue to yield, I don't know which --

(Laughter.)

SENATOR DeFRANCISCO: I'm here. I was starting to, you know, lose my energy.

ACTING PRESIDENT GRIFFO: Senator

DeFrancisco yields.

Senator Gianaris.

SENATOR GIANARIS: Thank you.

Well, initially, let me just take a tremendous issue with what was just stated by Senator DeFrancisco. The idea that letting the public be aware of who has what position on an issue somehow hurts the cause is exactly the problem we're facing, not only in the State Senate but in state government in its entirety.

And I would ask -- I guess I'll go back to Senator Valesky, if he would yield.

ACTING PRESIDENT GRIFFO: Senator Valesky, do you yield?

SENATOR VALESKY: Yes.

SENATOR GIANARIS: Senator Valesky, forget about the room for a moment that you weren't in. But do you yourself support the inclusion of the State Legislature in a public matching program?

ACTING PRESIDENT GRIFFO: Senator Valesky.

SENATOR VALESKY: Yes.

SENATOR GIANARIS: And if Senator Valesky would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR GIANARIS: Thank you.

Can Senator Valesky please explain to us how it is that a bill is approved to come to the floor of the Senate for a vote? Whose approval is required?

SENATOR VALESKY: Well, Mr. President, I certainly am quite confident that Senator Gianaris and every member of this Senate is fully aware of the rules that govern this Senate that say that the co-presidents of the Senate establish the daily active list.

SENATOR GIANARIS: Thank you.

And if Senator Valesky would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR GIANARIS: And if he can speak for the leader of his conference -- I don't know if he can -- but my question is why would the leader of his conference, the co-leader of this Senate, agree to bring this bill to this

floor for a vote when it contains a matching program that he believes is inadequate by his own words?

SENATOR VALESKY: Mr. President, this is, as I have stated a number of times, as Senator DeFrancisco has just stated, this is -- this bill, this provision of this bill, this bill is one bill of a 10-bill package that is comprising a $138 billion state budget that will be due in three hours and 15 minutes. It was subject to the same sort of negotiation process that every element of this $138 billion budget was. The Governor, the Senate, and the Assembly negotiating in good faith, different positions, different proposals, coming to a common conclusion so that we can complete a fourth consecutive on-time budget.

SENATOR GIANARIS: Would Senator Valesky continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: Would Senator Valesky agree that his answer reflects a determination by someone who supports a more

robust public matching system, by his own words, that that better possibility was sacrificed in order to get the rest of this budget agreed to?

SENATOR VALESKY: No, I would not agree at all with that, Mr. President.

SENATOR GIANARIS: If Senator Valesky would continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: I took his previous answer to say that as part of -- excuse me, take it back a second. The previous question was why was this bill agreed to when the proposal the co-leader supports was not in it, and I was told that it's the result of negotiations.

Well, how does he not agree that that inevitably leads to the conclusion that a more robust public financing system was not enough of a priority to not conclude those negotiations without it included in the budget?

SENATOR VALESKY: Well, Mr. President, I apologize, I'm a little confused. Senator Gianaris has certainly been here in Albany much longer than I have, but I'm

sure he knows and has been aware through his many years of service that there are budget priorities that the Speaker of the Assembly has, some that make it into the final budget, others that don't. There are budget priorities of the Senate Temporary President or Co-Presidents; some make it into the final budget, others don't. There are priorities from the Governor of the State of New York; some make it into the final budget, others don't.

This is the art of compromise. That's how a budget is put together. I'm sure Senator Gianaris is aware of that.

SENATOR GIANARIS: Thank you.

If Senator Valesky will continue to yield.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: With respect, I know Senator Valesky has been here for many years as well, because when I was in the Assembly we worked together on many bills. So I know he's got experience here as well as I do.

It's not as if everyone puts their

priorities in a grab bag and random ones get pulled out and included in the budget and other ones don't. The fact is the leaders make greater or lesser priorities of what their positions are and agree or don't agree to bills getting concluded without them being in it.

So again, why is it that we're dealing with a bill today that does not include a system that's more robust that the Assembly supports, that the Governor supports, that the Democratic Conference supports, that the Independent Democratic Conference supposedly supports, and only the Senate Republican Conference seems to not support -- although Senator DeFrancisco won't tell us exactly who does what in that room, it seems from public statements that that's clear -- why are we dealing with a bill that doesn't include something that everyone in the State Legislature and the Executive supports except the Senate Republicans?

SENATOR VALESKY: Mr. President, I think that it's very clear that the Majority Coalition in this Senate, the majority in the Assembly, and the Governor, perhaps most

significantly, are extremely interested on behalf of the people of the State of New York in achieving a fourth consecutive on-time budget, which we are about to do momentarily.

As I said earlier in my response to Senator Squadron, this is an issue that will continue to be negotiated past the budget deadline. This is a first start, it is a good first step. And I'm quite sure and very confident that negotiations will continue after the budget is adopted.

You know, I would just be concerned, though, that Senator Gianaris appears to be saying that the on-time budget and the responsibility for the fourth consecutive year of doing a budget on time is secondary, apparently, to one particular issue that's included in this budget.

SENATOR GIANARIS: If Senator Valesky would yield for one final question.

SENATOR VALESKY: Yes.

ACTING PRESIDENT GRIFFO: Senator Valesky yields.

SENATOR GIANARIS: I heard him indicate that he has confidence in the ongoing

negotiations on this issue. I would ask, is his confidence level that something more robust will get done in the next three months the same confidence level he has that the Board of Elections will implement these regulations in time?

SENATOR VALESKY: Mr. President, as I've indicated earlier, I am confident that good-faith negotiations between all parities will continue just as soon as this budget is adopted.

SENATOR GIANARIS: Thank you, Senator Valesky.

On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Gianaris on the bill.

SENATOR GIANARIS: We're dealing with something that has pretty widespread support in state government. Every party in terms of the State Legislature, both the Assembly and the Senate, the Governor, members of our conference, members of the Majority Coalition all support a more robust program than that which we're dealing with tonight. And yet we're unable to get there because not enough of a priority has been made about achieving that goal.

It's the reason why a broad coalition of good-government groups, from the Brennan Center to Citizen Action to Citizens Union to Common Cause to the League of Women Voters to NYPIRG, all agree that this pilot program is a mistake and, to use their words, is destined to fail.

Now, I have been here a long time, which means I'm a bit of a cynic at times. And I can't help but ask the question, are we propping something up here so that it will be unsuccessful this year and then the issue of public financing going forward will end up taking on water and will make it more difficult, shattering Senator Valesky's great confidence that we're going to have some successful negotiations later in the session.

It's unfortunate, too, that this is included in a bill that has a lot of important things in it, which is going to lead me to vote yes because I do want ethics reforms and I do want some of the changes that are included in this bill.

But this particular Part H, subpart D, title 2 of S6355D, negotiated in a

back room that we're not allowed to know who took what positions in, is an abomination.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Gianaris.

Senator Díaz.

SENATOR DÍAZ: Thank you, Mr. President.

Today I have been praising people from left to right. But now I'm praising no more. I'll tell you why is it that now I'm stopping praising. Because we're about to ask the residents of the State of New York to pay, to put money, who work, get up early in the morning go and work, pay taxes, and out of that money give us politicians some so we could pay for our campaigns.

It is outrageous to ask the people of the State of New York to start planning, with a pilot project, to make it bigger, to ask the people of the State of New York to give up money so we could go and spend money, their money, in our campaigning.

There is no money to comply with the court ruling on CFE, Campaign for Fiscal Equity.

The court decided, the court issued a ruling that we should find money and that we have to pay money and bring and find money to be equal in the education, to get money for education -- but there's no money nor that. There is no money. We cannot give that money, we cannot comply, we have not been complying with the state ruling to give money, that money that we owed for education, because there is no money.

But there is money for us politicians to spend in our campaigns, political campaigns. There is no money to pass the DREAM Act, there's no money, 20 or 25 -- 25 million, there is no money for the DREAM Act. So therefore we deny 8,000 students the opportunity to get a college education because there is no money, but there is money for us politicians to spend in our political campaign. There's money for that.

There is no money to keep hospitals open, clinics, and many communities need services. There is no money. The hospitals have been closing in the State of New York, hospitals are closing, but we are asking the people of the State of New York to give money while their

health is put in danger, where their hospitals have been closed, where their needed services have been cut because there is no money -- but now we are telling them there is money, we have to give money to politicians so they could spend in their political campaigns.

There is no money to give increases to working people in the State of New York, but there is money for us politicians to spend in our political campaigns. There is no money. There is no money even to increase the salary of our staff members.

We ask our staff members, go work and work and work, Saturday, Sunday, night, day, go represent me there, go represent me there, go over there. But there is no money to give our staff members an increase in salary. There is no money. But there is money for us politicians to spend in our political campaigns.

There is no money, there is no money to build housing, to provide those thousands of families in shelters a decent apartment. And we're putting them in places that looks like I don't even want to mention the name. But there is no money for that, there is no money to build

houses, there is no money to build decent housing. But there is money, there is money for us politicians to spend on our political campaigns.

There is no money, there is no money for prevailing wages in the State of New York. There is no money. But there is money, Mr. President and ladies and gentlemen, there is money for us to spend in political campaigns. And they call that -- how they call that? They call that campaign finance, public financing. And we call it great thing that we're going to do for the State of New York. There is no money.

Ladies and gentlemen, that is a travesty. That is wrong. That is evil. That is ugly. And God hates ugly. If we have any decency, if we have any decency we should all vote against this and anything that has to do with using money for our political campaigns.

We should be ashamed of that, ashamed to stand here saying, Oh, we've got to give money to a politician and to every person in the New York State that wishes to run for a state office, we should give money to them so they could run their campaign. And then we go to our

community: Oh, I'm fighting for you, I'm fighting for you. You're fighting for whom?

It is incredible what we are asking here. I ask all of you, all of you, Democrat, Republican, all of you, come on, stop this nonsense. This be for real. There is no money, there's no money to help our communities. In my district there are many community organizations closing their doors because there is no money to help them keep their doors open so they could give help to the needy. And then we're going to say there, there's no money for that but there's money for us to run for political campaigns.

