

1 NEW YORK STATE SENATE

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3
4 THE STENOGRAPHIC RECORD

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8
9 ALBANY, NEW YORK

10 March 31, 2014

11 12:27 p.m.

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13
14 REGULAR SESSION

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18 SENATOR JOSEPH GRIFFO, Acting President

19 FRANCIS W. PATIENCE, Secretary

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

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

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

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

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

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

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

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

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

23 Presentation of petitions.

24 Messages from the Assembly.

25 Messages from the Governor.

1 Reports of standing committees.

2 Reports of select committees.

3 Communications and reports of state
4 officers.

5 Motions and resolutions.

6 Senator Libous.

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

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

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

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

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

23 (Response of "Aye.")

24 ACTING PRESIDENT GRIFFO: Opposed?

25 (No response.)

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

3 Senator Libous.

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

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

12 ACTING PRESIDENT GRIFFO: The
13 Secretary will read.

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

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

1 planning; and

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

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

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

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

1 School's first-ever championship title; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 heart.

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

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

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

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

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

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

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

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

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

1 (Applause.)

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

5 Senator Libous.

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

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

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

15 The Senate stands at ease.

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

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

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

22 Senator Libous.

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

1 Finance Committee at the desk.

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

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

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

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

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

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

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

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

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

25 Senate 6357D, Senate Budget Bill, an

1 act to amend the Highway Law;

2 Senate 6358D, Senate Budget Bill, an

3 act to amend the Education Law;

4 Senate 6359D, Senate Budget Bill, an

5 act to amend the Tax Law;

6 And Senate 6914, Senate Budget Bill,

7 an act to amend the Public Health Law.

8 All bills reported direct to third

9 reading.

10 ACTING PRESIDENT GRIFFO: Senator

11 Libous.

12 SENATOR LIBOUS: Mr. President, I

13 move that we accept the report of the

14 Finance Committee.

15 ACTING PRESIDENT GRIFFO: All in

16 favor of accepting the Committee on Finance

17 report signify by saying aye.

18 (Response of "Aye.")

19 ACTING PRESIDENT GRIFFO: Opposed?

20 (No response.)

21 ACTING PRESIDENT GRIFFO: The

22 Finance Committee report is accepted and before

23 the house.

24 Senator Libous.

25 SENATOR LIBOUS: Mr. President, at

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

3 ACTING PRESIDENT GRIFFO: The
4 Secretary will read.

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

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

13 The Secretary will read.

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

18 SENATOR GIANARIS: Lay it aside.

19 ACTING PRESIDENT GRIFFO: Lay it
20 aside.

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

25 ACTING PRESIDENT GRIFFO: Read the

1 last section.

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

6 ACTING PRESIDENT GRIFFO: Call the
7 roll.

8 (The Secretary called the roll.)

9 THE SECRETARY: Ayes, 59.

10 ACTING PRESIDENT GRIFFO: The bill
11 is passed.

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

16 SENATOR GIANARIS: Lay it aside.

17 ACTING PRESIDENT GRIFFO: Lay it
18 aside.

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

23 SENATOR GIANARIS: Lay it aside.

24 ACTING PRESIDENT GRIFFO: Lay it
25 aside.

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

4 SENATOR GIANARIS: Lay it aside.

5 ACTING PRESIDENT GRIFFO: Lay it
6 aside.

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

10 SENATOR GIANARIS: Lay it aside.

11 ACTING PRESIDENT GRIFFO: Lay it
12 aside.

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

16 SENATOR GIANARIS: Lay it aside.

17 ACTING PRESIDENT GRIFFO: Lay it
18 aside.

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

22 SENATOR GIANARIS: Lay it aside.

23 ACTING PRESIDENT GRIFFO: Lay it
24 aside.

25 THE SECRETARY: Calendar Number

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

3 SENATOR GIANARIS: Lay it aside.

4 ACTING PRESIDENT GRIFFO: Lay it
5 aside.

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

9 SENATOR GIANARIS: Lay it aside.

10 ACTING PRESIDENT GRIFFO: Lay it
11 aside.

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

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

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

19 The Secretary will read.

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

24 SENATOR KRUEGER: Question.

25 ACTING PRESIDENT GRIFFO: Senator

1 Krueger.

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

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The
7 sponsor yields.

8 SENATOR KRUEGER: Thank you.

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

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

23 SENATOR KRUEGER: Thank you.

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

1 SENATOR DeFRANCISCO: Yes.

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

4 SENATOR KRUEGER: Thank you.

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

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

10 SENATOR KRUEGER: So that has been
11 eliminated.

12 SENATOR DeFRANCISCO: Yes.

13 SENATOR KRUEGER: Thank you.

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

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

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

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

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

7 ACTING PRESIDENT GRIFFO: The
8 sponsor yields.

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

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

17 (Laughter.)

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

22 ACTING PRESIDENT GRIFFO: Senator
23 DeFrancisco.

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

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

3 SENATOR DeFRANCISCO: Yes.

4 ACTING PRESIDENT GRIFFO: The
5 sponsor yields.

6 SENATOR KRUEGER: Thank you.

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

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

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

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR KRUEGER: So for the

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

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

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

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

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

25 Through you, Mr. President, if the

1 sponsor would continue to yield.

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

4 SENATOR KRUEGER: Thank you.

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

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

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

1 project the tolls at a certain level."

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

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

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

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

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

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

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

13 ACTING PRESIDENT GRIFFO: The
14 sponsor yields.

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

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

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

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

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

9 ACTING PRESIDENT GRIFFO: The
10 sponsor yields.

11 SENATOR KRUEGER: Thank you.

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

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

25 SENATOR DeFRANCISCO: We'll check

1 it out for you.

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

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

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

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

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

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

6 SENATOR DeFRANCISCO: Yes.

7 ACTING PRESIDENT GRIFFO: The
8 sponsor yields.

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

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

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

25 SENATOR KRUEGER: Through you,

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

3 SENATOR DeFRANCISCO: Yes.

4 ACTING PRESIDENT GRIFFO: The
5 sponsor yields.

6 SENATOR KRUEGER: Thank you.

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

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

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

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

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

1 yield.

2 SENATOR DeFRANCISCO: Yes.

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

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

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

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

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

21 SENATOR DeFRANCISCO: As far as I
22 know.

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

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

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

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

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

19 Senator DeFrancisco, thank you.

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

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

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

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

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

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

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

8 Thank you, Mr. President.

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

11 Senator Hoylman.

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

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

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

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

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

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

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

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

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

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

19 ACTING PRESIDENT GRIFFO: Senator
20 Stavisky.

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

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

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

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

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

16 Thank you.

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

19 Seeing none, the debate is closed.

20 The Secretary will ring the bell.

21 Read the last section.

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

24 ACTING PRESIDENT GRIFFO: Call the
25 roll.

1 (The Secretary called the roll.)

2 ACTING PRESIDENT GRIFFO: Announce
3 the results.

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

8 Absent from voting: Senator
9 Sampson.

10 Ayes, 57. Nays, 3.

11 ACTING PRESIDENT GRIFFO: The bill
12 is passed.

13 The Secretary will read.

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

18 ACTING PRESIDENT GRIFFO: Read the
19 last section.

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

22 SENATOR GIANARIS: Mr. President.

23 ACTING PRESIDENT GRIFFO: Senator
24 Gianaris.

25 SENATOR GIANARIS: I believe

1 Senator Gipson has some questions.

2 ACTING PRESIDENT GRIFFO: Senator
3 Gipson.

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

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

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

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

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

21 Senator Gipson.

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

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

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

5 Also, we have managed to secure --

6 ACTING PRESIDENT GRIFFO:

7 {Gaveling.} Senator Gipson.

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

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

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

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

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

18 SENATOR GIPSON: Yes.

19 ACTING PRESIDENT GRIFFO: Senator
20 Gipson yields.

21 SENATOR BALL: Just --

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

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

4 You may continue on the bill.

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

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

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

25 Again, I just want to point out that

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

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

10 SENATOR GIPSON: Yes.

11 ACTING PRESIDENT GRIFFO: Senator
12 Ball.

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

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

25 SENATOR GIANARIS: Mr. President --

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

3 SENATOR GIANARIS: -- point of
4 order.

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

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

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

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

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

17 Senator Ball, what is your question?

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

21 ACTING PRESIDENT GRIFFO: Senator
22 Gipson.

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

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

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

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

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

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

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

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

10 SENATOR GIPSON: Yes.

11 ACTING PRESIDENT GRIFFO: Senator
12 Ball.

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

21 ACTING PRESIDENT GRIFFO: Senator
22 Gipson.

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

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

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

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

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

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

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

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

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

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

7 Senator Ball does not yield,
8 Senator Gianaris.

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

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

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

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

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

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

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

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

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

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

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

21 SENATOR GIANARIS: -- yield the
22 floor.

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

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

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

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

9 Senator Díaz.

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

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

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

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

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

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

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

25 So, ladies and gentlemen, today I

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

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

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

18 ACTING PRESIDENT GRIFFO: Senator
19 O'Brien.

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

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

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

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

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

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

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

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

1 economy.

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

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

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

24 ACTING PRESIDENT GRIFFO: Senator
25 Libous.

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

9 Thank you, Senator.

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

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

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

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

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

15 Thank you.

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

18 Senator Valesky.

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

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

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

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

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

1 for his personal attention to that as well.

2 Thank you.

3 ACTING PRESIDENT GRIFFO: Senator
4 Espaillat.

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

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

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

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

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

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

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

22 Thank you, Mr. President.

23 ACTING PRESIDENT GRIFFO: Senator
24 Kennedy.

25 SENATOR KENNEDY: Thank you,

1 Mr. President.

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

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

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

25 Child advocacy centers utilize a

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

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

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

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

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

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

8 ACTING PRESIDENT GRIFFO: Senator
9 Squadron.

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

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

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

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

25 These are seemingly small programs

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

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

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

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

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

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

25 So I want to thank Senator Gipson

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

6 ACTING PRESIDENT GRIFFO: Senator
7 Hoylman.

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

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

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

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

25 ACTING PRESIDENT GRIFFO: Senator

1 Savino.

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

4 I also rise to support this bill.

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

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

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

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

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

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

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

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

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

4 Read the last section.

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

7 ACTING PRESIDENT GRIFFO: Call the
8 roll.

9 (The Secretary called the roll.)

10 THE SECRETARY: Ayes, 61.

11 ACTING PRESIDENT GRIFFO: The bill
12 is passed.

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

16 The Secretary will continue to read.

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

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

25 Senator Gipson.

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

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

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

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

25 So the fact that we've put in about

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

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

10 ACTING PRESIDENT GRIFFO: Senator
11 O'Brien.

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

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

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

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

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

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

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

12 Senator Kennedy.

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

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

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

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

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

9 ACTING PRESIDENT GRIFFO: Senator
10 Perkins.

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

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

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

25 I'm not sure how many of you are

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

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

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

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

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

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

1 respected.

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

10 I vote aye.

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

13 Senator Stavisky.

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

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

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

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

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

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

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

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

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

1 time to get a budget done.

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

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

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

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

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

18 SENATOR DeFRANCISCO: Yes.

19 ACTING PRESIDENT GRIFFO: Senator
20 Stavisky.

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

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

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

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

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

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

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

24 SENATOR STAVISKY: How will the
25 allocation --

1 ACTING PRESIDENT GRIFFO: Senator
2 Stavisky.

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

5 ACTING PRESIDENT GRIFFO: The
6 Senator yields.

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

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

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

21 SENATOR DeFRANCISCO: Yes.

22 ACTING PRESIDENT GRIFFO: The
23 Senator yields.

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

1 capital needs are going to be.

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

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

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

14 SENATOR DeFRANCISCO: Yes.

15 ACTING PRESIDENT GRIFFO: The
16 Senator yields.

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

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

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

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

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

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

13 ACTING PRESIDENT GRIFFO: The
14 Senator yields.

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

18 I'll yield.

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

21 (Laughter.)

22 SENATOR DeFRANCISCO: Yes.

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

25 SENATOR DeFRANCISCO: Yes.

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

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

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

16 SENATOR STAVISKY: Sure.

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

25 And we put it together, we gave all

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

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

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

14 ACTING PRESIDENT GRIFFO: Senator
15 Stavisky.

16 SENATOR STAVISKY: Thank you.

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

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

23 SENATOR STAVISKY: If the Senator
24 would --

25 ACTING PRESIDENT GRIFFO: The

1 Senator yields, Senator Stavisky.

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

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

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

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

20 ACTING PRESIDENT GRIFFO: The
21 Senator yields.

22 SENATOR DeFRANCISCO: My sandwich
23 is getting stale.

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

1 sandwich.

2 (Laughter.)

3 SENATOR STAVISKY: Really the last
4 question.

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

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

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

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

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

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

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

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

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

21 Senator Bonacic.

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

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

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

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

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

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

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

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

5 ACTING PRESIDENT GRIFFO: Senator
6 Serrano.

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

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

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

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

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

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

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

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

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

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

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

6 I will vote yes. Thank you.

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

9 Senator Smith.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 Thank you, Mr. President.

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

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

10 Read the last section.

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

13 ACTING PRESIDENT GRIFFO: Call the
14 roll.

15 (The Secretary called the roll.)

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

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

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

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

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

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

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

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

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

20 Senator Parker to explain his vote.

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

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

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

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

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

16 Thank you.

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

19 Announce the results.

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

22 ACTING PRESIDENT GRIFFO: The bill
23 is passed.

24 SENATOR LIBOUS: Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 Libous.

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

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

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

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

13 The Secretary will read.

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

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

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

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

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

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

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

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

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

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

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

1 with public comment and review.

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

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

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

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

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

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

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

24 Thank you.

25 ACTING PRESIDENT GRIFFO: Thank

1 you, Senator Tkaczyk.

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

4 (Response of "Aye.")

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

7 ACTING PRESIDENT GRIFFO: Opposed?

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

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

14 Announce the results.

15 THE SECRETARY: Ayes, 30.

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

18 Senator Gianaris, why do you rise?

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

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

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

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

5 SENATOR GIANARIS: That was the
6 last bill.

7 (Laughter.)

8 ACTING PRESIDENT GRIFFO: Senator
9 Gipson.

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

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

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

1 We need to incentivize small business growth.

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

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

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

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

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

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

7 Senator Gianaris.

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

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

14 Announce the results.

15 THE SECRETARY: Ayes, 26.

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

18 Senator Krueger on the bill before
19 the house.

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

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

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

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

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

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

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

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

6 Senator Krueger.

7 SENATOR KRUEGER: Thank you.

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

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

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

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

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

12 Thank you, Mr. President.

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

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

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

19 Read the last section.

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

22 ACTING PRESIDENT GRIFFO: Call the
23 roll.

24 (The Secretary called the roll.)