Whoever wants to run for a political campaign, go over there also. Go over there and find your money, all money. Go over there and ask for it. But stop asking the government, stop asking the people of State of New York to pay for your campaign. This is wrong. It's evil. Stop. For God's sake, stop. Vote no. Send a message to all those lobbyists, all those unions, all the people who say, Oh, you got to do this, you got to do this. Show them that you have some kind of decency. Stop this nonsense already.

Thank you, Mr. President. I'm

voting no.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you, Mr. President. If the sponsor would yield for a few questions.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco yields.

SENATOR RIVERA: Thank you, Mr. President.

I have a couple of questions about a couple of aspects that we haven't spoken about yet, but I found them and I wondered if you'd explain them to me.

One is a section in this bill that creates -- that expands Start-Up NY for Butler Correctional Facility, Chateaugay Correctional Facility, Monterey Shock Incarceration Correctional Facility, and Mt. McGregor Correctional Facility. Could you explain that piece of the budget to me, please? Through you, Mr. President.

SENATOR DeFRANCISCO: It's in

Public Protection. It actually deals with prison closures. And there's a program associated with it so that when a prison closes, that there are certain dollars allocated for economic development.

In this case I think it's $8 million per prison, areas where the prisons are closed, in order to help redevelopment of that area.

SENATOR RIVERA: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Yes. And on the Start-Up -- I'm sorry, go ahead.

SENATOR RIVERA: Thank you, Mr. President. I haven't asked a question yet.

SENATOR DeFRANCISCO: I didn't realize Start-Up was involved with it. But it's making these areas a Start-Up area to make it easier to attract new businesses coming in.

SENATOR RIVERA: Through you, Mr. President, that's precisely why I wanted to ask about the program. What you're referring to is something that we voted on -- I believe

something we voted on in years past as it relates to correctional facilities that are closing.

In this case the reason I'm asking about Start-Up NY is, through you, Mr. President, it was my understanding when we voted for it last year -- and I voted against it last year for a few different reasons. But it was my understanding that the program was tied to -- was to do CUNY and SUNY campuses and properties of CUNY and SUNY campuses precisely because of the type of businesses, Mr. President, that they wanted to attract would be businesses that would be tied to the educational mission of the institution.

If that being the case, was there any particular reason -- what was the reason that that particular program, as opposed to another one, was expanded to correctional facilities when obviously they don't necessarily have an educational mission?

SENATOR DeFRANCISCO: First of all, I too -- yes, Mr. President, excuse me. I too voted against Start-Up NY, for probably the same reasons you did.

But the thinking is that with prison

closures and the devastation it has to communities and jobs that are lost to those communities, tying a Start-Up NY program with that area that has to be done in affiliation with a university makes it more likely that there's a chance of getting more jobs there quicker because of the tax benefits.

SENATOR RIVERA: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR RIVERA: Thank you, Mr. President.

So you're saying that what this would do is extend Start-Up NY to correctional facilities and then connect it to an educational institution's property? I still don't understand, I'm sorry.

SENATOR DeFRANCISCO: Mr. President, the Start-Up NY proposal was really initially limited to certain properties that were either on university grounds or adjacent to them or whatever.

This does not apply to all correctional facilities, it applies to those that are subject to closure so that it gives a better opportunity as long as they affiliate whatever their business is through a university. It's kind of a -- it's a stretch, but you can see the logic behind it, that if the Start-Up NY program is good, then under those circumstances it's going to help those areas of prison closure -- not all correctional facilities -- to try to rebound.

SENATOR RIVERA: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR RIVERA: Thank you, Mr. President.

So, Senator DeFrancisco, I know that last year we had conversations about Start-Up NY. And you just reminded me that you voted against it, as I did. Could you remind what were your objections to the program last year?

SENATOR DeFRANCISCO: Well, the

objections to the program last year were the same reasons why we had hearings all over the state, to get broad-based tax cuts so government doesn't pick the winners and losers and so that companies that are already in the State of New York trying to make a living don't fear -- don't have undue competition not only for the product that they sell but, more importantly, for the people that they have working for them.

Because those people, when offered a job, if they're -- let's say it's an IT person who's the greatest IT person at a company that's in existence, and you tell them: You can go to our factory here in Start-Up NY and don't have to pay taxes for 10 years. That's sort of an unfair advantage.

So you can't do anything about the fact that the program is in existence. It's in existence. It's just another opportunity to try to help those areas that are devastated by prison closures to try to get employees there earlier.

SENATOR RIVERA: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR RIVERA: Thank you, Mr. President.

So am I to understand that you are an opponent and a supporter of the program now?

SENATOR DeFRANCISCO: No, I'm not saying that at all.

You can oppose a bill and hope that it doesn't become law, but once it does and it's available to people from out of this state to develop certain areas, and you have a real problem where correctional facility closures are resulting in areas being devastated by lack of employment, you should be able to use what is in existence.

And I don't say -- when I vote no on a law, I don't selectively decide which ones I'm going to abide by.

SENATOR RIVERA: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR RIVERA: Fair enough on all of those.

Moving on to another issue, also in this bill there is an exemption of three-family buildings in part of the Bronx from 421A requirements. There's a couple of lots that are named specifically. Could you tell me what exactly does that mean and why it was included?

SENATOR DeFRANCISCO: At this moment I have no clue. But I will get the answer for you momentarily because I'm not familiar with that aspect.

Repeat the question, please.

SENATOR RIVERA: Through you, Mr. President, absolutely. There is a part of this bill that includes an exemption for three-family buildings in part of the Bronx from 421A requirements. There are a couple of buildings that are named specifically.

So I wanted to find out why they're in there, because I just didn't have clarity on that.

SENATOR DeFRANCISCO: Oh, we have an expert in this area, Senator Klein. And he would be more than happy to answer your question.

SENATOR KLEIN: I'm sorry, Mr. President, I didn't hear the question.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco defers to Senator Klein. Without objection, Senator Klein can be heard.

SENATOR RIVERA: Yes, Mr. President, I will repeat the question.

ACTING PRESIDENT GRIFFO: Senator Klein, do you yield to the question?

SENATOR KLEIN: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera, you may ask the question.

SENATOR RIVERA: Thank you, Mr. President.

There is a part of this bill which includes apparently an exemption for three-family buildings in Bronx County from 421A requirements. So I wanted to find out what those buildings were, what that referred, and why it's in here.

SENATOR KLEIN: I'll be happy to answer the question, again, with my colleague from the Bronx on behalf of hardworking Bronxites.

This is a piece of legislation which really corrects a very grave error. The purpose

of the bill is to provide certain excluded homeowners --

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

Senator Klein.

SENATOR KLEIN: Through you, Mr. President, the purpose of the bill is to provide certain excluded homeowners with the ability to apply for and obtain a real property tax exception pursuant to the Real Property Law Section 421-a.

This is a development known as Shorehaven Condominiums at Harbour Pointe. It's a development in my district in the Bronx, which I share with Assemblymember Marcos Crespo. The bill applies to these developments which were inadvertently, due to the operation of the law at the time and the period in which such dwellings were constructed, were excluded from participating in a tax-abatement program.

We tried to deal with this directly with the City department of Finance, the City Department of Real Property. They told us last year that we needed to have an amendment to be able to include them so -- these are individuals

who actually bought into this development later. These are homeowners. They're sort of like -- I can't describe it, sort of small two-family, some of them are one-family homes in the Bronx. And being that they bought later, the more recent developments of the project, they were excluded from the tax abatement that was enjoyed by people who bought previously.

So this affects probably anywhere from 100 to 120 of the newest homeowners in this development. And this is really correcting an inequity which we tried to do last year, but unfortunately it passed the Senate and never passed the Assembly. So we decided this year to include it in the budget.

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

ACTING PRESIDENT GRIFFO: Senator Rivera on the bill.

SENATOR RIVERA: Thank you, Mr. President.

And thank you both, Senator DeFrancisco and Senator Klein, for the answers on both those questions. These are two issues that were outstanding and I didn't have much clarity

on, so I wanted to get some clarity.

But I wanted to speak on a couple of different aspects of the bill. First of all, on Start-Up NY, since we were already speaking about it. As I share with Senator DeFrancisco and a couple of my colleagues, I voted against it last year for very similar reasons. It seems that what you're creating is a situation where you create an unfair advantage for the inside a tagged zone and outside a tagged zone.

And while I certainly understand the situation of many correctional facilities closing and some of the economic hardships that it creates there, I think that the concerns that we brought last year are still concerns that I have to this day.

There are businesses that might be located right outside of the area where Start-Up NY is determining to exist, and these folks have been giving back to the community, may have been based there for generations and have all sorts of employees and employee taxes and property taxes that they have to pay. And once you figure out that you can establish yourself as a new business inside the area, inside the zone,

that all of a sudden gives you an unfair advantage.

And on top of that, there was at least the fact that last year the program was tied to an educational institution and a mission of the educational institution. The argument was made, certainly was made directly to me and a lot of our colleagues that ultimately the point was to bring the type of businesses that would be connected to the educational mission of the institution and therefore would not compete directly with businesses that would be outside of the zone. That's not necessarily what we have here, which is one of the reasons why I also think it's problematic.

But as far as the rest of the bill, it's one of those situations where you have a complex bill that has a lot of things in it and then you have to decide how you're going to vote. There are certainly some positives in here, there is a program that we have been fighting for for for many years in the Bronx to make sure that we get SNUG funding. And I know that there's been a lot of fight that has been done certainly by Senator Ruth Hassell-Thompson as well as Senator

Klein to make sure that we get it in the Bronx. And it is included in here, which I think is a positive thing and will have a positive impact on communities all across the Bronx and certainly some of the ones that I represent.

And there's a few other things that are in here which are positives. But I have to say that taken overall, this is not a bill that I'd be able to support, Mr. President. I think that the biggest poison pill is certainly the attempt at campaign finance reform.

I believe in campaign finance. And I believe in it -- and we can certainly have a debate about it, but I believe in it because I believe that when done right, it is a way to extract special interest money from the process.

I think that it is a little obscene that if somebody is running for President, an individual can give him or her $2500, and yet that same individual can turn around and give me somewhere in the neighborhood of $17,000.

I've seen plenty of evidence which tells me that when a system is designed correctly, a public financing system can actually encourage more participation from people that are

local and in the district, since there are requirements that would be set so that you would have to talk more to your constituents. And with smaller contributions, these would be multiplied.

There's a lot of reasons why I'm supportive of a campaign finance system. And while I've been, certainly since I was elected have been fighting to make sure that we have a true campaign finance reform done at the state level, this is not it. And I think that both my colleagues Senator Gianaris and Senator Squadron really got to the heart of a lot of this. Ultimately it is a pilot program that seems on its face to be destined to fail.

I certainly am one who believes that government is a good thing, as my good colleague Senator Robach, who's not here, he always walks over and calls me his favorite communist, sometimes he calls me, because I talk about government all the time and how government is a force for good and can do good things. So I certainly think that government can operate well.

But what we're asking the Board of Elections here to do in such a short period of time -- it is one race. Senator Valesky is not

here. It is one race, but it is a very complicated system that we're trying to establish here. And to ask the Board of Elections, that has not done this before, to be able to in a couple of months, where just in a month or a month and a half our the petition process is starting -- so the campaign is just right around the corner, and we're asking them to do a series of tasks which are not really practicable for the Board of Elections to be able to do.

So ultimately it is -- what we're talking about is setting up a system which seems to be designed from its inception to fail. And that is exactly the opposite of what we want to do. We want to be thoughtful about how we establish this. We want to make sure that we establish a system which truly serves the interests of what we're trying to do here. Certainly for us who believe in campaign finance, to support a system like this would be to support something that is bound to fail.

So as a good colleague of mine said, basically we're saying this pilot is really doomed to crash. The pilot just going in that direction.

I would say that there's a lot of other aspects that my colleagues have spoken about, and I could go on for a long time. But I will only say that when you're considering budget bills, there's certainly a lot of things that are in it. Sometimes there's good things and bad things. And in this case I have to say that even with the couple of positive things that are in it, there is enough in there that makes it a bill that I cannot support.

So, Mr. President, I will be voting in the negative. Thank you.

ACTING PRESIDENT GRIFFO: Senator Serrano.

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

ACTING PRESIDENT GRIFFO: Senator Serrano on the bill.

SENATOR SERRANO: I was listening to the debate amongst my colleagues about the campaign finance portion of this bill. And really I believe that this doesn't need to be a contentious issue.

And I'm speaking from the point of view of an elected official who participated in a

very robust campaign finance system when I was a member of the New York City Council. So coming out of that system for three years, one that I had a very good experience with, one that I believe that without it I would not have been as competitive in my first council race in 2001.

And I think it also provided a situation where smaller contributions in that system, smaller contributions meant so much more. Thereby people in my district -- where I was representing was not a wealthy place. We didn't have any high-dollar donors in my community. But, you know, Doña Juana could contribute a small amount and still feel very vested in the campaign of a candidate. They could feel sort of on an even playing field with some of the wealthier donors because of that match.

So I really, really believe that a robust campaign finance system or public matching funds system would make all of our lives easier. I truly believe that. Because it would require less time for us spending raising money, and we can focus more time on governing. We can focus more time on connecting with our constituents. We can focus more time on smaller events and not

having to think about, oh, I have to raise so much money because I have an election coming up.

So I really do believe that a robust campaign finance system -- and again, I had a very good experience with the New York City campaign finance system, of which I was a member throughout my years in the New York City Council. I believe that it provided an opportunity for, you know, the not-such-well-heeled candidates out there to be competitive with those wealthier candidates out there. It allowed us to focus on getting our message out there and having a debate based on those issues rather than about how much money you can raise.

And by doing so, increasing public participation is really the ultimate goal here. I think that the investment in something like campaign finance and public financing, if it creates ultimately a more engaged society, a more in-tuned and more vested public, then we've all won. And it doesn't matter what ideology you're from or what political persuasion you're from. I think that this runs across all political spectrums, and there really is no Democrat or no Republican ideology, or there should not be, when

it comes to this issue.

So I believe -- and again, I am speaking from a position of authority in that I participated in a campaign finance system. And yes, it was difficult. Yes, there was a lot of reporting to do. And yes, there was a lot of requirements. But ultimately it freed me up to be able to focus on my message.

And I do wish that we could explore that. And I do believe that there is a good amount of political will here, in this chamber and the Assembly and on the second floor, to make that a reality. And I think we should lower the temperature in this debate, not really engage in a large amount of finger-pointing, because I really, truly believe that this is something that will benefit everyone when you get down to it and you come up a good system.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Hoylman.

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

ACTING PRESIDENT GRIFFO: Senator Hoylman on the bill.

SENATOR HOYLMAN: You know, I do want to acknowledge that there have been efforts made to move this issue forward, and we have made progress.

But the bill before us I think misses an important point, Mr. President, which is we don't need a test case. We already have one. And we've had one for about 20 years in New York City. And we've had one in New York City that was actually put forward by a Republican, Rudy Giuliani. And we've had Republicans, including the last Republican mayor, participate in the system, and the candidate for mayor participated in the system, and I believe we'll have future candidates.

So I hope that my friends on the other side of the aisle will begin to see this less as a partisan issue and more as one that the public as a whole can benefit from.

This bill, unfortunately, doesn't take into consideration all the problems that we have in the current system in New York that would lead voters to be cynical. There aren't real campaign limits. There isn't the elimination of loopholes and party housekeeping accounts. There

isn't a robust system of matching funds for all candidates, obviously, that will help level the playing field. And there isn't an independent agency to monitor and administer the program like we have in New York City, the Campaign Finance Board.

Now, the people at the State Board of Elections are hardworking and I think a lot of us have a lot of respect for them. But the word "competence" is not one I would necessarily use at all times to describe their endeavors. And I would argue, Mr. President, that we need an independent body set up as part of this bill.

I also think that we won't get a better bill because of a very basic fact that I alluded to earlier, which is there's a belief among some of our colleagues that this won't help them, that this will in fact hurt them. And some of those colleagues are the biggest beneficiaries of the dark money in Albany, whether it's the real estate lobby or LLPs. And we need to make certain that they see, as my colleague Senator Serrano has said, that campaign finance reform can actually be a system that works on behalf of everyone, Republican and Democrat alike.

You know, as we move forward I'm hopeful that we'll see a new bill hit the floor that encompasses all state bodies, all candidates for office. Since we've eviscerated the Moreland Commission today, I think we have the responsibility, Mr. President, to come back to the people of New York with a full-throated proposal for campaign finance reform that takes money out of politics, that levels the playing field, and that restores public confidence in our Legislature.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Parker.

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

ACTING PRESIDENT GRIFFO: Senator Parker on the bill.

SENATOR PARKER: Ladies and gentlemen of the Senate, I know the hour is getting a little late, but this is a really critical issue that we have to deal with when we talk about campaign finance reform.

And let's be really honest. We have a bad perception about the work that we do here

and how in fact that it happens. People think that it's just about the money up here, and that's what it appears to be. And clearly the state system of finance for campaigns needs a significant overhaul.

The bottom line is that this bill that's before us does nothing to curb Albany's pay-to-play mentality or its culture of corruption.

So during our one-house budget debate we had in this chamber about a month ago, we were told that, you know, something significant would happen and we just needed to get through the resolution and, as we got through that resolution process, that there would be more significant conversations around campaign finance.

However, the very next day when the bill's released, the entire Part HH was intentionally omitted. It was clear then, as it's clear now, based on this watered-down proposal, that, you know, the coalition wasn't really committed to true reform.

I don't know why we would accept -- some people say this is a half a loaf. This is

not even a half a loaf. This is a slice of reform. It doesn't -- this bill does nothing to address --

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

SENATOR DeFRANCISCO: Would the sponsor yield to a question?

SENATOR PARKER: Senator DeFrancisco, I would love to yield for a question after I finish. I'm not the sponsor, though.

SENATOR DeFRANCISCO: Yeah, but you're speaking.

SENATOR PARKER: Yes. After I'm finished, I would love to respond to a question.

ACTING PRESIDENT GRIFFO: Senator Parker has the floor. He may continue.

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

This bill in front of us today does nothing to address the New York's sky-high contribution limits. Senator Squadron spoke to this very eloquently about how much money, I mean just staggering amounts of money that individuals and limited liability corporations can give to individual candidates.

So this LLC loophole must be closed. It does nothing to lower or ban unlimited contributions to soft-money campaign accounts. And really all we do at this point by passing this legislation is kicking the can down the road. And we can wind up in a hole before we actually catch up with the can again.

On this issue of campaign finance we have been, in this chamber, all talk and no action. We haven't done anything. We've been talking about this for three or four or five or six years and we have not put forward a bill that really in any kind of significant way addresses the issue of campaign finance reform.

And contrary to what people may say, and with all due respect to my good friend and my neighbor in the LOB Reverend Díaz, this is not about directing money towards political campaigns. This really is about fixing a problem about access. This is opening up a system for way too long in this state that has been accessible only to a few special interests with loads of money.

Ultimately this bill -- you know, what we ought to be doing about campaign finance

is improving access to the political system to ensure that we can accomplish a true progressive agenda, which we know that the majority of New Yorkers want. Just like when we talked about the revenue bill, what we typically do in this body and in this Legislature is really cater to a few select, well-financed, mobilized individuals instead of the large masses of the people that we really represent in the State of New York.

Now, the Governor believes that the way to address this is to take money out of politics by tightening the state's campaign finance laws. And frankly, the Senate Democrats agree with him. We need to reduce the contribution limits, close the loopholes that will neutralize the army of special interests that currently control Albany.

We also obviously have to do better at disclosure. And I really appreciate the chairman of the Finance Committee's report about all the changes that were going on, and I think that those are actually some great starts. But it really doesn't get to the heart of what the real problem is.

This conference, the Senate

Democratic Conference, has consistently introduced legislation not only to be blocked by the Majority Coalition that would lower campaign finance limits, fix the corporate LLC donation loopholes, require better disclosure of campaign bundlers, and would lower the contribution limits to housekeeping accounts. And this is just a few of the things that we would like to do.