25 ACTING PRESIDENT GRIFFO: Senator

1 Kennedy to explain his vote.

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

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

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

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

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

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

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

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

17 Senator Kennedy.

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

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

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

9 Mr. President, I vote aye.

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

12 Senator Gipson to explain his vote.

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

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

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

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

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

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

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

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

22 Announce the results.

23 THE SECRETARY: Ayes, 61.

24 ACTING PRESIDENT GRIFFO: The bill
25 is passed.

1 The Secretary will continue to read.

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

5 SENATOR GIANARIS: Explanation,
6 please.

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

10 Senator DeFrancisco.

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

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

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

22 SENATOR RIVERA: A point of
23 clarification.

24 ACTING PRESIDENT GRIFFO: Point of
25 information?

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

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

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

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

10 (Laughter.)

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

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

15 SENATOR GIANARIS: Yes,
16 Mr. President.

17 ACTING PRESIDENT GRIFFO: Senator
18 Hoylman.

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

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

23 SENATOR HOYLMAN: On the bill, sir.

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

1 SENATOR HOYLMAN: I was getting to
2 that.

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

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

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

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

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

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

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

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

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

20 Read the last section.

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

23 ACTING PRESIDENT GRIFFO: Call the
24 roll.

25 (The Secretary called the roll.)

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

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

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

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

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

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

9 Thank you very much. I vote aye.

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

12 Announce the results.

13 THE SECRETARY: Ayes, 61.

14 ACTING PRESIDENT GRIFFO: The bill
15 is passed.

16 The Secretary will read.

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

20 ACTING PRESIDENT GRIFFO: Senator
21 Krueger.

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

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

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

3 SENATOR KRUEGER: Thank you.

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

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

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

10 (Laughter.)

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

13 SENATOR DeFRANCISCO: Thank you.

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

16 ACTING PRESIDENT GRIFFO: Senator
17 Krueger.

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

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

1 based in this budget we're voting for?

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

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

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

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

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

14 ACTING PRESIDENT GRIFFO: Senator
15 DeFrancisco.

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

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

24 ACTING PRESIDENT GRIFFO: The
25 sponsor yields.

1 SENATOR KRUEGER: Thank you.

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

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

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

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

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

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

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

15 SENATOR DeFRANCISCO: Yes, I would.

16 ACTING PRESIDENT GRIFFO: The
17 sponsor yields.

18 SENATOR KRUEGER: Thank you.

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

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

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

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

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The
12 sponsor yields.

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

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

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

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

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

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

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

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

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

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

8 SENATOR DeFRANCISCO: Yes.

9 ACTING PRESIDENT GRIFFO: The
10 sponsor yields.

11 SENATOR KRUEGER: Thank you.

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

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

23 SENATOR DeFRANCISCO: Yes, I can.

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

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

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

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

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

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

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

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

17 SENATOR DeFRANCISCO: Yes.

18 ACTING PRESIDENT GRIFFO: The
19 sponsor yields.

20 SENATOR KRUEGER: Thank you.

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

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

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

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

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

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR KRUEGER: So I think I'm

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

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

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

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

25 So I'm wondering why, given there

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

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

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

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

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

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

12 SENATOR DeFRANCISCO: Yes.

13 ACTING PRESIDENT GRIFFO: The
14 sponsor yields.

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

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

1 taxes relative to their income.

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

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

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

24 SENATOR KRUEGER: We agreed then.

25 SENATOR DeFRANCISCO: And we

1 agreed.

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

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

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

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

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

1 (Laughter.)

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

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

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

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

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

1 think that's a great idea, Senator?

2 SENATOR DeFRANCISCO: Mr.

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

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

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

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

25 SENATOR DeFRANCISCO: Yes.

1 ACTING PRESIDENT GRIFFO: The
2 sponsor yields.

3 SENATOR KRUEGER: Thank you.

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

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

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

17 SENATOR KRUEGER: Thank you.

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

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

1 entire state.

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

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

13 SENATOR DeFRANCISCO: That is
14 correct.

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

17 ACTING PRESIDENT GRIFFO: Senator
18 Krueger.

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

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

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

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

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

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

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

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

1 encouraged to come in?

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

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

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

1 substantial.

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

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

9 SENATOR DeFRANCISCO: Yes.

10 ACTING PRESIDENT GRIFFO: The
11 sponsor yields.

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

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

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

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

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

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

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

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

4 SENATOR DeFRANCISCO: Yes.

5 ACTING PRESIDENT GRIFFO: The
6 sponsor yields.

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

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

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

1 climate around the State of New York.

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

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The
7 sponsor yields.

8 SENATOR KRUEGER: Thank you.

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

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

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

1 answer.

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

5 Could you just repeat that, Senator?

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

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

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

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

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

25 ACTING PRESIDENT GRIFFO: Senator

1 Krueger on the bill.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 ACTING PRESIDENT GRIFFO: Senator
8 Squadron.

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

11 SENATOR DeFRANCISCO: Yes.

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

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

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

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

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

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

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

16 ACTING PRESIDENT GRIFFO: The
17 sponsor yields.

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

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

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

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

5 SENATOR DeFRANCISCO: Yes.

6 ACTING PRESIDENT GRIFFO: The
7 sponsor yields.

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

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

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

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

1 the sponsor's intent as well.

2 SENATOR DeFRANCISCO: May I
3 interrupt a moment?

4 ACTING PRESIDENT GRIFFO: Senator
5 DeFrancisco.

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

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

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

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

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

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

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

9 If the sponsor would continue to
10 yield.

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

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

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

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

1 ACTING PRESIDENT GRIFFO: The
2 sponsor yields.

3 SENATOR DeFRANCISCO: Meaning not
4 including the subsidy.

5 Yes, I will continue to yield.

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

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

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

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

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

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

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

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

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

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

17 SENATOR DeFRANCISCO: Yes.

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

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

1 doesn't pay property tax.

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

9 SENATOR DeFRANCISCO: Right.

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

14 And you said 30 percent? Of what?

15 SENATOR SQUADRON: Thirty percent
16 of their income.

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

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

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

3 SENATOR DeFRANCISCO: Yes.

4 ACTING PRESIDENT GRIFFO: The
5 sponsor yields.

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

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

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

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

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

6 SENATOR DeFRANCISCO: Yes.

7 ACTING PRESIDENT GRIFFO: The
8 sponsor yields.

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

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

24 SENATOR SQUADRON: Thank you.

25 On the bill.

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

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

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

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

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

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

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

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

1 money.

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

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

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

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

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

8 Thank you, Mr. President.

9 ACTING PRESIDENT GRIFFO: Senator
10 Hoylman.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 Thank you.

13 ACTING PRESIDENT GRIFFO: Senator
14 Sanders.

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

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

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

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

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

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

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

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

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

4 Thank you very much, Mr. President.

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

7 Senator Gipson.

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

10 ACTING PRESIDENT GRIFFO: Senator
11 Gipson on the bill.

12 SENATOR GIPSON: I can remember a
13 time as a business owner when it seemed like
14 New York State knew nothing more than to try to
15 come up with creative ways to tax business
16 owners, to tax property owners. But over the
17 last four or five years, this body, working in a
18 bipartisan fashion, really has begun to take the
19 issue of tax relief seriously.

20 And you're beginning to see the
21 results of that over and over again. And this
22 bill demonstrates even further how committed we
23 all are to bringing tax relief to our various
24 communities. The fact that we now have a zero
25 percent manufacturing tax statewide is

1 phenomenal.

2 In my district alone, it will bring
3 an enormous amount of jobs, it will bring an
4 enormous amount of revenue, and it will encourage
5 those who have good ideas about designing
6 creative products and services that will lead to
7 creating even more jobs, it will encourage them
8 to come to New York State. And hopefully it will
9 encourage them to come to my district in Dutchess
10 and Putnam County, which was originally left out
11 of this proposal.

12 But again, in working with the
13 Governor's office and the other members of this
14 body on both sides of the aisle, we have come
15 together with a really good idea that is going to
16 drive this state forward and make it competitive
17 with all the other states, and I am very excited
18 about this.

19 I also want to commend this body in
20 providing \$1.5 billion in property tax relief.
21 This is going to build the foundation, the
22 foundation that we have needed for so long to
23 begin the real discussion, which is changing the
24 way that we fund our public education system.
25 Now that we have this foundation of solid

1 property tax relief, we can begin to really deal
2 with the very complex issue of changing the way
3 we fund public education to try to find a way to
4 get it off of the backs of the property owners.
5 And that's when we will achieve significant,
6 significant property tax relief here in New York
7 State.

8 I'm very excited about the
9 opportunities this bill brings to my district and
10 to New York State, and I look forward to
11 continuing to work with my colleagues on both
12 sides of the aisle to move in this direction.
13 And I am be voting yes.

14 ACTING PRESIDENT GRIFFO: Senator
15 Parker.

16 SENATOR PARKER: Thank you,
17 Mr. President. On the bill.

18 ACTING PRESIDENT GRIFFO: Senator
19 Parker on the bill.

20 SENATOR PARKER: First, let me
21 again congratulate the members of both the Senate
22 and the Assembly for the hard work that was done
23 on this budget. Putting together a \$143 billion
24 package of priorities is not an easy task,
25 particularly trying to figure out to pay for it

1 all. I am catching heck trying to figure out how
2 I'd do it on far less every month. So I do have
3 an appreciation for the process that it takes to
4 get here.

5 However, I am somewhat critical, I
6 think, of what we've done from a revenue
7 perspective in the State of New York, and I
8 certainly think that we can do better. I stand
9 to rise to add my voice to the chorus of my
10 colleagues who are getting up and talking about
11 things about, you know, protecting tenants, about
12 the estate tax, but certainly want to associate
13 myself with the comments that Senator Krueger
14 made when she talked about the fact that we are
15 doing so much for the richest New Yorkers in the
16 state. We certainly shouldn't be penalizing
17 people just because they're rich, but those folks
18 who have more certainly have an obligation to
19 contribute more. And that's not the value system
20 that we've set up vis-a-vis this budget that we
21 are voting on today.

22 And certainly let me also just
23 comment that we are doing a better job than the
24 Executive Budget first proposed. The Governor
25 initially proposed a \$350 million cash giveaway

1 to banks and to rich people across the state, and
2 that's been modified significantly. But we
3 certainly don't go far enough to make sure that
4 we have a budget that is balanced in a way that
5 in fact makes sure that people who have the most
6 pay the most and those who have the least, you
7 know, are relieved of some of the burden of
8 having to maintain the costs of the state.

9 In particular, I think that we ought
10 to look at some things that are innovative. I
11 mean, I think that if we want to help businesses
12 that we really ought to be looking at the
13 businesses that employ the most kinds of people.
14 Right? So, I mean, most of us talk about
15 business in the context of employment and we
16 assume that the larger the employer, the more
17 people they employ. And that's in fact not in
18 fact the case.

19 That when we look at where people
20 are employed in the State of New York, as is
21 around the country, it is small and mostly
22 microbusinesses that in fact are doing the vast
23 majority of that employment. But we do nothing
24 in this budget to help microbusinesses for their
25 tax burden, nor do we do anything really to help

1 small businesses in their tax burden.

2 But if you're a large corporation
3 who really doesn't employ as many people and, you
4 know, making most of the profits, you get the
5 most help. It's really not a -- you know, this
6 is not a common-sense approach to how we ought to
7 be doing budgeting in the State of New York. We
8 certainly ought to be looking at ways to help
9 micro- and small businesses much more from their
10 tax burden and their healthcare burden and some
11 of the regulatory burdens that they have so that
12 they can in fact not just do more business but
13 continue the pattern that they already have of
14 employing our constituents and making sure that
15 the tax bases in our communities remain strong.

16 Also I want to comment on the stock
17 transfer tax. And some of you who have been here
18 for a minute know that this is my favorite tax if
19 you've got to have a tax. I actually think we
20 ought to raise the stock transfer tax and just
21 collect that and just get rid of all other taxes,
22 is really my proposal. But we'll get to that in
23 later budgets.

24 Before I go to the stock transfer
25 tax, though, Mr. President, one of the things

1 that we could do, Mr. President, is that we
2 really could spend some time looking at every tax
3 break we give to large corporations. And if we
4 eliminate those tax breaks to large corporations,
5 we actually could take the pool of money that we
6 spend with these large tax breaks and these
7 schemes to put, you know, businesses here and
8 businesses there, and lower everybody's taxes,
9 including micro, small and corporate taxes across
10 the board. Right?

11 Instead of just figuring out
12 targeted here, targeted here, just get rid of all
13 of the specialties, how much that money is. You
14 know, so figure out how many billions of dollars
15 in breaks that we're giving for all these various
16 categories. Eliminate all the categories and
17 say, look, there's no special interest, there's
18 no special interest that's going to get a special
19 tax break because, you know, you're a left-handed
20 person living in Brooklyn on this street. You
21 know, like we have ridiculous things like that on
22 the books. Get rid of all of that and just lower
23 everybody's taxes. Right? It would be a much
24 easier way to simplify the tax code and certainly
25 I think get us to a place that we have a

1 common-sense tax approach.

2 But as relates to the stock transfer
3 tax, the Governor was going to get rid of it. I
4 thought that was a bad idea; I did mention that
5 during the Senate budget resolution debate. I'm
6 glad to see that we have not taken it off the
7 books. But we're still not collecting any of it.

8 So again, as I have said before, you
9 know, you're talking about somewhere between
10 \$16 billion to \$18 billion that we would have
11 collected from the stock transfer tax. This is a
12 tax that is about a cent and a half per
13 transaction that maxes out at \$150 dollar per any
14 one transaction. So if you're buying a trillion
15 shares, it's still not more than \$150. Right?

16 And then the beauty of it is
17 95 percent of the people who are paying the tax
18 don't live in the State of New York.

19 The other piece is that every other
20 major exchange in the world has a sales tax that
21 looks similar to the stock transfer tax. They
22 may call it something else, but it actually works
23 in the same way.

24 And some might say, well, the moment
25 you do it, everybody's going to run to Jersey or

1 everybody's going to do everything online.
2 That's not true. Because people are not doing it
3 in other places.

4 And the moment that you send it to
5 Jersey, you know what? The day after, Jersey is
6 going to have a stock transfer tax. And they'll
7 be getting the revenue that we should be
8 collecting here in the State of New York.

9 And again, I'm not saying that we
10 should go back and collect the whole \$16 billion
11 to \$18 billion. But a Nobel laureate economist
12 has said that if you collect 20 percent of it,
13 which would be approximately \$3 billion, we could
14 do that and we'd have a very, very minimal effect
15 on the exchange.

16 And so, you know, what could we
17 possibly do with \$3 billion? There's plenty of
18 things that we'd like to see done as relates to
19 education, healthcare, affordable housing, public
20 protection, transportation that certainly could
21 get done if we had -- you know, debt reduction;
22 you know, mandate relief -- if we just had that
23 extra money that we're now forgoing,
24 inexplicably, in our budget.

25 And so because of the ways that I

1 think that we are not in fact handling our
2 revenues, Mr. President, as efficiently and
3 effective and in the common-sense way that I
4 think we could, I'll be voting no on this
5 section.

6 Thank you.

7 ACTING PRESIDENT GRIFFO: Senator
8 Stavisky.

9 SENATOR STAVISKY: Thank you,
10 Mr. President. If the sponsor would yield.

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: Senator
13 DeFrancisco yields.

14 SENATOR STAVISKY: My question
15 concerns the enhanced real property tax circuit
16 breaker. Regrettably, my income is under
17 \$200,000 a year, but on the other hand, I happen
18 to be a shareholder in a co-op. How would I
19 benefit from the circuit breaker?