And as Senator Squadron also indicated, you know, every time we brought up a hostile amendment, we haven't been able to discuss the amendment. We have been, over the last three to four years, been relegated just to debate the germaneness of the bill and not really get into the meat of the issues.

This is not any way to run a Legislature right now. And I know that we're better than this. And I hope that as we go forward that we will show the New Yorkers who really are counting on us and who sent us here to represent their interests that we are better than this, that we really care about them and not about large-dollar campaign contributors.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator

DeFrancisco.

SENATOR DeFRANCISCO: Senator Parker indicated that after he was done I could ask him a question.

ACTING PRESIDENT GRIFFO: Senator Parker, would you yield to a question?

SENATOR PARKER: Through you, Mr. Chair, yes.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco.

SENATOR DeFRANCISCO: Senator Parker, how long have you been a State Senator?

SENATOR PARKER: Mr. Chair, about 11 years.

SENATOR DeFRANCISCO: I just have a question. You had indicated that you can't stand this all talk and no action, there's too much of that around here, and that this bill is not half a loaf, it's not even a slice.

Could you tell me, when you were in the majority in 2009 and 2010, what morsel of campaign reform did you pass during that two-year period?

SENATOR PARKER: Through you, Mr. Chair. Senator DeFrancisco, in 2010 we

actually did some campaign finance reform through the ethics reform that we did, including that would make us disclose bundlers, as well as some of the other pieces that I mentioned today.

SENATOR DeFRANCISCO: Well, I think that -- let me just mention -- just speak on the bill just for a second. I have one other question, one other question.

I just believe that he may be mistaken on real finance reform that he's talking about that was in any kind of ethics bill. Otherwise, we wouldn't have to do it now.

Last question. Can you tell me the bills that you talked about that the Senate Republicans blocked, and we blocked consistently, who blocked legislation during the two years that you had the majority? Did the minority Republicans do that?

SENATOR PARKER: Actually, the bill I had spoken to, we actually did do it and it was vetoed by the Governor.

SENATOR DeFRANCISCO: Was it public financing?

SENATOR PARKER: No, it was not public financing. But it did close some of

the -- many of the loopholes that we're talking about now, including the LLC loophole.

SENATOR DeFRANCISCO: Thank you. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Parker, Senator DeFrancisco.

SENATOR PARKER: Thank you.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

It's been said here this evening that the public financing of the race for Comptroller will be a pilot project. We had one since 2001. In New York City we've had the campaign finance going on and working -- with some problems, but nevertheless it has enabled candidates who otherwise would never have run much less been elected. It works.

Yes, some of the requirements of the Campaign Finance Board can be annoying, tedious, difficult to enforce. But overall the proof is you take a look at the New York City Council today, and those are candidates who would never have been able to run.

Secondly, it's been said this evening that the role of money in elections has had a terrible impact, an insidious attack upon integrity and upon, even more significantly, the integrity of this legislative body and any legislative body.

This has been a problem, and the Brennan Center has had repeated reports on the role of money and how it has led to all sorts of misappropriations and illegal acts. We have no way of curbing individual contributions, and that is a problem due to the Supreme Court in the Buckley decision.

So these are problems. And to reduce the impact of money we have a half-hearted, watered-down proposal.

People have said that money is not everything, but the absence of money is. And public financing will help in that respect. It will enable people who have support in the community but the community may not be able to make contributions, the community may be a poor community, and they will help somebody get elected.

Having said that, there are good

things in this bill, particularly the strengthening of the ethics provisions. To me, legislative ethics should no longer be considered an oxymoron. We shudder when people talk about ethics reform, and yet that's what's needed in this body. We need an ethical legislature, and hopefully strengthening some of the penalties here, making misdemeanors a Class E felony, strengthening the current laws I think will have a salutary effect.

And really I'm very disappointed in the lack of public financing in this bill, but there are good parts to it. And it's very difficult for me to vote no because there are so many other points that I think will be helpful.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Savino.

SENATOR SAVINO: Thank you, Mr. President.

You know, I wasn't actually planning on speaking because the hour is late. But as I sat here and I listened, I felt compelled to get up because some of my colleagues in their rhetoric seemed to be rewriting history, a

history that I have been part of for the better part of nine and a half years here in this Legislature.

When I arrived here, I was a member of the Senate Democratic Conference, along with the other members -- except for the two younger ones -- of the IDC. We were members of the Senate Democratic Conference engaged in an effort to take the majority away from the Republicans.

Part of our efforts, of course, involved raising lots of money. We were all engaged in lots of fundraising towards that end, and we all talked about the issue of campaign finance reform as one of the platform issues that would make us different when we took the majority.

Lo and behold, we managed to secure enough money, we won enough seats, we won a majority. And during the period of time that we held the majority, we never once brought a campaign bill to this floor through committee or even for discussion. Why? Because we didn't have the votes. We didn't have the votes then, they don't have the votes now, you heard it right here.

I heard some comments like this is a half-baked loaf or a slice of bread. Well, my suggestion to my colleagues is bake your own bread. When you can pull together sufficient votes to get campaign finance reform done the way you want, maybe we'll get it done in this house.

Last year the IDC embarked on a campaign across the state of hearings to solicit the input of good-government groups, of constituents and people all over the state to help develop a comprehensive campaign finance reform proposal. We put forward a bill that the advocates themselves -- many of them are here -- said was the best bill that was being offered. And yet and still, we got no support. Not from this side of the aisle, not from that. But they never claimed to support campaign finance reform; we did.

So no, what we're getting here tonight, this Comptroller pilot project, is not what any of us have wanted who've talked about campaign finance reform. But it was what we were able to get by the deadline of the budget because the state budget is more important than achieving this issue tonight.

But we are as committed to getting this done as we have been. And unlike some people who talk the talk, we've been walking the walk. And so my suggestions to those of you who don't think this is good enough or don't think we've done enough, we haven't reduced limits, try practicing what you preach. Raise limits under the proposal that you think we should adopt. Don't take money from LLCs. Don't take money from unions, don't take money from corporations, don't take money from the dark money that I've heard thrown about here, the dark money that helped win the majority for the Democrats, the dark money that they hope to depend on to regain the majority.

Let's not be hypocrites on this issue. Let's admit that this is not where we want to end up with campaign finance reform. Some of us believe we must do better, we have to do all of those things about reducing contribution limits and engaging small-dollar donors, we have to do that. But let's stop pretending we believe in stuff that we don't believe in, and let's stop pretending we can do it when we know we can't.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Latimer.

SENATOR LATIMER: Thank you, Mr. President. On the bill, on a completely different part of the bill.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator Latimer on the bill.

SENATOR LATIMER: This is a very relatively small element of the bill, but I think it bears thought by leadership and I would encourage them to take a look at what I'm about to highlight, because it does affect folks in Rockland County, in Nassau County, and in Westchester County.

Page 81 and 82 of this bill, Part U, refers to an expansion of the SCRIE program, the Senior Citizen Rent Increase Exemption program. Everyone knows what the program does, it helps freeze rent and it provides a tax reduction to the owner of a building where the rent is frozen for those individual tenants.

And they're raising the threshold of eligibility from adjusted gross income of $29,000

to $50,000, which is an expansion of the program and I think we would all say a good thing to do.

What it also does in Section 3 of Part U on the next page, 82, it says the state shall reimburse the City of New York for the differential costs of this expansion. Which is also a good thing to do. It holds the city harmless.

Now, you have to opt into this program. And so to opt into it, there's an incentive to opt into it, which is you're held harmless.

However, this program also applies to those communities in Westchester County, in Rockland County and in Nassau County that have deposited ETPA. So that means that if you live in, in Rockland County, the Town of Haverstraw, the village of Spring Valley, if in Nassau County you live in the cities of Glen Cove, Long Beach -- I know I sound like an LIRR conductor --

(Laughter.)

SENATOR LATIMER: -- North Hempstead, Cedarhurst, Floral Park, Flower Hill, Freeport, Great Neck, yadda, yadda, up to Baxter Estates, or in my home county of Westchester

County, which includes communities I represent, there is an expansion of the program, an expansion of the program costs, but no relief of the additional costs on the municipalities.

I don't know how large a cost this will be for these villages and towns and small cities if they adopt into it, and they will have to adopt into it. But I think fairness mandates that as we look at making an expansion, it should be uniform for everybody.

And I would say if there's a chapter amendment that could expand that coverage to include -- because it's only these communities in these three suburban counties that are subject to ETPA -- that would be a fair thing to do, and I would assume that my colleagues in Nassau and my colleagues in Rockland and my other colleagues in Westchester would favor that.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Sanders.

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

ACTING PRESIDENT GRIFFO: Senator Sanders on the bill.

SENATOR SANDERS: All my life, Mr. President, I've heard of a golden rule, a political golden rule. No, not the biblical one, I'm talking about a political golden rule, the one that says "He who has the gold, rules." And that's the rule that I think that we need to attack in this house tonight.

I think that we have to make sure that Mr. Smith can go to Albany or to Washington or to wherever we need him or her to go to. We need to make sure that there is an even playing field where people can have a chance at speaking for the voice of the people.

Now, I'm no idealistic romantic when it comes to campaign finances. I've had the pleasure of being in New York City under that process. But I'm here to say that I support campaign finance. I think that we really need to find a way to even the playing field and return to a type of idealism that we read about that we once believed and, God willing, we will believe again.

I however alert you that I wasn't here in the days of yesterday, so I can't really speak of what this fine body did in days before I

got here. I can only speak -- and I'm sure there's a couple of my colleagues who may have the same conversation. We can only speak of the here and now. We can only speak of from this moment forth.

I am concerned that this pilot that we're coming out with, that this pilot is doomed to crash. That if you design a program that anyone in their right mind is going to say "No, I'm not going to opt into it," then you've already made sure that it is going to crash.

Now, I will take Senator Savino's suggestion to heart where she did say design and put forward something. Because I don't believe in just talking it, I think that she's right, that we do need to reach out and do something.

So I'm going to do something different. I'm going to reach out to my colleagues in the days to come and speak about what can we do to design a program that is acceptable and yet has the idea of being a genuine program. And I will -- I'll take it upon myself to start working, and anyone who has ideas, please, I've got a couple myself.

But I'm scared of getting on this

plane with this pilot, because I think it's going up in flames in just a few minutes.

Thank you very much.

ACTING PRESIDENT GRIFFO: Senator Bonacic.

SENATOR BONACIC: Thank you, Mr. President.

I'd like to talk about this subject from a different point of view. I think every Senator here works very hard. And for you to get here, you have to have intelligence, you have to have passion of what you believe in, and the community knows you. They trust you to be their voice.

And I think the people in this chamber and in the other chamber get a bad rap from the media how they stain -- when they stain one, they stain all of us. That somehow we're not what we should be. And I know it's not true. Because I know how hard I work, I know how hard my colleagues work. And, you know, I know how some of the members on the other side work. But the media, again, defines and paints a picture.

Now, let's talk about money. Is money in itself intrinsically evil? That's the

question I ask. The media is saying that money by itself is somehow evil, and therefore maybe rich people are evil or rich organizations are evil. This is the spin that's out there.

When the SAFE Act got passed, guns in themselves were evil. Money is not evil. Guns are not evil. It's the abuse of those things that make them evil: the people that abuse money, the people that abuse guns. That's what makes it wrong.

Now, for me, this is not a complicated issue. I don't support campaign finance reform, and I'm going to just tell you some common-sense reasons.

Number one, I think it's a form of free speech. I think if someone wants to give me money or to give you money, they believe in you. They think your philosophies and values and influencing public policy is something worth investing in. So that's reason number one, for good public policy.

The second thing is what happens if I don't like an opponent because I think they're a racist or I think they're radically opposed to my public philosophy and where I want to promote

this state? Why should taxpayer money be invested, my taxpayer money be invested in that kind of person? I don't think we should ask a taxpayer to do that.

And to Senator Díaz's argument, we have much better priorities than political campaigns. You want to put more teachers into classrooms, you want to talk about your DREAM Act? There's a million other priorities rather than invest in political campaigns.

And the other thing that bothers me is when government controls the money, they're going to control the profile of the candidate. Because they're going to set up these rules, okay? And maybe a Soros or the Working Families will not like the profile of a particular candidate. But the rules of campaign financing, they will find a technicality and they will do an interpretation and they will say, You know what, you're not getting government campaign money, matching funds.

So in a way, through manipulation and interpretation, they can start defining of the profile of a particular candidate that they want to run, if it's abused that way. But these

are potential pitfalls.

So this is a simple issue for me. And I enjoyed the dialogue between Senator Valesky and Senator Gianaris. But up in my district and upstate, they don't believe in campaign finance because they believe that it should go to higher priorities.

So for that reason, I'm voting yes. And I see this as a spin by the media and by the Working Families and the Soroses of the world. You're complaining about where the Republicans get their dark money, but there's just as much dark money on the other side. So let's not be hypocritical about, you know, who's getting the money and who's not getting the money.

But again, money in itself is not evil, it's the right of free speech. People have the right to invest in anybody they want for good public policy. And that's on campaign finance reform.

And I want to talk a little bit about ethics, because this is a slippery slope we're getting into. I've been in public service for 40 years. I think the people in my community and who I represent, they know me, they know my

family, they know my kids, they know how I have acted throughout my political and public life. And they know how you have acted, how each of us have acted. Some have been in public life longer than others. But the people are not dumb, they know who's ethical or who could be corrupt.

And when government starts defining what's ethical and what's interpretation, good people, good people are going to get in trouble. This is a slippery slope. Don't know where it's going to end, but it's a slippery slope and it's going to deter good people from getting into public service because they don't want their name stained, who needs all the crap. That's the direction this state is going. It's dangerous for every elected official in this chamber.

Thank you, Mr. President. I vote yes.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would yield. Either one from Onondaga County will work for me.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator

DeFrancisco.

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: Thank you. Do you know what months of the year DEC approves snipe hunting in Onondaga County?

SENATOR DeFRANCISCO: If you tell me what a snipe is, I might be able to answer the question.

(Laughter.)

SENATOR KRUEGER: It's a small -- excuse me, Mr. President, through you. It's a small water bird. I believe they're actually found on Lake Oneida and Onondaga lake.

SENATOR DeFRANCISCO: I have to confess I do not know that. It's not one of my normal pastimes.

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

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

(Laughter.)

SENATOR KRUEGER: For the record, it is not snipe hunting season. That is not till September, except right here on the floor of the Senate. Because in fact this entire bill, this

entire attempt to argue is it campaign finance reform, couldn't we do better, what does it really mean, is actually the other definition of snipe hunting, when you send naive people off in search of impossible tasks.

And that is exactly what this bill is tonight, Mr. President. This is a bill that claims to be as far as we could get, and yet it's absurd in its design. As my colleague very early on pointed out, there is no way to actually operationalize this pilot for one election, the State Comptroller, to be implemented in all ways in 77 days and then a pilot that will only be through the November election.

And so it will probably be a model no one will participate in, so then can we declare, aha, we tried it, it was a failure because no one would sign up or participate. It's an unfair test. But again, it's a snipe hunt.

We've listened to a series of questions about does it close any loopholes, no. Does it reduce any maximums in donations, no. Does it provide actual limits on being able to use the money to send your children to school or

buy yourself a fancy car? No. Does it even require better disclosure? No.

There's many things campaign finance reform are and there are many of us who agree with it or don't agree with it. But I hope we can all agree in this exercise tonight, an out-of-season snipe hunt, you're not getting any kind of campaign finance reform.

So for those of you who think you don't like campaign finance reform, don't worry, you're not getting it here. And for those of who us who think we do like campaign finance reform, worry, because we're not getting it here.

And I've heard many people wax poetic about the religious basis of why they're against or the philosophical basis for why they're against or even the concept of the philosophy of what the role of money is in our society. We're not naive. Even if we're all on the snipe hunt, we're not supposed to be this naive. Who in this room doesn't know about pay-to-play politics? Who in this room doesn't know the influence of money on decisions that are made here every day we're in session and particularly at budget time?

So some people say how could we spend public money on elections when we aren't funding schools and education and our children. Well, guess what? The reason we don't have the money to spend on schools and our children and healthcare and affordable housing and fair tax policy is because special interests have bought us to give them everything they want.

Again, earlier today I referenced the $7 billion in special-interest tax subsidies that are within our tax code. Did they magically occur, Mr. President? Did no one ask us for those, Mr. President? Did no one who asked us for this make large contributions to the campaign committees of people sitting in this room, and party committees? Hell, yes, they did, Mr. President.

So in fact if you care about having the money for the important issues in all 63 districts, you'd better understand and the public better understand they're not getting the government they deserve because we are a pay-to-play culture up here.

The fact that we are doing away with the Moreland Commission within the budget bills

today, without their following through on any of the investigations, any of the commitments they made, any of the statements they made in their reports -- it's all going to quietly disappear.

And apparently a real effort for campaign finance reform is going to remain simply a snipe hunt.

And my colleagues who ask, well, who blocked bills when the Democrats were in charge, guess what? It was the head of the working Rules Committee, who's now one of the two Temporary Presidents of the State Senate. So let's find out about that.

And if another one of my colleagues says, If you don't think you have enough votes here on the floor to get real campaign finance reform, as the Democrats and the IDC says they want, what are we going to do to get more votes, well, I certainly hope they're going to work to make sure we replace Senators who are opposed to campaign finance reform with Senators who support campaign finance reform. Because that's how you get the votes to get this in done on the floor of the Senate, Mr. President.

So I am appalled at how everyone --

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

SENATOR BALL: Will the Senator yield?

SENATOR KRUEGER: As soon as I finish.

ACTING PRESIDENT GRIFFO: She will yield when she finishes, Senator Ball.

Senator Krueger, you may continue.

SENATOR KRUEGER: Thank you very much.

So I'm actually appalled that we're playing this game. And again, we can do better, we must do better. It is inexcusable that this is what we're being offered tonight. That we're going to some of us go home and tell our constituents, Oh, no, we got half a loaf -- this is not half a loaf. This is actually the destruction of any real campaign finance reform going forward.

And there will be some of us who will be challenged for voting against a bill that had public trust language in it and had anti-corruption language in it. I will remind so many of my colleagues, we thought we all did that

in a bill we passed to create JCOPE, also known now in public and press as JJOKE.

So I think the people of New York State are figuring out when you do fake pretend legislation to address problems, you don't address them. You actually put yourself further behind in what should be the commitment and agenda of this Legislature to clean up government to represent the interests of the 19.5 million people, not the handful of people who are the political donor base.

The City of New York, several other states have successfully shown that you increase diversity, you increase the debate about what a government is supposed to do, and you decrease the rate of corruption when you get money out of politics and into a small-donor matching fund.

And to argue maybe we'll do it someday after this pretend pilot fails, in fact, I can guarantee you that a pretend pilot that will fail is not going to be any pilot for moving forward.

I am now happy to answer Senator Ball's question. Thank you.

SENATOR BALL: Mr. President, it

was mentioned as a matter of fact that the Senator, who also is the ranking Democratic member of the Senate Finance Committee, suggested that she is part of a pay-to-play culture, which suggests quid pro quo. And it's my understanding that if you see any activity like that, it's your responsibility to report it.

So my question is this. Is the ranking Democratic member of the Senate Finance Committee stating as fact, that you know as fact -- because I'm going to tell you, on this side I have never seen anything like that, and I would never want to be part of a culture that did anything like that.

So is the ranking Democratic member of the Senate Finance Committee suggesting that on her side she has a culture of quid pro quo? And if so, have you reported it?

Thank you.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: Mr. President, through you, I don't actually believe the culture of pay-to-play is unique to either party or either house. And those cases that I have in

fact been able to document, I have reported.

Thank you, Senator Ball. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Senator DeFrancisco, why do you rise?

SENATOR DeFRANCISCO: Would Senator Krueger yield to one question?

SENATOR KRUEGER: Certainly.

SENATOR DeFRANCISCO: It has nothing to do with snipes.

Did you vote for JJOKE? JCOPE, I mean.

SENATOR KRUEGER: I have to double-check. I actually don't remember. I know we preferred --

SENATOR DeFRANCISCO: He told you you did.

SENATOR KRUEGER: He said he thinks so.