20 SENATOR DeFRANCISCO: Mr.
21 President, you're under \$200,000 but you have
22 income from a co-op? Are you asking whether that
23 co-op income is added to the 200,000?

24 SENATOR STAVISKY: No, no, no, no.
25 No, no. My question is my income is under

1 \$200,000 a year. So I would benefit presumably
2 from the circuit breaker as a shareholder in a
3 co-op.

4 SENATOR DeFRANCISCO: It's my
5 understanding that there's a tax for the co-op as
6 whole, correct? And they apportion the tax
7 benefit based upon, I believe, the values of the
8 property or the taxes -- of how many residents
9 there are, how many units, and they prorate it.

10 SENATOR STAVISKY: And if I may --
11 then let me rephrase my question. The answer is
12 yes, toward the end of the tax year we do get a
13 statement on what part of our maintenance and
14 whatever -- because obviously we own shares in a
15 corporation. A shareholder in a co-op does not
16 own the property itself, simply shares in the
17 corporation.

18 But how would I benefit on my
19 personal income tax filing from this circuit
20 breaker? Or would I benefit?

21 SENATOR DeFRANCISCO: I don't know
22 if I can answer it any better. There's a tax --
23 if the tax increase for the whole co-op is
24 1 percent and it's under -- no, you don't have to
25 be under. Circuit breaker.

1 So whatever the tax increase is,
2 there would have to be a proration of what you're
3 entitled to. If there's a hundred members of the
4 co-op, I would imagine you'd get a one-hundredth
5 of the benefit. You get credited to have paid
6 one-hundredth of the tax, and then you make the
7 circuit breaker calculation based upon that tax.

8 SENATOR STAVISKY: If the Senator
9 would continue to yield.

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The
12 sponsor yields.

13 SENATOR STAVISKY: In that section
14 of the revenue bill that deals with the circuit
15 breaker, it's part -- it looks like K.

16 SENATOR DeFRANCISCO: Okay.

17 SENATOR STAVISKY: In line 33, it
18 appears that I would have to claim this circuit
19 breaker on my personal income tax. Is that the
20 way it would work?

21 SENATOR DeFRANCISCO: Yes.

22 The report would be based upon your
23 pro rata share of the tax, and then you would
24 report it on your tax return.

25 SENATOR STAVISKY: And we have no

1 idea what that benefit would be.

2 SENATOR DeFRANCISCO: We don't
3 know. It depends upon the amount of the tax and
4 what your share of that tax would be.

5 You will, once you get your
6 statement from the co-op saying what your portion
7 of the tax would be, sure.

8 SENATOR STAVISKY: If the Senator
9 would yield to a last question.

10 SENATOR DeFRANCISCO: Sure.

11 ACTING PRESIDENT GRIFFO: The
12 Senator yields.

13 SENATOR STAVISKY: How is this
14 circuit breaker going to be implemented? Are
15 there going to be rules from one of the agencies
16 or from city or state?

17 SENATOR DeFRANCISCO: I'm informed
18 that there's currently a circuit breaker in
19 New York City.

20 SENATOR STAVISKY: For renters.

21 SENATOR DeFRANCISCO: Well, it's
22 done precisely the way that the current circuit
23 breaker that's in existence is computed. Now, I
24 don't know that what is because we don't have a
25 circuit breaker upstate.

1 SENATOR STAVISKY: All right, thank
2 you, Mr. President. On the bill very briefly.

3 ACTING PRESIDENT GRIFFO: Senator
4 Stavisky on the bill.

5 SENATOR STAVISKY: This highlights
6 the needs of co-op and condo shareholders and
7 unit owners. Because while the figure of
8 15.75 percent of a renter's income theoretically
9 goes for property tax, and homeowners in New York
10 City are capped at 6 percent, it's the co-op and
11 the shareholder that really suffer. And we pay a
12 disproportionate share of the property tax.

13 And the resolution of this
14 difficulty should not really be in the
15 State Senate, but in the City, where they have a
16 classification system. And that's what's at
17 fault with the whole system of property taxes for
18 co-ops and condos. It's the way the taxes are
19 calculated, based upon the classification system,
20 that really cries out for change. And I hope in
21 the future that legislation in the state can be
22 developed so that this inequity can be resolved.

23 Thank you. I will be voting for
24 this bill.

25 ACTING PRESIDENT GRIFFO: Senator

1 Nozzolio.

2 SENATOR NOZZOLIO: Mr. President,
3 on the bill.

4 ACTING PRESIDENT GRIFFO: Senator
5 Nozzolio on the bill.

6 SENATOR NOZZOLIO: Thank you,
7 Mr. President.

8 Mr. President and my colleagues, I
9 fully support this measure and rise to indicate
10 that I believe it's critically important if
11 New York is to be competitive ever again with
12 other states.

13 That I hadn't intended to speak, but
14 when hearing a discussion of academic studies
15 that say or that are quoted as saying that tax
16 policy doesn't motivate individuals into
17 behavior, particularly leaving a state, I just
18 had to rise and voice a concern that I've had for
19 many years.

20 Students often ask me,
21 Mr. President, those who wish to enter public
22 service, what course of study would I recommend
23 they participate in. Should they engage in
24 studies involving government, should they study
25 political science? Those are the typical

1 questions that young people entering into college
2 and want to enter into public service often ask.

3 Well, my answer to them is clear,
4 it's direct, and it bears no relationship to any
5 of those subjects, however they may be
6 interesting. A person involved in public service
7 should be schooled in economics. Because every
8 economic decision we have has a direct impact on
9 the people that are served.

10 And that it's clear to me, in
11 hearing some of the debate, that some of our
12 colleagues could benefit from the experience of
13 learning basic economics. Basic economics which
14 would indicate that there are causes and effects,
15 that policies do matter, and that one only need
16 to do the math presented to us from the Census
17 Bureau that shows New York State first was the
18 largest state in this country, the largest of the
19 50 states, we were the Empire State, but we've
20 lost our status as number one, we've lost our
21 status as the second-largest state. We are now
22 the third-largest state, and we are very close to
23 being overtaken in population by other states.

24 And all the so-called economic
25 theories that are being quoted for some reason

1 must be missing the fact that people are
2 migrating from New York to other states because
3 the taxes are too high in New York State. The
4 property taxes, the business taxes, the taxes
5 that you pay when you have to leave this earth
6 are too high.

7 And it's not just the rich that
8 you're talking about that are impacted by the
9 estate tax. Go up and down the district that I
10 have the honor of representing and talk to some
11 of the farmers whose large capitalization
12 requirements to run an average farm are causing
13 serious questions as to whether or not they can
14 pass the farm along to their family because of
15 the large estate tax.

16 Mr. President and my colleagues, I
17 don't want to belabor this, but I do believe it's
18 so important. New York has to return to a place
19 of competitiveness. This measure puts us on the
20 right track. These tax cuts put us in the right
21 direction. And, Mr. President, they're well
22 deserving of our support. We want to become the
23 Empire State once again. We need to be more
24 competitive. That's why this is important.

25 Thank you, Mr. President.

1 ACTING PRESIDENT GRIFFO: Seeing
2 and hearing no other Senator -- Senator Rivera.

3 SENATOR RIVERA: Thank you,
4 Mr. President. Just something quick.

5 I actually would like to commend
6 Senator Nozzolio, because he actually pointed out
7 something that I only became aware of when
8 farmers that don't live in my district and might
9 live in yours came to my office and actually told
10 me about this particular issue.

11 And one thing that I told them was
12 that it was not something I was aware of as it
13 relates to estate taxes and, second, that it
14 would be a good idea, as my good colleague
15 Senator Smith has said before, to actually take
16 that notion and try to put it into the discussion
17 of whether, when we're talking about estate
18 taxes, whether there's a way to actually take
19 farmers and particular situations with farmers
20 and take them out of that.

21 And so I would say that I would give
22 him the credit that that is a good point.
23 However, as opposed to trying to take those
24 particular individuals and trying to take them
25 out of this consideration, Mr. President, instead

1 we're saying that because it will impact this
2 small number of farmers that we shouldn't
3 implement it at all.

4 And when we're talking about, as a
5 lot of my colleagues have already pointed out,
6 the extreme inequality that exists in this
7 state -- and yes, Senator Nozzolio, many people
8 are leaving the state. I would argue that many
9 people are leaving the state -- certainly they're
10 hard-pressed in the Bronx, where the median
11 income for my district is \$25,000 a year in 2014
12 in the City of New York. And these are folks
13 that make the city work. They are the working
14 men and women that actually make the city run and
15 certainly provide so much economic activity in
16 the State of New York.

17 So I would say that it is one of the
18 things that we should consider when we're talking
19 about this tax policy. But overall, I think the
20 points have been made amply by all my colleagues
21 that unfortunately this particular revenue bill
22 does not take into account how tax breaks or the
23 impact of taxes must be -- we must take into
24 account what this has on our revenue, what impact
25 does it have on our revenue, and, most

1 importantly, the impact that it has on the
2 majority of the people in the state. And
3 certainly the folks that I represent in my
4 district I don't believe are well served by this
5 particular budget bill at all.

6 So although I have voted in the
7 affirmative on the other budget bills, I have to
8 say as it relates to revenue I am in agreement
9 with a lot of my colleagues on this side. And
10 even though I'm in agreement on one point with
11 Senator Nozzolio, I must vote in the negative on
12 this bill.

13 Thank you, Mr. President.

14 ACTING PRESIDENT GRIFFO: Hearing
15 and seeing no other Senator who wishes to be
16 heard, debate is closed.

17 The Secretary will ring the bell.

18 Read the last section.

19 THE SECRETARY: Section 3. This
20 act shall take effect immediately.

21 ACTING PRESIDENT GRIFFO: Call the
22 roll.

23 (The Secretary called the roll.)

24 ACTING PRESIDENT GRIFFO: Senator
25 Young to explain her vote.

1 SENATOR YOUNG: Thank you,
2 Mr. President, to explain my vote.

3 It's always interesting to hear the
4 exchange of ideas that we hear during the debate
5 in this great chamber. However, I do want to
6 point out the statement that people don't leave
7 because of the tax burden is one that I strongly
8 disagree with.

9 And I don't have to see a study to
10 know that people have fled this state, jobs have
11 left this state, companies have left this state
12 because of the heavy tax burden.

13 And that's why this budget is so
14 great. People are suffering in New York State.
15 Seniors are suffering, families are suffering,
16 homeowners are suffering, businesses are
17 suffering because of the tax burden. This budget
18 bill helps to turn that situation around. It
19 will save jobs, it will help grow jobs, and it's
20 a step, a major step in the right direction.

21 So I'm proud to stand up today to
22 commend everyone who worked so hard to make this
23 progress. This is truly great for the people of
24 New York State and our economy. And I will be
25 proudly voting aye.

1 Thank you, Mr. President.

2 ACTING PRESIDENT GRIFFO: Senator
3 Young to be recorded in the affirmative.

4 Senator Parker to explain his vote.

5 SENATOR PARKER: Thank you,
6 Mr. President, to explain my vote.

7 I'm voting no, but I think there's
8 actually more agreement in this chamber than the
9 recent dialogue is indicating. I think the
10 members of the Democratic Conference certainly
11 think there ought to be tax reform, certainly
12 there ought to be some tax relief, there ought to
13 be mandate relief. We all agree with those.
14 Those are core principles of our conference.

15 However, we can't start from the
16 top. Right? I think, you know, we're kind of
17 like, you know, we want to start from the bottom
18 and then wind up here, right, where we let
19 everybody share in it.

20 This budget in fact does not do
21 that. When we look at and when we talk about
22 economics -- and I know people don't want to see
23 studies. But unless somebody here has a degree
24 in economics and has been around the state
25 collecting the aggregate data, at some point we

1 actually have to look at the professionals that
2 have looked at this.

3 And when the professionals look at
4 this, what they say is in fact, one, taxes are
5 not what drives people out of state. And I know
6 that our upstate economy is not doing as well as
7 it should be, but that's because of years of
8 benign neglect, frankly, by the state, at times
9 when we did not manage the outpouring of
10 manufacturing jobs and agriculture jobs from
11 upstate, our underutilization of SUNY as a
12 primary resource. All things that we're now
13 turning around.

14 But, you know, when we look at why
15 people have left, the tax burden certainly wasn't
16 there.

17 And certainly when we talk about the
18 tax burden, you cannot say that normal everyday
19 people left and they had a problem with tax
20 burden, but then so we're going to give all the
21 money back to large corporations and giving it to
22 large corporations is going to bring back regular
23 people. It just is a mismatch there in terms of
24 what we are saying the analysis is and where we
25 ought to be going.

1 And so I vote no on this. I'm
2 hoping that we do better as we go forward as
3 relates to our revenue.

4 ACTING PRESIDENT GRIFFO: Thank
5 you, Senator Parker.

6 Senator Parker to be recorded in the
7 negative.

8 I want to remind all members that
9 there will be a two-minute explanation allowed on
10 the explanation of votes.

11 Senator Espaillat to explain his
12 vote.

13 SENATOR ESPAILLAT: Thank you,
14 Mr. President.

15 I join Senator Parker in voting in
16 the negative on this bill.

17 Some of the factors that are
18 considered when someone leaves the state are
19 things like public safety. We can all agree that
20 someone will leave a neighborhood or the state if
21 they felt that their community was not a safe
22 community.

23 Another factor that can drive a
24 family out of a state is the fact that there is a
25 poor equality of education for their children.

1 In fact, when people buy homes in a particular
2 neighborhood, two of the factors that they look
3 at are safety -- nobody wants their house broken
4 into in the middle of the night -- and the
5 quality of education you have for your children.
6 And the taxes that you pay, the real estate taxes
7 that you pay, you would like for them to go
8 towards a good quality of education for your
9 children.

10 So if these services are impacted by
11 any budget, if we have a model that is reversed
12 that is not a progressive tax reform model, then
13 we will have certainly a reduction in services
14 that are vital for families to stay in this
15 state.

16 I don't think the rich will leave,
17 you know, the cultural center of New York City.
18 I don't think that they will leave the
19 Metropolitan Opera House or the Metropolitan
20 Museum of Art or the Guggenheim. I think that
21 they like to be in New York City and they like to
22 be in Manhattan because it provides all of these
23 amenities.

24 So to say that people will run in
25 droves out of the state because of our taxes I

1 think is mistaken. I think they will leave our
2 state if our services are deplorable, if they are
3 so bad that their families can no longer stay
4 here. I remember my brother and sister left the
5 state in the '70s when crime was really --

6 ACTING PRESIDENT GRIFFO: Senator
7 Espaillat, how do you record your vote?

8 SENATOR ESPAILLAT: I vote in the
9 negative, Mr. President.

10 ACTING PRESIDENT GRIFFO: Senator
11 Espaillat to be recorded in the negative.

12 Senator Marchione to explain her
13 vote.

14 SENATOR MARCHIONE: Thank you,
15 Mr. President. I rise to --

16 SENATOR LIBOUS: Mr. President, can
17 we have some order in the chamber please.

18 SENATOR MARCHIONE: Thank you. I
19 rise to explain my vote.

20 You know, in the State of New York
21 farming is still the number-one industry. And in
22 my district, it's the number-one industry. And
23 when you look around and the age, the average age
24 of the person who are owning farms now is 57 or
25 58 years old, and their equipment and their land

1 and their buildings, everything you need to run a
2 farm is so expensive. But they're not cash-rich.
3 And you say when the farmer dies it's \$1 million,
4 and you have to pay 16 percent after that, that's
5 absolutely ridiculous.

6 We are losing our family farms.
7 This is an absolute necessity. You talk about
8 the very rich. What about our family farmers?
9 What about the businesses that help feed each and
10 every one of us in this room? What about the
11 extra work they do, how it's a family farm, a
12 family business? And we're looking at those
13 people and saying, well, because someone in
14 New York City is very rich and we don't want to
15 start with people who are very rich, what about
16 the farmers? What about the people who live in
17 our districts?

18 It's critically important that this
19 piece of legislation go through. You know,
20 manufacturing as well, you talk about we're not
21 successful upstate? You're absolutely right. We
22 need help. And manufacturing taxes that will go
23 down or become eliminated is a huge help to those
24 of us who don't live downstate.

25 This is a terrific bill. I

1 compliment all of those who worked on it, and my
2 vote will be aye.

3 ACTING PRESIDENT GRIFFO: Senator
4 Marchione to be recorded in the affirmative.

5 Senator O'Mara to explain his vote.

6 SENATOR O'MARA: Well, I could just
7 say "What she said" --

8 (Laughter.)

9 SENATOR O'MARA: -- because that
10 pretty well sums it up.

11 But I think this bill clearly
12 focuses on the two most important industries in
13 our state, agriculture and manufacturing. It's
14 what everything else is built off of.

15 Manufacturing, adding value to our
16 economy, creating good-paying jobs with good
17 benefits. The manufacturing jobs that are
18 created in this state are the very best of jobs
19 that we have. This legislation, in providing
20 this broad-based tax support to the manufacturing
21 industry, is going to help create opportunity for
22 everyone in this state to earn a living on their
23 own and not be supported by the state.

24 It's going to enable, with the
25 inheritance tax, our family farms to be able to

1 hand their farm down to the next generation,
2 which is critically important to our agricultural
3 community. As well as the initiatives that we
4 have in this budget for young farmers and
5 beginning farmers, to help improve that, we are
6 making a very strong step in the right direction
7 here today.

8 While every building is a compromise
9 and I think we need to do more in many areas --
10 particularly in the area of property tax relief,
11 to provide meaningful property tax relief through
12 mandate relief rather than the proposal we have
13 here today -- although it's a compromise, it's a
14 step in the right direction, and I will vote yes
15 on this part of the budget.

16 Thank you.

17 ACTING PRESIDENT GRIFFO: Senator
18 O'Mara to be recorded in the affirmative.

19 Senator Martins to explain his vote.

20 SENATOR MARTINS: Thank you,
21 Mr. President.

22 I rise as well to support this piece
23 of legislation. I'll be voting yes.

24 You know, when we talk about
25 progressive, regressive -- we use terms like this

1 often in this chamber. But I represent a
2 community of blue- and white-collar
3 middle-America New Yorkers. People who are
4 struggling to make ends meet, struggling to make
5 their mortgage, raise their kids, maybe put a few
6 dollars aside for education down the road. Those
7 are the people I represent.

8 And when we talk about leaving money
9 on the table, we don't leave money on the table.
10 Every dollar beyond that which is necessary to
11 support our education system here in New York
12 State, every dollar beyond that which is
13 necessary to support our local communities in
14 providing vital services, every one of those
15 dollars belongs to the taxpayers of New York
16 State, they do not belong to us in this chamber.

17 So, Mr. President, I will be
18 supporting this piece of legislation because
19 there are tax credits, there is tax relief, there
20 is real property tax relief in a meaningful way
21 that puts money back where it belongs in the
22 pockets of those people who are struggling to
23 make ends meet in New York State. I vote aye.

24 ACTING PRESIDENT GRIFFO: Senator
25 Martins to be recorded in the affirmative.

1 Senator DeFrancisco to close
2 explanations.

3 SENATOR DeFRANCISCO: Yes, I would
4 just like to point out that sometimes we are
5 involved in this business of government and we
6 wonder whether we're accomplishing anything,
7 whether anything gets done, whether things that
8 we want actually happen.

9 Well, over the summer last year
10 Senator Marcellino and I and many of you went
11 around the state, all ends of the state, having
12 hearings about tax cuts. And not knowing what
13 the result was going to be or not knowing whether
14 anything was going to go anywhere.

15 And when we look at this budget
16 today, it's very interesting to see that many of
17 these tax cuts were recommended in the course of
18 those hearings by citizens in all parts of the
19 state, including reduction in the manufacturers
20 tax, the corporate tax, the real property tax.
21 We also got involved in simplification of tax
22 filings. We got recommendations and pleas for
23 18A, reduction of the utility tax. We got
24 farmers telling us about the estate tax. And we
25 got people, those horrible rich people who want

1 to stay in New York rather than leave the state
2 because their estates would be substantially
3 wiped out by staying in New York. And we came up
4 with a package much of which became part of this
5 bill.

6 So I really am very happy that we
7 were able to participate in this in a very, very
8 real way, and thank my colleagues for the job
9 well done.

10 Lastly, there was a comment that --
11 I don't know the context, but it was mentioned
12 that we shouldn't base tax policy on the lucky
13 sperm or the lucky egg club. Well, let me tell
14 you something. Some people have gotten that luck
15 based upon who they were born to, there's no
16 question about that. But the people that I'm
17 mostly concerned about is those people who came
18 from parents like mine that didn't graduate high
19 school, that worked like animals painting houses,
20 seven days a week, until they were in their late
21 sixties, people who worked hard, had no
22 education, had nothing, and succeeded to have
23 their three children go to college and make
24 something of themselves.

25 Those are the people I'm concerned

1 about. And that isn't lucky sperm. That happens
2 to be people that did the right thing, that
3 worked hard, that took advantage of what this
4 state had to offer. And they are being rewarded
5 today as well by these tax cuts.

6 Thank you.

7 ACTING PRESIDENT GRIFFO: Senator
8 DeFrancisco to be recorded in the affirmative.

9 Senator Latimer.

10 SENATOR LATIMER: Thank you,
11 Mr. President.

12 I rise in support of this bill. I
13 must say I haven't said anything yet today, I've
14 been listening. And then in the last debate I
15 hear the fissures that exist in this state.

16 We have a state that stretches over
17 400-some-odd miles from one end to the other.
18 Bronxville and the Bronx and Ray Brook in the
19 Adirondacks are three very different places. We
20 all come from all those different places.

21 This budget, in the aggregate,
22 compromises the interests of those different
23 areas. There are things in this budget that
24 every one of us will hate, there are things in
25 this budget that every one of us will like, and

1 there is not one of the 63 of us that's going to
2 walk out of here believing that we've gotten
3 everything we believe or that we would argue that
4 our people believe in.

5 Now, I'm in the same business the
6 other 62 of us are in. I know what it's like to
7 get up and give speeches and write quotes and all
8 that. But I think today is a day where once we
9 say what we have to say, we have to remember that
10 there is more that unites us than divides us.
11 And we can work those divisions, but that does
12 not help us run this state.

13 We have to understand that other
14 parts of the state are different, from the parts
15 we represent, the most urban and the most rural.
16 As one member, I'm going to do my best to respect
17 the urban and the rural, as well as the suburban,
18 where I come from.

19 I repeat that I vote in the
20 affirmative. And I encourage my colleagues to
21 remember that we are in the same state, not in
22 two and three different states.

23 ACTING PRESIDENT GRIFFO: Senator
24 Latimer to be recorded in the affirmative.

25 Senator Boyle to explain his vote.

1 SENATOR BOYLE: To explain my vote,
2 Mr. President.

3 New Yorkers need tax relief no
4 matter what income bracket they're in. I can
5 tell you that in my district on Long Island I've
6 represented many people selling their house,
7 senior citizens -- usually widows -- that I look
8 at the title report and the mortgage is long paid
9 off. They owe nothing on their house, but
10 they're selling their house and leaving.

11 And they're usually very emotional
12 about it, crying. And I ask them why they're
13 selling the house, and they tell me "Because I
14 literally cannot afford the taxes." They are
15 being taxed out of their homes, something the
16 government should never do. This is a good step
17 in the right direction to stop that.

18 And it also happens at the high-end
19 income. I have a number of very wealthy
20 constituents who moved to Florida. I distinctly
21 remember last year one of my wealthier
22 constituents said, "Phil, I cannot afford to die
23 in New York State."

24 Well, we may not think that people
25 are leaving here because of taxes; I do. And

1 they do it in Florida too. You remember the
2 commercial where Wayne Huizenga, the owner of the
3 Dolphins, said "Come to Florida, because it's not
4 what you make, it's what you keep"? They're
5 stealing our people, they're stealing our
6 constituents. We need to keep them here in
7 New York State with the lower taxes.

8 I vote in the affirmative.

9 ACTING PRESIDENT GRIFFO: Senator
10 Boyle to be recorded in the affirmative.

11 Announce the results.

12 THE SECRETARY: In relation to
13 Calendar Number 376, those recorded in the
14 negative are Senators Espaillat, Hoylman,
15 Krueger, Montgomery, Parker, Perkins, Rivera,
16 Sanders, Serrano and Squadron.

17 Ayes, 51. Nays, 10.

18 ACTING PRESIDENT GRIFFO: The bill
19 is passed.

20 Senator Libous.

21 SENATOR LIBOUS: Mr. President,
22 could we go back to motions and then please call
23 on Senator Valesky.

24 ACTING PRESIDENT GRIFFO: We will
25 return to motions.

1 Senator Valesky.

2 SENATOR VALESKY: Thank you,
3 Mr. President.

4 On behalf of Senator Avella, on
5 page 20 I offer the following amendments to
6 Calendar Number 278, Senate Bill 6599B, and ask
7 that said bill retain its place on the Third
8 Reading Calendar.

9 ACTING PRESIDENT GRIFFO: The
10 amendments are received, and the bill shall
11 retain its place on third reading.

12 Senator Libous.

13 SENATOR LIBOUS: Mr. President, at
14 this time could we please call up Calendar Number
15 373.

16 ACTING PRESIDENT GRIFFO: Calendar
17 Number 373 will be called before the desk.

18 The Secretary will read.

19 THE SECRETARY: Calendar Number
20 373, Senate Budget Bill, Senate Print 6356D, an
21 act to amend the Education Law.

22 ACTING PRESIDENT GRIFFO: Senator
23 Libous.

24 SENATOR LIBOUS: Mr. President, is
25 there a message of necessity at the desk?

1 ACTING PRESIDENT GRIFFO: There is
2 a message of necessity before the desk.

3 SENATOR LIBOUS: Thank you. I move
4 to accept the message of necessity at this time.

5 ACTING PRESIDENT GRIFFO: All those
6 in favor of accepting the message of necessity
7 indicate by saying eye.

8 (Response of "Aye.")

9 ACTING PRESIDENT GRIFFO: Opposed?

10 (No response.)

11 ACTING PRESIDENT GRIFFO: The
12 message is accepted, and the bill is before the
13 house.

14 SENATOR LIBOUS: The bill is before
15 the house, thank you.

16 ACTING PRESIDENT GRIFFO: The
17 Secretary will read the last section.

18 Senator Gianaris, why do you rise?

19 SENATOR GIANARIS: Mr. President, I
20 believe there's an amendment at the desk. I ask
21 that the reading be waived and that I may be
22 heard on the amendment.

23 ACTING PRESIDENT GRIFFO: Senator
24 Gianaris, I have reviewed your amendment and rule
25 that it is not germane to the bill and therefore

1 out of order.

2 SENATOR GIANARIS: I'd like to
3 appeal the decision of the chair and ask that I
4 heard on the appeal.

5 ACTING PRESIDENT GRIFFO: You may
6 be heard, Senator Gianaris.

7 SENATOR GIANARIS: Thank you,
8 Mr. President.

9 My amendment to the budget bill is
10 germane because it does not unreasonably expand
11 the object of the underlying bill, maintains the
12 same purpose, and addresses the same areas of
13 law.

14 The purpose of my amendment is to
15 eliminate proposals in the budget bill that would
16 provide charter schools with special treatment
17 and hurt public schools.

18 The underlying legislation contains
19 significant changes, including a requirement that
20 charter collocations approved prior to January 1,
21 2014, cannot be altered by New York City without
22 the consent of the charter school, which has
23 significant and long-term implications.

24 And the amendment that I'm offering
25 is not about charter school kids. They deserve

1 the best education possible. This is about
2 making sure that all the schools in our system
3 are treated fairly and equally.

4 I was a little bit surprised at how
5 quickly this body moved with respect to dealing
6 with this issue in reaction to a controversy that
7 emerged a couple of weeks ago. I only wish that
8 the same action would have been taken to address
9 the Campaign for Fiscal Equity court case that's
10 been dragging on for years and years.

11 Charter schools were created as a
12 model of innovation and to discover new tools in
13 teaching, not to become a parallel system of
14 publicly supported quasi-private schools. The
15 budget language would allow charters to challenge
16 a school district if a collocation offer is not
17 to their liking, and potentially force New York
18 City to pay for any private rent charters would
19 owe.

20 It is unfathomable, in an era where
21 almost 90 percent of the space in New York City
22 classrooms is already in use and we have severe
23 overcrowding problems in all of our schools, that
24 funds would be used to pay charter school leases
25 instead of addressing overcrowding generally.

1 It's important that our traditional public
2 schools don't have the ability of refusal of a
3 collocation request the way charters would be
4 granted in the underlying legislation.

5 And just one example of the problems
6 that this would create involves the Mickey Mantle
7 School in P.S. 149 for disabled students, who are
8 scheduled to lose programs and space for their
9 services if the collocation proposed at that
10 school proceeds.

11 Charter schools make up about
12 4 percent of the total school population.
13 Instead of providing rental assistance to charter
14 schools, this budget should focus more on all
15 public schools, and any monies dedicated in the
16 budget bill to supporting only charters should be
17 redirected for the benefit of all public schools
18 regardless of their status as a charter or not.

19 And that's what the amendment would
20 do. I thank my colleagues for their time, and I
21 ask for their support on this amendment.

22 ACTING PRESIDENT GRIFFO: This is a
23 vote on the ruling of the chair. All --

24 SENATOR LIBOUS: Can we have a show
25 of hands on this vote, please.

1 ACTING PRESIDENT GRIFFO: Yes,
2 Senator Libous.

3 This is a vote on the ruling of the
4 chair. All those in favor of overruling the
5 ruling of the chair signify by raising your hand.

6 Announce the results.

7 THE SECRETARY: Ayes, 25.

8 ACTING PRESIDENT GRIFFO: The
9 ruling of the chair stands.

10 Senator Gianaris, why do you rise?

11 SENATOR GIANARIS: Mr. President, I
12 believe there's another amendment at the desk. I
13 ask that its reading be waived and that
14 Senator Parker may be heard on the amendment.