SENATOR DeFRANCISCO: Okay.

SENATOR KRUEGER: Yes, I think I did. I know I spoke out about it not being as strong a bill as the earlier version that should have, I believe, been the correct version of the

ethics reform.

So I did speak on the floor at the time. But I will accept either your evidence or my chief of staff's memory that I did vote for it.

SENATOR DeFRANCISCO: Thank you. On the bill.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco on the bill.

SENATOR DeFRANCISCO: The point I was trying to make is that there are incremental changes and at the time we vote on things, we believe it's the right thing to do. If when it's implemented it doesn't work as well as we thought, I really don't think it amounts to a joke, I think it just means that maybe more has to be done.

And as far as reform here, one that thing that wasn't mentioned -- and by the way, John Bonacic did a wonderful job in stating most of our positions, definitely my position on campaign financing so-called reform. And so did Senator Díaz -- who, by the way, is a Democrat, even though all the Republicans have been blamed for stupidity on this issue.

The fact of the matter is that there's another piece in there. In my judgment, the best solution to uprooting fraud is disclosure. Not disclosure as to how much assets you have, which means nothing, or how little assets you have, which means less. Because if it's little assets, does that mean that you're somehow more subject to corruption or graft? And if you've got so many more assets than somebody, does that mean that you've been a crook and you've taken advantage of your position or you've made it in an honest way?

Some of the disclosure is asinine, to put it mildly. But disclosure of who gives you campaign donations is extremely important. And in this bill which hasn't been mentioned yet, the expenditures, the independent expenditures have funded tons of ads for people who want public financing and who win close races. And the ads say some committee that means nothing to anybody, and you try to go back --

SENATOR GIANARIS: Mr. President.

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

SENATOR GIANARIS: Would Senator

DeFrancisco yield for a question?

SENATOR DeFRANCISCO: Can I just finish this thought?

SENATOR GIANARIS: Of course.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, you may continue.

SENATOR DeFRANCISCO: And then to find out who actually financed that, you'll never find out till after the election.

But by independent expenditures now, when that commercial is out there demanding that the candidate who wins be supporting public finance reform, and it shows the name, you can now go back to the Board of Elections. And those expenditures for the company or the organization that's listed on that ad, you can -- you have to, in the last several weeks of the campaign, every 48 hours, any contribution more than $5,000 has to be reported.

And similarly, it's less as you're further away from the election, over specific periods of time they have to be disclosed.

So you're opening the daylight. So someone who will runs for an office and gets $500,000 in the last two weeks of the campaign

from some unknown source that you can't find out till after, is now going to be disclosable. Now the voters have something to base their vote on. They base their vote on who is actually supporting this person.

You know, there was a situation in New York -- I learn so much from New York City, because some of the things that goes on there I never seen when I grew up. And I'm not grown up yet. But there was really one of these organizations, independent expenditure organizations, Save the Horses in Central Park or some nonsensical -- I mean, it was unbelievable.

And actually, if you -- later on, well after the election, later on it turns out that this organization was funded by someone related to another one of the mayoral candidates. Had no interest whatsoever in horses or saving anything other than making sure that that candidate, that that candidate -- that money could be used to defeat and to humiliate another candidate who's trying to become the candidate for mayor of the City of New York. And there's the model, New York City public financing.

Well, disclose everything. If you

don't like where I'm getting my money and I should be defeated because I'm getting my money from a bad source, you'll know. That's what this bill does. That's more important than any artificial limits that can be manipulated any way you want to manipulate it. If the maximum contribution is X dollars, you divide a $10,000 check amongst 16 employees. It's just so ridiculous.

So I happen to disagree with some of the public financing from some of the so-called limit situations. But there is a valuable way to really get behind everything so people can intelligently vote, and one of them is right in here, an excellent proposal that's going to open the sunlight on some of these organizations that want to save the horses in New York City and also, by the way, defeat one of the primary opponents of the person who's funding the Save the Horses.

I'd be happy to answer any questions.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

SENATOR GIANARIS: Thank you,

Senator DeFrancisco.

Actually, I'm in agreement with you about the disclosure rules for independent expenditures, and I'm glad to hear you say that. And you are very good about pointing out a number of examples of horse advocacy groups or people that support public financing spending money.

But I would ask the Senator if he's familiar with the group known as Common Sense Principles.

SENATOR DeFRANCISCO: I have no clue who they are. And I have a question of Senator Gianaris.

SENATOR GIANARIS: I'm not finished with my question --

SENATOR DeFRANCISCO: Okay, go ahead.

SENATOR GIANARIS: -- if Senator DeFrancisco would continue to yield.

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

SENATOR DeFRANCISCO: But I do know that under this bill, Mr. President, I do know under this bill that we will find out who those people are and who donated to those particular

organizations.

SENATOR GIANARIS: Exactly. Exactly my point. If I can just finish up on the bill. Thank you, Senator DeFrancisco.

Which is why I agree it's an important part of this bill, but I did need to correct the record that Senator DeFrancisco may have us believe that it was all certain types of advocacy groups that were conducting this kind of expenditures in the last election.

But there's a huge difference. The groups he was talking about, at least insofar as it pertained to the state Senate elections, were disclosed publicly. Maybe not in filings till after the election, but certainly publicly in news accounts. However, there was a group what dwarfed the spending of all the groups he mentioned that not only didn't disclose who they were, made it impossible to find out who they were because they are registered through multiple LLCs in other states, and were condemned in the Moreland Commission report -- which we're shutting down, by the way, as part of this. It should not go unmentioned.

So let's be clear. To the extent

there is money that shouldn't be in elections, it tilts a lot more one way than the other in this state, and it's not on our side.

So I am glad, I am glad that the disclosure rules are in here, but we should have gone a lot further and we still can.

Thank you.

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

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

Can I have some order in the chamber, please. The Secretary will read the substitution.

THE SECRETARY: In relation to Calendar Number 372, Senator DeFrancisco moves to discharge, from the Committee on Finance, Assembly Bill Number 8555D and substitute it for the identical Senate Bill Number 6355D, Third Reading Calendar 372.

ACTING PRESIDENT GRIFFO: The substitution is so ordered.

The Secretary will read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Stewart-Cousins to explain her vote.

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

I rise to explain my vote because, like everyone else, there are many things in this particular section that I would prefer to have different. Certainly the campaign finance reform, which we worked so hard to see some change and to have a result where it's only one race for one year, really not only is not worthy of being a pilot, but frankly I think will prove nothing.

But I will be voting for this because part of this bill does also include some assistance for the City of Yonkers. And I want to really take this moment to thank the Governor for working with the city in the crisis that they had. About a month and a half ago, a $55 million error was discovered, a bookkeeping error, which

put the district in over a $100 million deficit.

And I know the Governor and my colleagues in the Majority Coalition worked to try and put together a package that would make sense for the city. The package includes being able to borrow. It also --

ACTING PRESIDENT GRIFFO: Senator Stewart-Cousins, excuse me.

Can we have some order in the house, please.

SENATOR STEWART-COUSINS: The city has the option to borrow up to $45 million, the city will receive some additional funding, and certainly the school aid has been increased significantly.

These are difficult times for the city, and I know that without, again, the collaboration between the mayor and the Governor and my colleagues here, that would not have happened. So again, I will be voting for this bill, and I do hope that the city will be able to see through its issues.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Stewart-Cousins to be recorded in the

affirmative.

Senator Krueger to explain her vote.

SENATOR KRUEGER: Thank you, Mr. President.

I rise -- I feel I've been explicit about my major concerns about the bill, but I did rise to say, while voting no, I absolutely appreciate Senator DeFrancisco's final analysis on the section of the bill on independent expenditures. Because it is actually critical, as part of changing the culture up here and the problems we all do know exist, that we rein in non-transparency in spending. And that is an important section. And wouldn't it be lovely if the rest of the bill was also something that would accomplish the goals.

So I vote no, with being on record for strongly supporting the sections on independent expenditure reporting.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Krueger to be recorded in the negative.

Senator Tkaczyk to explain her vote.

SENATOR TKACZYK: Thank you, Mr. President.

I'll be joining with my Republican colleagues today on the floor in support of this legislation.

There are some changes that I like. I like that there are new robust disclosure and reporting requirements for independent expenditure campaigns and ethics reform.

I am dismayed, though, that we haven't included more things like lowering campaign contributions, closing the LLC loophole, making sure our campaign contributions are used for campaigns. Clearly I think the people of this state want us to take seriously the issues around decreasing the influence of money in politics.

Despite the fact that I see this as a missed opportunity that we didn't do more to get the influence of money out of politics, I will be voting in the affirmative.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Tkaczyk to be recorded in the affirmative.

Senator Smith to explain his vote.

SENATOR SMITH: Thank you, Mr. President.

Notwithstanding all of the discussion that's been on this bill, I rise to support the bill, in particular because of my area, which was ground zero for mortgage foreclosure challenges. In this particular bill there is the mortgage settlement language in here that will allow the proceeds of that trust fund to be distributed throughout the community, $613 million.

Recognizing how hard hit Southeast Queens was, this is very important to my area, as I'm sure my colleagues understand very well.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Smith to be recorded in the affirmative.

Senator Marcellino to explain his vote.

SENATOR MARCELLINO: Thank you, Mr. President.

I rise simply to say congratulations. I think we've done a good job. Four years in a row, an on-time budget. Four years in a row we've produced a spending plan for the State of New York that has moved the state in the right direction, from indebtedness to

solvency, from job loss to job creation. We're doing the right thing.

We're functioning, which is what we were sent here to do. The people didn't send us here to fight. They didn't send us here to bicker. They didn't send us here to point fingers and wave our hands in the air and espouse theories and philosophies. They sent us here to get it done.

We've done that. And you should be proud of yourselves. We should be proud of ourselves because we produced the product, an on-time, balanced budget.

Is it perfect? No. I don't know anything that's perfect except perhaps one being, and it certainly isn't me. But I do know we've done our job, and that's to create to this budget in a bipartisan manner, working together. Sometimes not agreeing, sometimes getting a little testy, but we did it.

I thank the leaders, both sides of the aisle, for their efforts, because they worked hard to get this done. I thank the Governor for stepping in when he had to. I thank all the staff that have done the greatest job that I can

of, because they work the hardest of all of us.