15 ACTING PRESIDENT GRIFFO: Senator
16 Gianaris, upon review of the amendment that is
17 before the desk, I rule that it is not germane to
18 the bill and therefore out of order.

19 SENATOR GIANARIS: I appeal the
20 decision of the chair and I ask that
21 Senator Parker be heard on the appeal, please.

22 ACTING PRESIDENT GRIFFO: The
23 decision is appealed.

24 Senator Parker, you may be heard.

25 SENATOR PARKER: Thank you,

1 Mr. Chairman.

2 My amendment to this budget bill is
3 germane because not only does it not unreasonably
4 expand the object of the underlying bill but also
5 maintains the same purpose and addresses the same
6 areas of law.

7 The purpose of my amendment is to
8 ensure that teachers and principals will not be
9 penalized for testing results over the proposed
10 three-year student testing moratorium, and to
11 eliminate the use of merit pay for certain
12 schools and school districts.

13 The Majority should be applauded for
14 listening to the concerns of New Yorkers and
15 applying a three-year moratorium to high-stakes
16 testing consequences for students. However, the
17 Majority failed to apply that moratorium to
18 teachers and principals.

19 The result is that during this
20 three-year period teachers and principals could
21 be subjected to negative employment consequences
22 due to testing results from their classes. It
23 makes no sense at all to impose a moratorium on
24 testing results for students but not do the same
25 thing for teachers and principals.

1 Because of the student moratorium,
2 the results of the first three years will not
3 properly demonstrate what students are actually
4 learning. If the Legislature is concerned with
5 the rollout of Common Core, then testing
6 consequences should also apply to everyone.
7 Instead, the Legislature is simply placing the
8 entire burden of Common Core and high-stakes
9 testing problems squarely on teachers and
10 principals.

11 Teachers and principals should be
12 given the same three-year moratorium that
13 students are receiving. It's the fair thing to
14 do for educators and the right move to protect
15 our children from the negative consequences of
16 the Common Core rollout.

17 Mr. President, thank you.

18 ACTING PRESIDENT GRIFFO: Thank
19 you, Senator Parker.

20 Again, the vote is on the ruling of
21 the chair. All those in favor of overruling the
22 ruling of the chair signify by saying aye.

23 Senator Gianaris.

24 SENATOR GIANARIS: Show of hands,
25 please.

1 ACTING PRESIDENT GRIFFO: A show of
2 hands has been requested. All those in favor of
3 overruling the ruling of the chair raise your
4 hand.

5 Announce the results.

6 THE SECRETARY: Ayes, 27.

7 ACTING PRESIDENT GRIFFO: The
8 ruling of the chair stands.

9 The bill is before the house.

10 Senator Tkaczyk.

11 SENATOR TKACZYK: Thank you,
12 Mr. President. I have a few questions, if the
13 sponsor would yield.

14 ACTING PRESIDENT GRIFFO: Senator
15 Tkaczyk, Senator Flanagan to speak without
16 objection.

17 Senator Flanagan.

18 SENATOR DeFRANCISCO: Mr.
19 President, I was going to do that. I was going
20 to refer questions on education to our education
21 expert, Senator Flanagan.

22 ACTING PRESIDENT GRIFFO: Senator
23 DeFrancisco defers to Senator Flanagan without
24 objection.

25 Senator Flanagan will yield.

1 SENATOR FLANAGAN: Yes.

2 ACTING PRESIDENT GRIFFO: Senator
3 Tkaczyk.

4 SENATOR TKACZYK: Thank you.

5 One of the challenges we face as
6 lawmakers is to make sure that our public schools
7 have the resources they need to adequately
8 educate our kids without overburdening our
9 property owners. Can you tell us how many of our
10 K through 12 public --

11 ACTING PRESIDENT GRIFFO: Senator
12 Gianaris, why do you rise?

13 SENATOR GIANARIS: Mr. President,
14 Senator Tkaczyk's mic doesn't appear to be
15 working properly. It's difficult to hear her.

16 ACTING PRESIDENT GRIFFO: Can we
17 adjust that, please, for the mic of Senator
18 Tkaczyk.

19 And may I continue to have order in
20 the house, please.

21 Senator Tkaczyk, would you try?

22 SENATOR TKACZYK: Thank you,
23 Mr. President. Is that better?

24 ACTING PRESIDENT GRIFFO: It's
25 still not on, one second.

1 SENATOR TKACZYK: Testing.

2 ACTING PRESIDENT GRIFFO: I think
3 the light is not on but the mic is working. Is
4 that correct?

5 SENATOR TKACZYK: The light is not
6 on. But is the mic working?

7 ACTING PRESIDENT GRIFFO: Okay, the
8 mic is working. Technical glitch.

9 Senator Tkaczyk, you may continue.

10 SENATOR TKACZYK: Thank you. If I
11 could ask my question to the sponsor.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields. You may ask your question.

14 SENATOR TKACZYK: How many of our K
15 through 12 public schools are facing educational
16 and fiscal insolvency in New York State today?

17 SENATOR FLANAGAN: Mr. President,
18 through you, there are a number of schools who
19 have come to you, to my colleagues, and have
20 spoken about the costs of properly educating
21 students. I believe that there are a number of
22 different ways to look at how people view that.
23 The Comptroller has his own definition. There
24 are various outside entities that have their own
25 interpretation.

1 And what I would offer is that in
2 this budget we're providing, between aid to
3 education and STAR funding, \$25.7 billion to
4 public schools all across the State of New York.
5 We have over a 5 percent increase in this year's
6 budget, which is by far the single largest growth
7 area in the entire budget. We have a personal
8 growth income index to provide protections to
9 schools.

10 Last year and this year we, in
11 concert with the Executive, advanced more money.
12 We are going to spend well over \$1.1 billion,
13 closer to \$1.2 billion. And I have school runs
14 for many districts, and I can look in -- frankly,
15 all across the state there are a number of
16 schools who did quite well in this budget, and I
17 believe that addresses many of the concerns that
18 they continue to raise.

19 And I will clearly say that the
20 single largest obligation we have is the proper
21 funding of education in the State of New York.

22 If you want to get to specifics, I
23 believe the Comptroller in their report said it
24 was approximately 90 districts. They have a
25 different definition than the school business

1 officials. There is no -- as you are well aware,
2 school districts legally cannot go insolvent or
3 declare bankruptcy in the State of New York. How
4 you want to debate educational insolvency may be
5 a different matter.

6 But let's be clear, there's
7 \$25.7 billion, and this year's increase is again
8 the single largest growth area in the entire
9 budget.

10 SENATOR TKACZYK: Thank you.

11 If the sponsor will continue to
12 yield.

13 SENATOR FLANAGAN: Yes.

14 ACTING PRESIDENT GRIFFO: The
15 sponsor yields.

16 SENATOR TKACZYK: One of the
17 organizations that did look at educational and
18 fiscal insolvency was the school business
19 administrators, and they did come out with a
20 report. And one of the things they did point out
21 is that there are about 206 schools that they
22 show are facing fiscal and educational
23 insolvency, that they're cutting their
24 educational programming and not able to make up
25 the budget gaps that they've had to deal with

1 over the years.

2 We still have, in this budget,
3 bullet aid; is that correct?

4 SENATOR FLANAGAN: There is
5 educational grant funding in this budget.

6 SENATOR TKACZYK: Would the sponsor
7 continue to yield.

8 SENATOR FLANAGAN: Yes.

9 ACTING PRESIDENT GRIFFO: The
10 sponsor yields.

11 SENATOR TKACZYK: How much money is
12 dedicated to bullet aid in the Assembly and
13 Senate budget bill?

14 SENATOR FLANAGAN: \$19 million.

15 SENATOR TKACZYK: Would the sponsor
16 continue to yield.

17 ACTING PRESIDENT GRIFFO: The
18 sponsor yields.

19 SENATOR FLANAGAN: Yes.

20 SENATOR TKACZYK: Wouldn't it be
21 appropriate for that bullet aid to go to those
22 schools that are obviously facing fiscal and
23 educational insolvency?

24 SENATOR FLANAGAN: Senator Tkaczyk,
25 we heard Senator DeFrancisco have a colloquy with

1 Senator Krueger or Senator Stavisky on a related
2 matter involving higher education. There is --
3 and we have passed this in the past, which I
4 believe you supported, and your colleagues; we
5 did a resolution last year for a distribution of
6 that funding.

7 The Assembly last year, they decided
8 to line certain things out in the budget. And
9 yet they had a pot of money that was set aside as
10 well.

11 What we are endeavoring to do is to
12 be responsive to schools that come to us and say
13 we have a potential problem. And if you look at
14 the school runs, we have about 700 school
15 districts in the State of New York. Not
16 everybody does as well as they would like, and
17 sometimes not everybody does as well as we would
18 like them to do. So there will be an agreement,
19 there will be an understanding. Whatever that
20 money and the distribution of that money will
21 come before this body for a full discussion and
22 debate at the appropriate time.

23 SENATOR TKACZYK: Thank you. Would
24 the sponsor continue to yield.

25 SENATOR FLANAGAN: Yes.

1 ACTING PRESIDENT GRIFFO: The
2 sponsor yields.

3 SENATOR TKACZYK: I have a couple
4 of questions on the pre-K proposal in the budget.

5 The budget proposes to fund
6 \$340 million to 3-and-4-year-olds under the pre-K
7 program. How many children would this be
8 assisting who are eligible in New York City?

9 SENATOR FLANAGAN: I'm not sure of
10 the exact number. But this is based on
11 discussions with our colleagues who represent the
12 City of New York, based on discussions with the
13 Executive and, frankly, with the City of
14 New York.

15 And I should be clear that there's a
16 differentiation for the City of New York and the
17 rest of the state. And essentially this is a
18 reimbursable program for schools that will be
19 involved. The City of New York has made this a
20 top priority.

21 For many of the districts outside of
22 the City of New York, they embrace the idea of
23 pre-K but they are grappling with whether or not
24 they can maintain their core academic program
25 right now.

1 So this is sort of a spend-to-get
2 proposal. I don't have a finite number for the
3 City of New York, for the rest of the state. But
4 what I do know is this. If they decide to access
5 the program, their needs will be met.

6 SENATOR TKACZYK: If the sponsor
7 will continue to yield.

8 SENATOR FLANAGAN: Yes.

9 ACTING PRESIDENT GRIFFO: The
10 sponsor yields.

11 SENATOR TKACZYK: Just so I
12 understand, 88 percent of the funding is going to
13 pre-K in New York City. And we recognize that
14 New York City doesn't have 88 percent of the
15 children who might be eligible for pre-K. Are
16 you saying that if there are more than -- more
17 children upstate than the 40 million that is
18 geared towards upstate would be eligible, those
19 schools will get funded?

20 SENATOR FLANAGAN: I believe there
21 are couple of a factors that are involved. One
22 is timing, one is flexibility, one is financing.
23 And financing right now is probably the most
24 challenging. Because even if we are passing this
25 budget today, it would be very difficult for a

1 number of schools all across the state to create
2 and build up a pre-K program.

3 I believe that for schools that are
4 interested in that, that they will be able to do
5 that, that the requisite funding will be
6 available. And, you know, this is an annual
7 document. If next year for some reason we come
8 back and there seems to be a lot more people
9 interested in a lot more school districts, and
10 they make that a priority, that's something we
11 could certainly discuss at the time.

12 But I'm confident -- and by the way,
13 this is not just me, this is my colleagues
14 listening and responding to many of our
15 constituents. When schools came to us, when they
16 were talking about pre-K, what they were saying
17 is the pre-K proposal from the Governor was not
18 helpful. It was not helpful because it was a
19 mandate, it was underfunded and not properly
20 funded in any way, shape or form.

21 We listened to them, and their
22 number-one priority was GEA relief, which we have
23 obviously very clearly and strongly delivered in
24 this budget.

25 SENATOR TKACZYK: If the sponsor

1 will continue to yield.

2 SENATOR FLANAGAN: Yes.

3 ACTING PRESIDENT GRIFFO: The
4 sponsor yields.

5 SENATOR TKACZYK: How will the
6 funding for pre-K programs outside of New York be
7 distributed?

8 SENATOR FLANAGAN: It's based on a
9 number of factors. It is a \$40 million pot
10 that's available. Schools can make application.
11 And, you know, I should bring up as well we don't
12 want to lose sight of the fact that we spend
13 approximately \$385 million statewide right now on
14 pre-K funding. This is a new pot of money
15 available.

16 I believe that schools will be able
17 to make an application. SED will have to review
18 those applications, and they will be the ones
19 determining the final approval as to the validity
20 or the merits of whatever the program may be.

21 SENATOR TKACZYK: Thank you.

22 On the bill, Mr. President.

23 ACTING PRESIDENT GRIFFO: Senator
24 Tkaczyk on the bill.

25 SENATOR TKACZYK: This budget is

1 far from perfect, but it is also better than the
2 one-house budget resolution that we passed a
3 couple of weeks ago. It does provide, as was
4 noted, \$1.1 billion for school aid, about
5 \$300 million more than what was in the Senate
6 resolution and \$500 million more than what was
7 initially proposed in the Executive Budget.

8 While I'm very pleased to see the
9 education aid increase, I have conferred with
10 school superintendents in my district who believe
11 that for some schools the increase will not
12 forestall layoffs and educational programming
13 cuts. And the pre-K funding is not fair and
14 equitable in our state.

15 I just want to share some of the
16 comments I've received from my school districts.
17 One, a small city school district, would receive
18 an additional \$1.1 million in aid, but the gap
19 with their levy limit is still over \$2.9 million
20 this year. "Teachers will be cut, programs will
21 be sacrificed and our students will suffer. We
22 have done the hard work. We've closed schools,
23 consolidated resources, eliminated positions and
24 become more efficient. This is not helping us
25 deal with educating our kids."

1 From an average-needs school
2 district, they expect that they'll be laying off
3 about 10 positions, or 7 percent of their staff.
4 The increase does not cover their health
5 insurance increases.

6 And lastly, a rural school district
7 is reducing their two-day pre-K/kindergarten
8 program to a one-day kindergarten program and
9 laying off a couple of teachers.

10 And I found what they said profound,
11 and something that a lot of schools are dealing
12 with: "Our fund balance and reserve accounts are
13 depleting rapidly. At the current rate, we will
14 deplete these accounts in two to three years. We
15 are essentially balancing our budget on reserves
16 and programming cuts, and this is a trend we
17 cannot continue."

18 And I would just urge my colleagues,
19 as we finish this budget, that we look to the
20 future and make sure that we're working with our
21 school districts throughout the state to make
22 sure that they're adequately being funded without
23 overburdening local property owners, who we can't
24 do that without making sure that they have the
25 state aid support that they need.

1 Thank you, Mr. President.

2 ACTING PRESIDENT GRIFFO: Senator
3 Peralta.

4 SENATOR PERALTA: Thank you,
5 Mr. President. On the bill.

6 ACTING PRESIDENT GRIFFO: Senator
7 Peralta on the bill.

8 SENATOR PERALTA: I know most of
9 you are probably expecting fire and brimstone
10 from me right now. After all, here we are, yet
11 another year, another education budget bill,
12 another missed opportunity to pass the DREAM Act.

13 And don't get me wrong. I'm very
14 angry and I'm still very disappointed, because I
15 believe that all New York students who meet state
16 residency and income requirements should be able
17 to access state higher education financial aid
18 regardless of immigration status. Because I
19 believe that the DREAM Act is a logical extension
20 of the laws already in place for universal
21 primary and secondary education and in-state
22 college tuition for undocumented students, I
23 believe that the DREAM Act belongs in the final
24 enacted budget.

25 But I also know that, like educating

1 a child, the process of guiding a policy as
2 important as the DREAM Act from an idea to a bill
3 to an enacted law takes time, patience, and a lot
4 of hard work.

5 I recognize that the bill we vote on
6 here today is far from perfect. I am deeply
7 concerned about the potential erosion of mayoral
8 control, and I believe the failure to include the
9 DREAM Act was a complete mistake. But this bill
10 also represents the enormous strides progressive
11 ideals and long-cherished priorities have made in
12 just the last few months.

13 Primary among those progressive
14 ideals is equality of opportunity and ensuring
15 that every child, every child has the same
16 opportunity to learn and grow and get ahead. And
17 that starts with the most important building
18 block of all, a great education for every
19 New York child from preschool through college.

20 While universal pre-K has been
21 policy in New York since 1997, it has never been
22 adequately funded. Today we take an important
23 step toward changing that and making pre-K in
24 New York truly universal. But for me, as
25 important as anything else in this budget is

1 something that has largely gone unnoticed:
2 language in the Smart Schools Bond Act that will
3 help get kids out of trailers and into real
4 classrooms.

5 For decades -- not years, decades --
6 the children of hardworking immigrant families in
7 the Corona and Elmhurst neighborhoods that I
8 represent have had to try to learn in deplorable
9 facilities no one would expect to find in the
10 wealthiest city in the world. Forget
11 state-of-the-art technology; the dilapidated
12 classroom units many of our kids are stuck in do
13 not even have bathrooms. Many of those so-called
14 temporary classrooms have been used for more than
15 15 years.

16 If all children, no matter where
17 they live or how much money their parents have,
18 are to get a genuine chance to succeed in school,
19 we need to provide them with real classrooms in
20 which to learn. The bottom line here, folks, is
21 until there's a seat for every child, it's a game
22 of musical chairs. No matter what you do or how
23 you zone or rezone, someone is left standing.

24 I have been saying for years that
25 there has to be a state of emergency declared to

1 finally end three decades of school overcrowding
2 and conditions you would expect to see in
3 undeveloped countries, not the greatest city in
4 the world. Doing away with the worst of these
5 temporary classrooms is a long overdue first
6 step, a very long overdue first step.

7 So for all the low-income working
8 families in my district who couldn't afford to
9 send their kids to pre-K, so for all the kids
10 whose growth is stunted by overcrowded schools
11 and makeshift classrooms, so for everyone who has
12 fought to give our kids a leg up early in life so
13 they don't fall behind later, today is a step
14 forward. It is progress. Today we have achieved
15 hope that tomorrow will be better.

16 But beyond making UPK a reality,
17 beyond taking a step toward ending school
18 overcrowding, this bill does another thing that
19 is just as important. It brings us one step
20 closer to writing the DREAM Act into the books of
21 law. With this bill we ensure that every
22 4-year-old will get quality public pre-K
23 education regardless of immigration status. We
24 take a critical step toward ensuring every
25 elementary, middle and high school student will

1 be taught in a real classroom regardless of
2 immigration status.

3 While two weeks ago my colleagues
4 across the aisle decided en masse that a group of
5 hardworking teens and 20-somethings should be
6 punished for the acts of their parents, every
7 single yea vote today is a victory for the
8 families of those same hardworking young people.
9 You see, you may have deferred the American dream
10 for kids 17 and up, but you're opening the door
11 for their little brothers and sisters to seize on
12 the dream.

13 The DREAM Act is a continuation of
14 the work we do today, as it is a continuation of
15 the bill this body passed with bipartisan support
16 in 2002 that gave undocumented students access to
17 in-state tuition, which afforded those students
18 an opportunity to attend college. Now it's up to
19 us to step up to the plate and give them an
20 opportunity to finish college so they can become
21 productive members of society.

22 Two weeks ago we fell two votes
23 short of passing the DREAM Act into law. Today
24 we take a step closer. With the exception of two
25 mention of this chamber who were absent two weeks

1 ago, every currently elected New York State
2 legislator is on the record. We have the vocal
3 support of the Governor, we have the vocal
4 support of the Comptroller, the Attorney General,
5 and two of three legislative majority leaders.

6 I look forward to passing this
7 budget bill today and then getting back to work
8 on making the DREAM Act a reality. We have
9 nearly three months left to make the New York
10 State DREAM Act the law in New York. This has
11 been a difficult and deeply disappointing month
12 for all New York Dreamers, but today we take
13 another step forward. Tomorrow we begin the
14 final push.

15 Mr. President, I vote yea.

16 ACTING PRESIDENT GRIFFO: Senator
17 Espaillat.

18 SENATOR ESPAILLAT: Thank you,
19 Mr. President. On the bill.

20 This is a bill that proposes to have
21 an increase in the Foundation Formula of
22 \$250 million. In addition to that, there is
23 \$720 million in the appropriation bill. And
24 there's language on this part of the bill for
25 after-school programs which the City of New York

1 will be able to access for their schools.

2 Moreover, I want to congratulate
3 both houses, Mayor Bill de Blasio, and the
4 Governor for being able to get \$300 million, a
5 commitment of five years, and for the next two
6 years \$300 million for universal pre-K. All data
7 shows that children that attend these classes
8 have an advantage, a clear advantage. In fact,
9 the Head Start program, which is the only
10 surviving program from the '60s for the federal
11 government, says exactly that, they have a head
12 start.

13 And so they will have -- it
14 manifests itself in their vocabulary, in their
15 analytical reasoning, in their ability to do well
16 academically. So this is a major, major
17 accomplishment for the City of New York to have
18 this \$300 million for five years. I think we
19 will be able to go back to it five years from now
20 and see the importance of this budget
21 appropriation.

22 However, Mr. President, some of
23 those young children that will benefit from the
24 universal pre-K money or from the after-school
25 programs or from the increase in the Foundation

1 Aid are undocumented. And they may very well be
2 undocumented when they finish high school. And
3 then they will not be able to access higher
4 education because we do not have a DREAM Act.

5 A \$25 million investment -- now, let
6 me return to the numbers. A \$250 million
7 increase in the Foundation Formula, \$720 million
8 for after-school programs statewide, and
9 \$300 million per year for five years for
10 universal pre-K. And yet we didn't have the
11 political will in this body to come up with
12 \$25 million for Dreamers, young men and women
13 many of whom attended kindergarten through the
14 eighth grade, high school, graduated from a
15 New York State high school or got their general
16 equivalency diploma, and now their backs are up
17 against the wall. They can no longer access
18 higher education, they can't afford it, and we're
19 shutting the doors down on them.

20 This is a travesty, Mr. President.
21 We expected much more from this body. I will be
22 voting yes on this bill because of the commitment
23 to education, but we must never forget that we're
24 leaving behind 8,000 Dreamers that should also
25 have an opportunity.

1 Thank you, Mr. President.

2 ACTING PRESIDENT GRIFFO: Senator
3 Hoylman.

4 SENATOR HOYLMAN: Thank you,
5 Mr. President. On the bill.

6 ACTING PRESIDENT GRIFFO: Senator
7 Hoylman on the bill.

8 SENATOR HOYLMAN: Echoing my
9 colleagues, I wanted to congratulate the chamber,
10 my friends on the other side of the aisle, and my
11 colleagues in the conference on the successful
12 initiative for pre-K, and of course Governor
13 Cuomo and Mayor de Blasio.

14 I am concerned about aspects of the
15 charter school management that are in the bill.
16 In particular, Mr. President, this bill
17 institutionalizes collocations, and the impact in
18 my district is very concerning.

19 The process that's been put forward
20 in terms of the city having to accommodate
21 collocations or it going to arbitration or
22 private rental space being found elsewhere was
23 done without any consultation, I'd like to note,
24 with teachers or principals or students.

25 And more importantly is that

1 New York City doesn't have the space for these
2 collocations. The New York City Department of
3 Education's own statistics show that elementary
4 schools are at 96.8 percent utilization and high
5 schools are at 94.8 percent utilization. So I
6 don't know where these charter schools are going
7 to go except in private locations.

8 And if you do collocate a charter
9 school, Mr. President, what happens,
10 unfortunately, is that you often end up losing a
11 music room or an arts room, and that's to the
12 detriment of the kids who are there, whether they
13 be in the charters or in the traditional public
14 school. And class sizes increase, too. So I
15 think we should be mindful of these impacts.

16 We should also, though, be concerned
17 about the issue of mayoral control, an issue
18 that's going to be coming up for reauthorization
19 here in a couple of years. I mean, this is
20 basically mayoral lack of control, if you ask me.

21 We passed this -- this chamber
22 passed it in 2002, and I believe in 2009. But
23 now we're creating a dynamic, Mr. President,
24 where again we're institutionalizing
25 divisiveness, where charters will have an

1 incentive to litigate, to arbitrate against
2 traditional public schools. And I think this
3 runs counter to the theory of charter schools.

4 And I am a strong supporter of them.
5 Charters are meant to complement, not compete.
6 Charters and the charter school advocates will
7 tell you they are public schools, they're not
8 private schools.

9 The Department of Education, the
10 mayor of the City of New York should have control
11 over where these schools are located. He or she
12 should be working with the charter schools to
13 make that determination. There should not be the
14 divisiveness, there should not be the
15 institutionalized antagonism. And I'm sorry to
16 say that I think this bill will result in that,
17 and therefore I'll be voting no.

18 ACTING PRESIDENT GRIFFO: Senator
19 Díaz.

20 SENATOR DÍAZ: Thank you,
21 Mr. President.

22 Today is one of those days when I
23 feel happy, one of those days when I raise my
24 hand to heaven and say "Praise the Lord." Today
25 is one of those days, and I'll tell you why.

1 As you know, ladies and gentlemen,
2 for the past three years I always stood up here
3 and I blast everyone, all my colleagues. And I
4 was the only Democratic Senator that voted
5 against the whole bill because of the DREAM Act.
6 For the past three years. And I asked all my
7 colleagues, join me, vote against the budget
8 because of the DREAM Act. They all believed all
9 the promises that were given to them, with cocoa
10 butter and whatever, and they never follow me. I
11 was the only one.

12 But today, today everything changes.
13 Today I'm proudly voting yes. And I'll tell you
14 why I'm proudly voting yes. Because the Governor
15 of the State of New York, the Honorable Andrew
16 Cuomo, and the leaders of this chamber, the
17 Honorable Dean Skelos and Honorable Jeff Klein,
18 has done an excellent job in protecting every
19 single student in public school, every one.

20 Senator Hoylman just said charter
21 schools are public school. And they are
22 protecting every single student, especially,
23 especially the black and Hispanic children in my
24 district. And that's why I'm so happy today.

25 I'm happy, Mr. President, because

1 Mayor Bill de Blasio will be able to get the
2 money he wanted for UPK. I'm happy because
3 parents of children in New York City will see and
4 have the opportunity to give an early childhood
5 education to their loved ones because our
6 Governor -- I'm praising the Governor today. I'm
7 praising the Governor today. After three years,
8 I'm praising the Governor today. And I'm
9 praising Jeff Klein and I'm praising Dean Skelos.

10 And I want to repeat that as many
11 times as I could today. Because the Governor and
12 the leaders of this chamber found money, found
13 money to establish UPK without increasing taxes.

14 I'm happy, Mr. President, because
15 black and Hispanic children in charter schools in
16 New York City no longer have to be afraid of
17 losing their godsend opportunity. Charter
18 schools are a godsend blessing to black and
19 Hispanic children in my district and in poor
20 districts.

21 We keep fighting every year,
22 fighting, fighting, fighting to protect children,
23 to protect the minorities. And when the minority
24 got a good opportunity, we want to deny those
25 opportunity. That's pure hypocrisy. Oh,

1 everybody come here, everybody come and make
2 their business fighting this case, fighting this
3 case for the poor black and Hispanic children.
4 Everybody come. And everybody come here asking
5 for money because black and Hispanic children
6 have been left behind. And now when we have an
7 opportunity to help black and Hispanic children,
8 now they want to take that away.

9 You should know, you should know
10 that I was one of the initial proponents of
11 charter schools. Reverend Floyd Flake from
12 Queens, Reverend Wyatt Tee Walker from Manhattan,
13 and myself from the Bronx, the three of us
14 together we fought for charter schools. And we
15 established the first charter school in Harlem,
16 Canaan, Canaan Charter School.

17 And I was one of the only two
18 Democratic Senators, one of the only two
19 Democratic Senators that voted to increase the
20 number of charter schools from 200 to 460. Only
21 two Senators, Democratic, voted for that,
22 Senator Craig Johnson and myself. The rest of
23 the Democratic Senators voted against to increase
24 charter schools.

25 And I kept saying, Mr. President and

1 ladies and gentlemen, charter schools are mainly,
2 mainly, not totally but mainly are located in
3 minority neighborhoods, in black and Hispanic
4 neighborhoods. Ninety percent, 90 percent of
5 those students are black and Hispanic. Charter
6 schools is a blessing. And you can see there are
7 50,000 waiting children and their mothers and
8 fathers waiting to see their kids, their children
9 goes in.

10 Somebody might say, somebody might
11 say -- and I heard that before -- Oh, but charter
12 schools is only for the lucky ones because it's
13 by lottery. It's by lottery, so not everyone
14 have the opportunity.

15 Well, hello, what about housing? I
16 created -- ladies and gentlemen, I created
17 Reverend Díaz Plaza. I created Reverend Díaz
18 Plaza, a building with 50 units for 50 families,
19 low-income. I got, we got 3,000 applications for
20 50 apartments. We got 3,000 applicants.

21 The line was all the way around the
22 block for Reverend Díaz Plaza. Fifty, only
23 50 apartments, and we got 3,000 applications.
24 And then I created Reverend Díaz Apartments for
25 97 apartments, and I got close to 4,000

1 applications.

2 So what would I say -- Oh, because
3 everyone cannot get an apartment, we should not
4 do it, and we should stop creating low-income
5 houses for the community because this is a
6 lottery and because not everyone will be able to
7 get an apartment, we should stop?

8 No, on the contrary, we should
9 continue fighting, we should continue creating,
10 we should continue building low-income family
11 housing. Even though, even though, ladies and
12 gentlemen, not everyone will be able to benefit.

13 So that's the case here with charter
14 schools. It's a lottery. Not everyone will be
15 able to benefit. But, ladies and gentlemen,
16 let's save, let's save whatever we can. Stop
17 this nonsense of trying to kill black and
18 Hispanic children especially, forget about the
19 rest of you, in my district.

20 I got 21 charter schools in my
21 district. I want more. Give me all those
22 charter schools in my district. Let all of the
23 black and Hispanic children in my district
24 benefit from this. They all children from God,
25 black and white, brown and black and yellow.