But we've done it, and we should be proud of it, and we should go back to our districts and say "Ladies and gentlemen, we did your business." And then in a couple of months they'll let us know if they approve.

Mr. Chairman, I vote aye.

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

Senator Rivera to explain his vote.

SENATOR RIVERA: Thank you, Mr. President.

As I stated clearly earlier, I do believe that there is a big aspect of this bill which is a poison pill that will not allow me to vote in the affirmative.

But I do think that there's a couple of positive things in it, as I pointed out earlier. One aspect that I forgot to point out is something that is very akin to a bill that I introduced last year that relates to making sure that if somebody is convicted of a public corruption crime, they cannot lobby this body or government.

I believe that that is an important

piece of business that we have to do. It is one of the good pieces of this particular piece of legislation. It is unfortunate that it does not outweigh the bad parts of it. I will be voting in the negative, but I wanted to point that out.

Thank you, Mr. President.

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

Senator Díaz to explain his vote.

SENATOR DÍAZ: As I said before, Mr. President, I don't believe in campaign finance. I don't think, Senator, that the people sent me here to put more burden on them to use their money to pay for campaigns. I don't think they sent me here for that.

And by giving money to people, that doesn't mean that people are going to be more honest. Whoever is corrupt in their heart, they're going to be corrupt no matter how much money you give them. So by giving money to politicians or to us or to candidates so they could supply or fulfill or run for campaigns, that doesn't mean that they're going to be honest and the corruption is going to end.

Look at the City of New York. Look

at the City of New York, the campaign finance, all the problems they have with all the people. Look at John Liu. They stopped him from getting the money.

So, ladies and gentlemen, I know there's good things in this bill. Some things that I wish it was not together with this bill. But because I don't like campaign finance, because I don't want to use the money, public money for political campaigns, I am voting no.

ACTING PRESIDENT GRIFFO: Senator Díaz to be recorded in the negative.

Senator Hassell-Thompson to explain her vote.

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

A lot of time has been spent discussing what is or is not campaign finance. But there's a great deal more to this bill, and those parts of the bill that I worked on with other members of this body I am greatly appreciative of.

In this bill there are going to be more Family Court judges. In this bill there are going to be some court reforms, which I think, to

me, are extremely important. And maybe not more important. I don't believe that any bill that we do here, based on the impact that it has on the people of the State of New York, should be measured by one greater or lesser than another.

I think that particularly as we look at our prison reform, as we look at our juvenile justice reform, that those are things that need to be lauded at the same time that we discuss some of the weaknesses that occur in humanity.

So, Mr. President, I want to thank those who continued to listen when I spoke during the resolution that I thought the OCA budget should be intact, and it is. For those who heard the concerns that we had about making sure that people are properly represented with our civil legal services, our indigent services, our domestic violence, please don't forget that there are some marvelous things that we've done in this budget, and we ought to all be commended for how we have changed the justice system in the State of New York.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Hassell-Thompson, how do you vote?

SENATOR HASSELL-THOMPSON: Yes.

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

Is there any other Senator wishing to explain their vote?

Announce the results.

THE SECRETARY: In relation to Calendar Number 372, those recorded in the negative are Senators Díaz, Grisanti, Hoylman, Krueger, Rivera, Sanders, Serrano and Squadron.

Ayes, 53. Nays, 8.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous, that completes the reading of the controversial calendar.

SENATOR LIBOUS: Thank you, Mr. President.

Congratulations. At least we have done our job, and the budget is complete.

At this time if you would call on Leader Andrea Stewart-Cousins for some remarks, please.

ACTING PRESIDENT GRIFFO: I would ask, please, for some quiet in the chamber as we

give the leaders an opportunity to address the assembled body.

Senator Stewart-Cousins.

SENATOR STEWART-COUSINS: Thank you, Mr. President.

And I know the hour is -- it's not as late as it has been, but certainly this will be brief.

And again, I think all of us are to be commended. I want to thank the co-leaders, Senator Skelos and Senator Klein. And certainly kudos to the Governor for, you know, again another on-time budget, fourth year in a row.

I also wanted to take a moment and thank the staffs. Because I think, as Senator Marcellino said, clearly all of the work that goes into a process like this is really, really done by such an incredible, competent and hardworking staff. And I really want to thank staff on both sides of the aisle for all that you do.

About two weeks ago, I guess in the middle of the night, it was around 2 o'clock, I got up and spoke about the Senate one-house budget resolution. And I talked about turning

wish lists into reality and a flawed process that we were working under. I talked about my hope in this budget, and I hoped that it would work better and that the final product would do more for everyday New Yorkers.

And as with every budget, and we heard about it tonight, there are good parts and there are bad parts. There are places where we deal with problems, and unfortunately there are places where we ignore problems.

We provide, for example, much-needed tax relief to thousands of New Yorkers, but we could still target it better and ensure that more middle- and working-class families get the relief they deserve.

We have increased school aid and provided unprecedented money for crucial programs like UPK. But we failed to pass the New York State DREAM Act and open up real opportunities for education and jobs for children who have only known New York as their home.

We're passing the Governor's Public Trust Act, which helps address the ethics problems that have unfortunately overshadowed the good work that the majority of legislators do.

And yet we've failed to enact meaningful campaign finance reform, paying lip service to the idea by publicly financing just one race for just one year without taking the comprehensive approach our broken campaign system so desperately needs.

And we are not passing other common-sense ethics reforms like clawing back the pensions of corrupt lawmakers, enacting lower limits on campaign contributions, and closing loopholes that allow for outsized donations.

We are providing more money for many of our most vulnerable citizens, like our seniors, yet failed to provide adequate resources and compensation to some of the workers that take care of those populations.

Again, there are good things in this budget, and there are things that could be better.

In the time of the year right about now where we pat ourselves on the back for what we've accomplished, talk about the importance of on-time budgets, which I agree are important, let's not forget we still have a lot of work to do.

Let's continue to grow businesses,

create jobs, ease the tax burden on hardworking families throughout the state while also providing real mandate relief for our local governments. Let's ensure that we fund our education system fairly. Let's stand up for women's rights and pass the 10-point Women's Equality Agenda. Let's pass even stronger ethics reforms and create a real public financing system for campaigns. Let's do a real raise in the minimum wage. And if we can't or if we won't, let's give our local governments the ability to do it for themselves.

And let's remember, as I'm sure we all do, we've done good work, but there's much more to do.

Thank you.

(Applause.)

ACTING PRESIDENT GRIFFO: Thank you, Senator Stewart-Cousins.

Senator Klein.

SENATOR KLEIN: Thank you, Mr. President.

I want to thank my fellow leaders, Senator Skelos, Senator Cousins, Speaker Silver during this process for their spirit of

cooperation. This is a budget that delivers real relief for working families across the state.

Earlier this year myself and my colleagues of the Independent Democratic Conference proposed an "Affordable New York" plan, and I'm happy to say that this budget includes many of those common-sense proposals. I believe there's something in this budget for families from Montauk to Monroe County, and these plans truly close the gap between New Yorkers' paychecks and the reality check of what it costs to live in this state.

Universal pre-K. Early on, I made a commitment that we were going to meet Mayor of New York Bill de Blasio's promise to 54,000 4-year-olds in the City of New York to make sure they have full-time universal pre-K. Well, this budget goes one step better, because it recognizes that not only do New York City 4-year-olds need the benefits of UPK, but we need it statewide as well.

This is something that I think is going to be a game-changer. I think everyone understands very clearly the importance of a meaningful universal pre-K program. Studies have

shown time and time again if we can make sure young people experience universal pre-K, it really follows through with benefits their entire life. They do better in school, get better jobs, are less likely to have trouble with law enforcement, drugs, alcohol. This is a game-changer, and I think all of us should be very, very proud that we're finally funding it the way it should have been many years ago.

Education. This is a budget that increases education by over a billion dollars. This is something that is very, very important because I think we create dozens of new types of programs which will benefit millions of our students across the state.

One of the things I'm particularly proud of is I made sure that this budget contained dozens more community schools in underserved neighborhoods in the coming years.

The community school concept is something that I advocated last year and continue to advocate for this year. It's a common-sense approach, but it makes sure that our schools become the focal point of their community, working with businesses, working with local

nonprofits, really making sure that schools are utilized after school for parents and kids, making sure we have school-based health centers, school-based mental health centers, dental centers, making sure that the community school is something special and needed in our communities.

Over the years I think it's important to recognize that we never kept our commitment, our promise to many in our city and state who utilize childcare services. Over the last six years, the budget was slashed as far as daycare subsidies and enrollment programs. And I'm very proud to say that in this budget we restored $55 million, making sure that 5,000 more working families will finally get the childcare subsidies they need so they can afford to work and raise a family.

This is something that's crucial. We cannot expect families across our great state to be able to go out into the workforce unless they can rely on safe and affordable childcare. So not only is this making sure that our young people in this state have the childcare that they need, but we're also making sure that working families can go out and work at the same time and

not have to worry about childcare needs.

One of the commitments we made, again, in the Independent Democratic Conference is we were going to put forth a full-blown housing program for the State of New York. I'm proud to report there is going to be such a program that's actually going to make sure that we deal with homeless families, making sure they have housing, making sure we deal with victims of the foreclosure crisis. And something that was very near and dear to my heart, because we talked about it for many years, the re-creation of the Mitchell-Lama program.

The Mitchell-Lama program, many of you may know, is I believe the greatest housing program ever in the State of New York. It was a very simple concept, that we were going to supply middle-class housing for a whole range of New Yorkers. I'm proud to report that we're going to reestablish the Mitchell-Lama 2020 program and finally provide housing for New Yorkers around our great state.

The seniors. You know, one of the things we find time and time again, whether it's in my district in Bronx County or wherever we go

in this state, that it's becoming increasingly unaffordable for senior citizens to be able to retire here.

Well, one of the things that I hear all the time as well, and I'm sure my colleagues hear the same, is the high price of prescription drugs. Time and time again I hear from seniors that they would like to be part of our EPIC program, our prescription drug benefit program, but their income level is just a little bit too high, that their Social Security or maybe their pension -- certainly not wealthy individuals -- puts them above the threshold and they can't enjoy savings from this program.