1 They're all children of God.

2 Ladies and gentlemen, that's why I'm
3 happy today. And I praise the Governor.
4 Governor, listen to me, I'm praising you today.
5 And I'm praising Jeff Klein. Jeff Klein, Jeff,
6 I'm praising you today. Thank you very much.
7 And you, Senator Skelos, I'm praising you today,
8 Senator Skelos. Thank you.

9 Thank you, ladies and gentlemen.
10 And, Mr. President, let me see if I have
11 something more to say here. You should know --
12 what you should know. And today, Mr. President,
13 you should know that I'm voting yes and that I am
14 Senator Reverend Díaz, and this is what you
15 should know. Thank you very much.

16 ACTING PRESIDENT GRIFFO: Senator
17 Sanders.

18 SENATOR SANDERS: Thank you,
19 Mr. President.

20 There are many good things that we
21 can praise about this bill, and indeed I will end
22 up agreeing with it and voting for it. But I
23 would be remiss if I did not speak about the
24 forced accommodation of charter schools this is
25 going to impose on New York City.

1 Now, I am not against charter
2 schools. Indeed, I am a proponent that we have
3 to have experimentation. You have to see what
4 will work, and we should build on what works and
5 move from there.

6 And the evidence says that some
7 charter schools work and this is good, we should
8 go that way. It also says some do not, and we
9 should be aware of that.

10 I am saying that there's a couple of
11 points that have been -- should be raised on this
12 issue. Of course I'll start with why only
13 New York City is forced to accommodate charter
14 schools. If we think that this is a correct
15 thing, then it should be made for the entire
16 state. I believe that we are State Senators and
17 not New York City Senators all.

18 This, my friends, is an unfunded
19 mandate. We are going against the thing that we
20 say that we never do or should not do. We are
21 saying that New York City has to accommodate or
22 pay the rent of a charter school or any other
23 type of school. My friends, if you're not coming
24 up with a hundred percent of the rent, then it's
25 an unfunded mandate or a mandate that is not

1 adequately funded.

2 This abuse of power, I would argue,
3 will cause budgetary problems for the Department
4 of Education in New York City.

5 I end where I began, and I encourage
6 everyone that if we really think this is a worthy
7 thing, then let's pass it for the entire state.
8 Let's see if we can get every school district in
9 the state to accept the same guidelines. Let's
10 see how far that one will go.

11 Thank you very much.

12 ACTING PRESIDENT GRIFFO: Senator
13 Stavisky.

14 SENATOR STAVISKY: Thank you,
15 Mr. President.

16 While Senator Flanagan is returning
17 to answer my question, let me just perhaps
18 explain what I meant when I referred to bullet
19 aid earlier.

20 I am not a proponent of bullet aid
21 in K through 12, but I have never seen bullet aid
22 used in the higher education budget for SUNY and
23 CUNY capital construction. And that's the point
24 I was making, that I think we need clarity and
25 transparency, not backroom deals, so to speak, in

1 terms of aid to the colleges and universities.

2 If the Senator would yield for
3 really just two areas, real quick.

4 SENATOR FLANAGAN: Yes.

5 ACTING PRESIDENT GRIFFO: The
6 Senator yields.

7 SENATOR STAVISKY: Okay. Under the
8 Higher Education Services Corporation budget,
9 that's Part G, on the \$8 million appropriation
10 for the STEM subjects -- and Senator LaValle has
11 held hearings on how to encourage people to major
12 in the STEM subjects, and it's an important
13 issue, I think, for everybody.

14 But how do you account for the
15 disparity in the level of high school achievement
16 that you find throughout the state? STEM is for
17 the top 10 percent, but the top 10 percent, there
18 may be a wide variation in ability. That's my
19 question: How do you account for the wide
20 variation in high school programs throughout the
21 state?

22 SENATOR FLANAGAN: Senator
23 Stavisky, I'll be clear, I'm happy to answer your
24 question. I'm going to give you my own opinion.
25 I want to be clear I'm not speaking for anybody

1 else.

2 I think it's a far-reaching
3 question. It could probably entail a long series
4 of debates and hearings on that subject alone.
5 And I know, for example, Senator DeFrancisco has
6 constantly, in budget hearings and in the course
7 of budget debates, has spoken to issues involving
8 remediation, programs that go on through SUNY and
9 CUNY.

10 But in relation to variation, I
11 think it's a combination of things. One is
12 educational leadership. Two is local control.
13 School boards run school districts; they are the
14 management team at the local level. They
15 jealously guard that local control. You may have
16 a school -- one of the schools in my area,
17 Three Village, is renowned for its science
18 program. That's a decision that they made, that
19 they continue to make at the local level.

20 So educational leadership, local
21 control vis-a-vis school boards. And there are a
22 lot of demographic factors. Poverty is certainly
23 an overarching problem in every corner of the
24 State of New York. It's not isolated to any one
25 given area.

1 So it's not any one thing in
2 isolation. I think there are a number of things
3 in totality that have an effect not only in
4 education, but in society in general. But
5 certainly in education those are very relevant
6 factors.

7 SENATOR STAVISKY: If the Senator
8 will continue to yield.

9 SENATOR FLANAGAN: Yes.

10 SENATOR STAVISKY: My question
11 really is targeted at the high schools and the
12 disparity in achievement levels from one high
13 school to the other throughout the state. And to
14 give the top 10 percent may be unfair to other
15 students in other parts of the state.

16 SENATOR FLANAGAN: Senator
17 Stavisky, could you just repeat the last part? I
18 want to make sure I'm answering properly.

19 SENATOR STAVISKY: There is a
20 disparity in the achievement level between
21 students -- since the STEM scholarships are
22 provided for the top 10 percent in each school,
23 how do you provide for the disparity between
24 schools?

25 In other words, a student in

1 School A -- it may be a very competitive school.
2 Let me give you an example. I happen to be a
3 graduate of the Bronx High School of Science.
4 And to award the top 10 percent, I would never
5 have received it. You know, those folks were --
6 but those students are competing against students
7 in other parts of the state where the students
8 may not have received the kind of background and
9 training that those other students received and
10 therefore may not be in the top 10 percent.

11 SENATOR FLANAGAN: If I follow some
12 of the logic of what you're advocating, it sounds
13 to me as if you want to say that there should be
14 a distinction based on the qualitative nature of
15 the program. This proposal makes sure that
16 10 percent of each school, that they are
17 eligible.

18 It sounds like -- correct me if I'm
19 wrong, but it sounds like you only want to be
20 dealing with the top-flight schools. Because
21 that -- the proposal is equitable in the sense
22 that everyone is eligible, and it's the top
23 10 percent in every school. We don't go and say
24 that the Bronx High School of Science or
25 Harborfields High School, where I happened to

1 graduate from, that we're now going to measure a
2 qualitative difference and say, well, you know,
3 Bronx is going to get more because it's a more
4 rigorous program. I certainly would have no
5 interest in doing that.

6 SENATOR STAVISKY: That's not what
7 I'm suggesting at all. What I'm suggesting is
8 perhaps there may be other standards that can be
9 used in addition to the top 10 percent.

10 I'm going to vote for the bill, but
11 I'm just throwing that out as a possibility.

12 SENATOR FLANAGAN: I am listening
13 intently.

14 SENATOR STAVISKY: And in fact,
15 there was a report in one of the newspapers where
16 77 or something percent of the CUNY students at
17 the community colleges required remediation.
18 That, to me, is indicative of the problem.

19 SENATOR FLANAGAN: Yes. And I
20 would respectfully offer that Senator LaValle has
21 been extraordinarily outspoken in trying to
22 address that, not only financially but
23 policy-wise, along with Senator DeFrancisco.

24 There's no shortage of opinions in
25 these areas. And I believe that all of our

1 colleagues share the same concerns. Because, you
2 know, if you get through a high school and you're
3 not college and career ready, as the saying goes,
4 that's not really advantageous to that individual
5 nor to the community or the society as a whole.

6 SENATOR STAVISKY: And we shouldn't
7 be spending money on remediation when the tax
8 dollars are needed at the high school level, in
9 my opinion. Totally -- and I do appreciate the
10 role that Senator LaValle has played in the whole
11 issue of remediation, and hopefully we will
12 continue to do that in the days ahead.

13 Second area, and that is the TAP
14 increase also in the Higher Education Services
15 Corporation budget. You're increasing TAP by
16 \$150. If the Senator would yield.

17 SENATOR FLANAGAN: Yes.

18 ACTING PRESIDENT GRIFFO: The
19 Senator yields.

20 SENATOR STAVISKY: Approximately
21 how much has the tuition cost gone up in the past
22 year?

23 SENATOR FLANAGAN: Approximately
24 \$300. And the increase is 165, it's not 150.

25 SENATOR STAVISKY: I'm sorry, 165.

1 But my point, if the Senator would
2 yield for a question.

3 ACTING PRESIDENT GRIFFO: The
4 Senator yields.

5 SENATOR STAVISKY: Would you agree
6 that the cost of tuition is rising faster than
7 the TAP reimbursement and therefore placing an
8 unfair burden on the students as they accept more
9 and more of the cost of higher education at SUNY
10 and CUNY?

11 SENATOR FLANAGAN: I'm going to say
12 a couple of things. First of all, this is one of
13 the great aspects of this process. Senator
14 LaValle, who I'm in a neighboring district, we
15 work together on a lot of different issues, he
16 and a number of the members of our conference --
17 and I would say he in particular has been the
18 most outspoken about tuition assistance. He has
19 been passionate in terms of advocacy for
20 middle-class families. And obviously that is
21 where TAP is directed.

22 I love TAP. I'm sure there's not a
23 member in this Senate here who wouldn't embrace
24 the idea of TAP. And I would agree with you it
25 is about making sure there is no disparity.

1 In my priorities, certainly TAP is
2 extraordinarily important. And yet I know
3 for like my own family, I wouldn't be eligible.
4 That's fine. But there are a lot of people,
5 there are tens of thousands of people who can and
6 should be eligible. And I believe that we have
7 been very fair and very aggressive at the same
8 time in terms of our advocacy in relation to TAP.

9 SENATOR STAVISKY: I happen to
10 agree. I think this is a marvelous start, and I
11 am delighted with the increase in TAP. And I
12 thank you for your responses.

13 ACTING PRESIDENT GRIFFO: Thank
14 you.

15 Senator LaValle.

16 SENATOR LaVALLE: Thank you,
17 Mr. President.

18 Senator Flanagan, thank you for
19 remarks that you made, and compliments. I
20 appreciate that very much.

21 I just wanted to try and bridge a
22 gap here with some comments, discussion that been
23 made.

24 There is no bullet aid for higher
25 education. There has been pots of money, and

1 those pots, both at SUNY and CUNY, have been
2 largely delineated in terms of need by the
3 members and by the central administration in both
4 SUNY and CUNY as to what their needs are.

5 There's always been a robust discussion by the
6 presidents, who have pointed out that they had
7 certain needs, capital needs.

8 This year the Governor put money for
9 both SUNY and CUNY for critical needs. And
10 because of the debt cap that we have, I think we
11 have had a robust discussion on the needs, that
12 we have capital needs outside of the economic
13 development needs that the Governor has addressed
14 both in this budget and previous budgets.

15 And so we're beginning our way back
16 toward -- and I think we see some light at the
17 end of the tunnel in terms of the debt ceiling.
18 And so this is the beginning of moving in steps
19 towards meeting the capital needs.

20 And so what happened is that we took
21 some of the money from critical maintenance and
22 we put it into these pots to allow for other
23 needs. But those decisions, as they have always
24 been made, will be made by members in the area
25 with their university, whether it be CUNY or

1 SUNY. And as we move forward, we will be meeting
2 those needs.

3 For instance, I sent out to the
4 campuses a letter asking what are your needs. So
5 that this is not being made in the abstract, it's
6 being made with the input of the campus
7 presidents as to what their priorities are.

8 In regard to the tuition issue, I
9 think both houses were critically focused on
10 college affordability, people of all levels. And
11 so if there were more money at the table, that
12 area would have been even more robust than it
13 was.

14 Tuition has gone up \$300. We placed
15 \$165 in this budget. But each campus, each
16 campus has adopted its own tuition credit
17 program. And that was when we did SUNY 2020, it
18 was critically important to the Legislature that
19 while we were increasing tuition we were also
20 ensuring that those who had the greatest need
21 were being taken care of.

22 And so this budget will be very
23 helpful to the campuses because it will take some
24 of the pressure off that heretofore had been with
25 the tuition credits.

1 Lastly, the whole idea of STEM
2 programs. Well, our young people have gotten a
3 message in the last two years where 50 percent of
4 graduates have been unemployed. And so starting
5 at the high school level, students are beginning
6 to focus their attention on STEM programs. In
7 Suffolk County we actually in the fall of 2014
8 will be opening a regional STEM high school. We
9 have districts partnering with one another,
10 sharing resources to provide STEM programs.

11 And so I think you will see that
12 greater focus in each and every high school on
13 providing better programs, more programs, so that
14 students can be competitive in some of these
15 programs that hopefully will lead to jobs.

16 I also say that we can't forget that
17 we need philosophers and social workers and
18 political scientists. But right now there is a
19 great interest and young people are saying this
20 is where the jobs are. And as I go around and
21 talk to students at both the high school level
22 and the college level, they talk about wanting to
23 enter into some sort of STEM program when they go
24 to college.

25 As you know, Senator Stavisky, this

1 was one of the Governor's programs that he talked
2 about both in his State of the State address and
3 was very dogged in negotiations that this be
4 included in the budget.

5 It's a first step. I'm very
6 disappointed that we didn't have the resources to
7 include the independent colleges in this program.
8 But it's a first step, and we will flesh it out
9 as we move forward. And we will also make sure
10 that at the high school level that the programs
11 are there for the students so that every student
12 at every high school across the state will have a
13 fair opportunity to get a STEM scholarship.

14 So to Senator Flanagan, he has done
15 a remarkable job on the elementary and secondary.
16 He deserves -- I think for most of us he stands
17 10 foot tall in the job that he did in elementary
18 and secondary.

19 I will be voting in the affirmative.

20 ACTING PRESIDENT GRIFFO: Senator
21 Latimer.

22 SENATOR LATIMER: Thank you,
23 Mr. President.

24 It could be fairly argued that for
25 the first 90 days of this legislative -- I'm

1 sorry, on the bill, Mr. President.

2 ACTING PRESIDENT GRIFFO: On the
3 bill.

4 SENATOR LATIMER: It could be
5 argued that education issues have been front and
6 center more than any other public policy area
7 over the course of these 90 days of our
8 legislative session. And certainly the budget
9 that we have before us touches on so many
10 different public policy areas. We've heard, in
11 the hour that we've started to discuss the bill,
12 discussions of UPK, of charter schools, the
13 combination of Foundation Aid and GEA adjustment.

14 I rise to address what this budget
15 talks about regarding the Common Core. And I've
16 been a critic, pretty clearly over the course of
17 this year, of the path that the Board of Regents
18 and the State Education Department has taken on
19 Common Core.