Well, we expanded the EPIC program to really make sure that middle-income seniors as well can take part in this program. We raised the income level to $70,000 for an individual, $100,000 for a married couple. Because I want to tell you something. If you're taking many prescription drugs and you're paying five, six copays -- which many of our seniors do -- that money is dried up very, very quickly. So I'm glad that we're able to do that.

One of the other things that we did,

we made sure especially for the City of New York, and I hope we can expand this statewide, we have a program in the city called SCRIE, Senior Citizen Rent Increase Exemption. It freezes rents for senior citizens, seniors who don't know what they would do if they get a sudden increase in their rent that continues to grow and grow and grow.

Well, again, we expanded the program in the City of New York to a threshold for any senior citizen who makes under $50,000, thus making sure that thousands and thousands of seniors in the City of New York get the help they need and not have to worry about an increase in their rent.

I know we talked about our renters tax credit. We talked about our circuit breaker. I think this is a very important program because over the next two years we're going to spend $170 million just in New York City to make sure that our renters and our homeowners get the relief.

Outside of New York City, I think we put together a property tax relief plan that's second to none, making sure that local

governments and school districts do their part to live within the cap and show that they can even take it one step further, making sure that they can be more efficient, make sure they can make sure their taxpayer dollars are spent wisely and, in return, making sure that taxpayers get a little money back.

Again, I want to thank each and every one of you for your part in this budget. But as I said before, it's a great budget, but I think there's certain things that we can move further on.

You know, I heard a lot tonight from my colleagues about campaign finance reform. It's very easy to talk a good game and not getting anything done. I know I heard from two of our self-proclaimed good-government reformers who never miss an opportunity to demonize the other side, who never missed an opportunity to use every single good-government issue as a political wedge issue.

That's probably why we never got anything done when the Democrats controlled the majority. Because instead of finger pointing -- instead of reaching across the other side of the

aisle to find common ground, negotiate, everything becomes a campaign. That happens seven days a week, each and every day.

Well, I make a commitment today that we can do better. I believe what we voted on today is a good first step, but only a first step. I think what we need to do is make sure we have a robust public campaign finance system, and I think it's something we still can do before the end of session.

While I think it's important to have the pilot program for State Comptroller, I think it's even more important that everyone is covered through a campaign finance reform system with a public match. I think a public finance system will pave the way for that to happen, and I think as an added bonus it will draw a bigger pool of candidates and encourage candidate diversity that truly reflects our state's ever-changing population. In a democracy such as ours, anyone with good ideas and a fighting spirit should have the ability to run for office.

I know it was said before, but I personally want to thank my staff. This is the time of year where you don't know how these

people do it. They run around on a lot of caffeine, a lot of pizza, not many hours of sleep, and they really did a fantastic job.

I want to thank specifically the IDC staff, my chief of staff, our chief of staff, John Emrick; our policy director, Dana Carotenuto; our budget director, Francesc Marti; our counsel, Shelley Andrews; as well as Sarah Bangs, David Frazier, and the entire staff. I mean, the dedication and commitment to public service that you exhibit each and every day I think makes all of us in the Independent Democratic Conference and the Coalition look really good.

I just want to end by saying that I think one of the most important things we did here today is recognize that we have a middle class that we have to continue to protect and nurture. And I think, in closing, I think the middle class, the people who make this state, they are the foundation that supports our communities and sustains our neighborhoods. And I think today we did right by the middle class in New York.

Thank you, Mr. President.

(Applause.)

ACTING PRESIDENT GRIFFO: Thank you, Senator Klein.

Senator Skelos.

SENATOR SKELOS: Thank you, Mr. President.

Before I make my comments, I just received a call from the Governor. He says thank you to everybody for good work, and invites everybody over to his home the Mansion, if you would care to go over I think maybe for a slice of pizza or something.

(Laughter.)

SENATOR SKELOS: Not that we haven't had too much pizza over here in this chamber.

But let me just say that, you know, as all of us discuss things with our constituents and other individuals that we come in contact, the most important thing in their minds is that government functions and you get results. They expect lively debate between Republicans and Democrats, they expect lively debate between people that may be a little bit more conservative and people that may be a little bit more liberal,

but in the end they want us to put party labels aside, work together, and deliver real results that make a positive difference in the lives of the people we represent.

Working with Governor Cuomo, my Co-Leader Jeff Klein, our Assembly colleagues, we have really replaced the dysfunction of the past with a new spirit of bipartisan cooperation. Let's look at the results.

Today we are passing the state's fourth consecutive on-time budget. And I thank all my colleagues for that, and I thank Governor Cuomo for his leadership.

We've enacted a new property tax rebate program that gives hardworking taxpayers more of the relief they need and deserve.

We have provided businesses with the savings they need to create new jobs, like a faster phaseout of the energy tax surcharge and elimination of the tax on manufacturers, which will be a real shot in the arm for the upstate economy.

I know that, listening to the debate today, many of my friends on the other side of the aisle railed again credits. Well, let's look

at probably what's one of the largest credits in New York State. It's the Earned Income Tax Credit. And what that does is it affords a bonus, in a sense, to individuals that are working, not paying taxes, but we're investing a billion dollars a year in these individuals so that they be can be successful and care for their families.

That's a great credit. And what they're looking for is a hand up, not a hand down, and that's why this Earned Income Tax Credit is so critical in this state.

And by reforming the estate tax, we've given farmers the ability to hand down 2800 family farms from one generation to the next. And we'll save money for small businesses who are the backbone of our economy.

Today, again listening to the debate, I heard many individuals vilify the "tax the rich" mantra we hear so often, unfortunately. But when somebody's sick and they have to get world-class medical treatment, I'm glad Ken Langone was successful and we have the Langone Medical Center. And I'm glad that Sandy Weill was successful in his life so we have

Weill Cornell Medical Center.

And if you want world-class cancer treatment, world-class cancer treatment, you go to Sloan-Kettering, where the Koch brothers have contributed a hundred million dollars to that hospital so there can be world-class treatment and there can be world-class research, not just there but in all the institutions that I mentioned.

Listening to my colleagues on the other side, they indicated nobody leaves the state because they're taxed. Well, go to Florida and see where the Golisano Children's Hospital is now. It's not here. It's in Naples. Because he got to the point where he said: No more taxes. I've worked hard, I want to spend my money, I want to contribute to charity, and that's how I want to do.

So he's now in Florida, and Florida is benefiting from his contributions to charities. No estate tax, no income tax.

We know that there's more to do to revitalize the economy in this state, and we're not going to stop until everyone who wants a good job can find one.

This budget also gives our children a strong future. Every student now has the tools that they need to get a first class education.

And Reverend Díaz, you're right about charter schools. They provide opportunity and choice in a public school system so that kids can succeed. And one of the charter schools that was going to be closed, over 90 percent of the children in that school are minorities and 76 percent below the poverty rate, yet those youngsters, with the fifth-grade math exam, fifth-grade math exam, achieved higher than any other school district in the State of New York. So why would you want to ruin that.

Thanks to Senate Republicans, we've taken a major step forward in doing away with the Gap Elimination Adjustment. Every Senate Republican voted no when the Gap Elimination Adjustment was first approved by the Democrat Legislature here -- the Assembly, I think Senator Malcolm Smith was the majority leader at the time -- and Governor Paterson.

This year we're righting a wrong by reducing the GEA by $602 million. That's seven times more than the Assembly proposed and

86 percent higher that what the Governor proposed. We listened, and we're giving our school districts the help they asked for.

Our budget takes meaningful steps to strengthen New York's finances. We've held spending under 2 percent. It's the fourth year in a row we've enacted a low- or no-growth budget. And we're to be congratulated for that, and the Governor for his leadership.

A $10 billion deficit we inherited from the Senate Democrats has been eliminated, and now a surplus exists. You won't read about this budget being balanced with 124 taxes and fees, like the MTA payroll tax or the energy tax.

And I heard some of my good friends indicated about things being discussed behind closed doors. Those are the taxes that were negotiated behind closed doors when you were in the majority, when Speaker Silver was the speaker and David Paterson was the governor.

There's more to do, but our New York has come a long way in four short years. This bipartisan budget will keep New York State moving in the right direction, building and shaping a brighter future for everyone.

I want to start off by thanking Senator DeFrancisco, chair of the Finance Committee, who sat through all those hearings. John, you have the patience of a saint. I'm not going to call you a saint, but you do have the patience of a saint.

I want to thank Beth Garvey, our counsel. She's done a great job her first year. Congratulations, Beth, a great job.

And in particular, I want to thank Robert Mujica. Because Robert Mujica is secretary of the Finance Committee, chief of the of staff, but he takes his responsibility so seriously not just for the Republican Conference, but for every single one of us in this room.

There has never been one person who has come to me and said Robert Mujica has not treated me with respect and has not given me the right information. And that includes Governor Cuomo, who I believe has the utmost respect for Robert.

So, Robert, we thank you for your good work.

(Applause.)

SENATOR SKELOS: Now, they get the

applause. Where's everybody else?

(Laughter.)

SENATOR SKELOS: Our Finance staff, our counsel staff, all of our individual staffs do just a great job. So I thank you all.

(Applause.)

SENATOR SKELOS: We're going to give everyone a short break, and then we'll be back to work on some of our unfinished business, including teacher evaluation, the education investment tax credit, and initiatives to create new jobs across the state.

Have a blessed holiday season, a great break, and be safe.

Thank you, everybody.

(Applause.)

ACTING PRESIDENT GRIFFO: Senator Libous.

SENATOR LIBOUS: Mr. President, is there any further business before the Senate this evening?

ACTING PRESIDENT GRIFFO: There is no further business before the Senate.

SENATOR LIBOUS: There being no further business, I move that the Senate adjourn

until Wednesday, April 23rd, at 3:00 p.m., intervening days being legislative days.

ACTING PRESIDENT GRIFFO: On motion, the Senate stands adjourned until Wednesday, April 23rd, at 3:00 p.m., intervening days being legislative days.

The Senate stands adjourned.

(Whereupon, at 10:49 p.m., the Senate adjourned.)