20 And I think when we talk about
21 Common Core, we're really talking about a
22 combination of things that include, from the
23 past, No Child Left Behind, Race to the Top, the
24 APPR program, all of which has put before us a
25 major change in the way we intend to educate our

1 kids in this state. It's something that can't be
2 underestimated. It didn't end with the battle
3 over who's going to be on the Board of Regents,
4 it doesn't end with this particular budget.

5 But Senator Flanagan said something
6 I thought was very prescient when we had
7 Commissioner King into the Senate Education
8 Committee meeting 60 days ago. He said, in
9 essence -- I summarize what he said -- is that
10 there needs to be change and action on the part
11 of the Board of Regents and the Commissioner, or
12 we, the Legislature and the Executive, will act.

13 What we have in this budget is part
14 of that action. Because those of us who have
15 been critical of this -- not because we hate the
16 process, but because we care deeply about the way
17 education is delivered in our own communities and
18 for our children -- this is an example of us
19 taking action in an important area.

20 And let me be clear. I'm a critic
21 of what I've seen in Common Core because I
22 believe, as I think most people in this room do
23 believe, that there should be local control over
24 schools. Because I think parents -- and I'll use
25 the three communities I used in my earlier

1 comment. Whether you're in Brooklyn or Rye Brook
2 or Ray Brook, in three parts of the state,
3 parents want to have influence over the way their
4 children are educated. They want to be able to
5 go in and impact with a teacher, with an
6 administrator, what they like and don't like
7 about the way their kids are educated.

8 Because when it's all over with, a
9 year of taxation, when we look cosmically about
10 what we have left at the end of days, it is our
11 children and their lives. And we care about that
12 whatever our political party is, whatever our
13 perceived ideology is, whatever the color of our
14 skin is, wherever we may live in this state.

15 Rubén Díaz talked very passionately
16 about the people in his district and the things
17 that he's done for them. I don't have a George
18 Latimer Plaza anyplace, probably never will, but
19 I care just as passionately about the kids in my
20 district, and I believe that every one of us has
21 that sense.

22 In this budget there are some things
23 that I think put the right balance on where we
24 are heading in Common Core. Number one, and most
25 importantly on this, I think this budget

1 articulates the concern that we have over data
2 privacy and data collection. We want proper data
3 that helps teachers teach. We do not want
4 something intrusive that goes into people's
5 lives, tracks them in ways that are
6 inappropriate.

7 And so this budget I'm very happy to
8 see creates a Parents' Bill of Rights for data
9 privacy and security. It establishes guidelines
10 for data collection, transparency with
11 restrictions. There's a chief privacy officer.
12 All of this addresses very directly one of the
13 major criticisms when I first saw what the
14 rollout of Common Core would be -- 400 data
15 points, loaded up in the Cloud and accessed by
16 who, and to track what Johnny did in third grade
17 well into his adult life. All those concerns, I
18 think this is the right step that we're taking.

19 I think it's correct for us to look
20 at this and say we do not want to have the
21 high-stakes testing in grades 3 through 8 reflect
22 on the transcripts of students' performance
23 records. And that's particularly important
24 because we have said that they have not yet had
25 the opportunity to be fully taught and go into

1 the pedagogy of what Common Core is. And to
2 brand a child early in his career over this type
3 of a sea change is inappropriate.

4 But I would also say -- this is at
5 the heart of Senator Parker's amendment -- that
6 it is also illogical and unfair for us to argue
7 that the teachers can be judged by tests that we
8 are not judging the children on. If our task is
9 to change the way we delivery education and what
10 we want is an intelligent way to make that sea
11 change, then I don't think we want to track
12 things, I think we want to properly implement
13 them.

14 Senator LaValle first used the
15 comment, at that Senate Education meeting, "We
16 ought to hit the stop button." I repeated him,
17 but I happened to slam the table, so I got the
18 press, Ken, instead of you. You deserved it, it
19 was your original thought. But I agreed with
20 that.

21 And the bottom line is if it doesn't
22 make sense for us to track the children until
23 we're fully implemented, I don't think it makes
24 sense to track the teachers.

25 I know we've got APPR and No Child

1 Left Behind. But you know something? Either we
2 as intelligent people drive public policy or we
3 use excuses for why we can't change public
4 policy. And in this particular case, if we're
5 going to redirect the way we teach kids from soup
6 to nuts in all parts of this state, then I think
7 we owe it to those children to have an
8 intelligent, consistent rollout of what it is
9 we're going to do. We're starting in the right
10 direction on some of these things.

11 I will summarize, because the hour
12 is getting late and we have other bills to deal
13 with.

14 This is, in terms of Common Core, a
15 first step in the right direction. However, what
16 I hope, as has been expressed in other forums, is
17 that the Commissioner and the Board of Regents
18 understands that this legislative body and the
19 other house and the Governor do not normally like
20 to legislate in the area of legislation; this is
21 not what we prefer to do for education. But we
22 are doing it today in this budget because
23 something is deficient and it needs to be
24 corrected. And I hope that that message
25 comes through loud and clear and we will see a

1 more responsive Board of Regents and a more
2 responsive Department of Education on these
3 issues.

4 With that, I will cede the
5 microphone, and I intend to vote yes on this
6 bill.

7 ACTING PRESIDENT GRIFFO: Senator
8 Montgomery.

9 SENATOR MONTGOMERY: Thank you,
10 Mr. President. Thank you, Mr. President. I rise
11 to speak on the bill.

12 ACTING PRESIDENT GRIFFO: Senator
13 Montgomery on the bill.

14 SENATOR MONTGOMERY: Yes, thank
15 you. I want to just comment on a couple of areas
16 that are of concern to me.

17 But before I do that, I want to just
18 compliment the Governor on the fact that he has
19 instituted for the state and the city to be
20 authorized to audit the charter schools, the same
21 as they are authorized to audit any school in the
22 State of New York. So I appreciate that.

23 I am, however -- I have a great deal
24 of concern for the way that this budget in fact
25 encroaches on the authority of the Board of

1 Regents. I note, for example, there is a
2 particular area of the budget, on page 62 of this
3 budget, it says that the chief privacy officer --
4 the Commissioner shall appoint a chief privacy
5 officer. When did we ever encroach upon the
6 ability of the Commissioner to appoint his staff?
7 That seems to be very, very far-reaching into the
8 authority of the Commissioner.

9 And there are a number of other
10 areas that are specifically, it seems to me,
11 under the purview, should be under the purview of
12 the Board of Regents but we are now legislating
13 it.

14 So certainly I agree that we,
15 generally speaking, do not do education policy in
16 this way. And I hope that we're not going to --
17 this will not be a precedent being set here where
18 it's in fact the Governor that legislates and the
19 Legislature that legislates education policy to
20 the point where we direct the Commissioner who to
21 appoint on their staff. So that's one area.

22 The other area that I also am
23 concerned about is the fact that this budget also
24 legislates policy for the City Department of
25 Education. So it's no longer even the mayoral

1 control, this is gubernatorial control that we
2 have established. And the legislation
3 specifically says -- and this is only for
4 New York City. So every other part of the state,
5 I'm assuming, will maintain, as Senator Latimer
6 says, their local control, but New York City
7 loses its local control in this legislation.

8 For instance, in Part BB on page 71
9 in this bill it talks about the city school
10 district in a city having a population of
11 1 million or more. That's us, New York City
12 only. And it says that we must, the New York
13 City Department of Education must allow any
14 charter school that wishes to collocate with an
15 existing public school in that building, they
16 must be allowed to do that.

17 And furthermore, if there's not
18 space, they must be required to find space for
19 that charter school at no cost to the charter
20 school. And if the charter school is not happy,
21 the charter school can take the Department of
22 Education into arbitration. So that, to me, is
23 specifically a policy that reaches way into
24 New York City's local control of their schools.

25 The other issue that I have great

1 concerns about is the fact that these charter
2 schools -- I do not see anywhere in this budget,
3 while you're reaching in to force the charter
4 school issue as it relates to New York City's
5 Department of Education, there is no resources
6 applied to forcing an integration of charter
7 schools as a model -- and any other models --
8 into the public school.

9 Everybody is saying that charter
10 schools are public schools. Well, that's for
11 sure. And we want the best models to come forth
12 and to be integrated into schools broadly. I
13 don't see any indication that budget enforces
14 that process.

15 So while we are being forced to
16 accept charter schools relocation, we are not
17 being helped, nor are the charter schools being
18 helped, to make sure that whatever it is that is
19 so great about them becomes integrated into the
20 larger public school system.

21 So in my mind, what we are doing in
22 this budget is we are supporting the development
23 of two separate systems. One, the charter
24 system, and the other the so-called public
25 charter system and the other public school

1 system.

2 So we go backwards from Brown. We
3 go backwards from the time that it was required
4 that we have a single standard for all children
5 that we fund through a public education system.

6 So I'm very concerned, I'm very
7 unhappy with this direction. It is not local
8 control. It is establishing a central control
9 located here in Albany, and especially the
10 control of New York City.

11 So, Mr. President, I'm not going to
12 be supporting this education bill. And certainly
13 I know that many of the constituents that I
14 represent have come to me -- especially
15 parents -- in tears, because we have set up a
16 civil war among parents specifically around
17 collocation. And that is very unfortunate,
18 because this bill ensconces collocation as a
19 procedure, a process, that the charter schools in
20 that city will be able -- or the Department of
21 Education will be forced to comply with and to
22 accommodate this system that has created so much
23 unhappiness and chaos and unfairness among
24 children in the City of New York.

25 So, Mr. President, I will be voting

1 no on the education bill.

2 ACTING PRESIDENT GRIFFO: Senator
3 Krueger.

4 SENATOR KRUEGER: Thank you,
5 Mr. President.

6 So, So many people have spoken, and
7 I appreciate what they said, so I am not going to
8 spend a lot of time going back over territory
9 that has been raised. But yes, there are many
10 improvements for education and related activities
11 in this bill. Not far enough, but better than
12 when we started. And I would like to highlight
13 that I appreciate that we are making some
14 progress on our commitments to education and
15 higher education.

16 But I would also remind us as we do
17 so that we were so far behind the ball of what we
18 had already committed, we are still not where we
19 expected to be in 2014-2015. But I do appreciate
20 many important issues have been covered at least
21 financially.

22 I share my colleagues' concerns both
23 about Common Core and what more needs to be done
24 there and what needs to be clarified in respect
25 for our teachers and our students and our school

1 districts.

2 I share the concerns of my
3 colleagues particularly from New York City
4 vis-a-vis the yet to be completely understood
5 language regarding charter schools. It actually
6 is disturbing to me that on the day we are
7 passing a budget bill relating to language going
8 forward with collocations and rent obligations,
9 no one can actually explain exactly how this will
10 work, neither the Governor's people nor the City
11 of New York nor anyone who I have chatted with
12 who has actually read and reread the budget
13 language when it comes to how the disputes will
14 be resolved, what will be the future obligations
15 of the City of New York vis-a-vis perhaps
16 additional charters.

17 I think every schoolchild deserves
18 the best education in a quality location. But
19 speaking for New York City, our schools are
20 already at 95 percent capacity and the schools in
21 my district are actually at -- you can see the
22 numbers in the blue books -- 115, 125 percent of
23 capacity. So when you talk about wanting to add
24 additional schools with collocation, without the
25 ability of the City of New York to say this isn't

1 going to work -- does it worry me? It worries
2 me. And the fact that the language here in the
3 budget bills don't really give us a clear-cut
4 explanation of how we're going to deal with it,
5 that creates a real concern for me.

6 I wanted to highlight something that
7 I believe was part of my colleague Senator
8 Velmanette Montgomery's concerns, the concept
9 that in this bill we are taking language
10 supposedly to address the parental privacy
11 concerns vis-a-vis giving private student data to
12 shared learning infrastructure service providers,
13 but we're not really explaining what the rules
14 would be and how parents could opt out or how
15 school districts could opt out.

16 And in fact there are bills much
17 stronger than the language in this budget bill.
18 There's a bill by my colleague Joe Robach and
19 Assemblymember Danny O'Donnell that would go much
20 further to explicitly explain what kind of
21 student data could be shared with outside vendors
22 and what kind of information could not. And the
23 language in here is very gray area at best.

24 It also creates, as my colleague
25 pointed out, some kind of privacy officer to be

1 appointed. But when I look up the information
2 about who came up with the idea of privacy
3 officers to oversee private data of students
4 being distributed to middlemen or for-profit
5 vendors, I learned that that proposal comes from
6 the organization ALEC, and I tend to have a very
7 knee-jerk negative reaction to proposals
8 recommended by the organization ALEC because
9 every time I read one of their proposals, I know
10 I'm supposed to run the other direction.

11 And yet that language is within this
12 bill. And it also leaves me with real concern
13 about not having thought through the details
14 enough.

15 So personally I believe I need to
16 vote for this bill because the goods outweigh the
17 bads. But I would urge my colleagues to
18 immediately after the budget revisit the question
19 of student privacy and distribution of their
20 information to organizations like inBloom and
21 other companies. And we can still fix this and
22 get it right by bringing a separate bill to the
23 floor.

24 And again, there are several in both
25 houses that would address these concerns by

1 moving beyond the budget to address that specific
2 set of privacy-rights issues on behalf of parents
3 and students throughout the State of New York in
4 a separate freestanding bill. We don't have to
5 start from scratch. I'd be very happy to support
6 Senator Robach's bill coming to the floor and
7 being passed, and I bet many of my colleagues
8 would share that view on both sides of the aisle.

9 I'll be voting yes, Mr. President.

10 Thank you.

11 ACTING PRESIDENT GRIFFO: Thank
12 you, Senator Krueger.

13 Senator Parker.

14 SENATOR PARKER: Thank you,
15 Mr. President. On the bill.

16 ACTING PRESIDENT GRIFFO: Senator
17 Parker on the bill.

18 SENATOR PARKER: I'll try to make
19 this brief. My colleagues are telling me I'm
20 talking today like we have "Free Nights and
21 Weekends." Less is more as we wind up the
22 budget.

23 But I felt like I really couldn't go
24 pass this budget without making a couple of
25 comments about some things that I think that are

1 actually really good in this budget. And I'm
2 really pleased to stand up with my colleagues who
3 are in fact, you know, lauding just some really,
4 really good things that we are seeing here.

5 This budget is better on primary and
6 secondary education than any other budget that
7 we've seen in the last five years. And as you
8 may remember, a large number of Democratic
9 Senators and Assembly people joined me and
10 Assemblywoman Cathy Nolan in the beginning of the
11 session in signing a letter requesting
12 \$1.9 billion additional money for this year's
13 school funding.

14 Our goal was really to live up to
15 the states's promise under the Campaign for
16 Fiscal Equity to fully fund our schools. We
17 haven't quite gotten there yet, but we did add
18 another additional \$1.1 billion for schools this
19 year.

20 And there's other good news in this
21 budget, including the Smart Bond, which will
22 allow our schools to upgrade their technology.
23 These are really, really important and good
24 things for the children of the State of New York.

25 As it relates to UPK, you know, we

1 all should be declaring victory. And I really
2 want to congratulate not just the legislative
3 leaders but, as well, the Governor and the Mayor
4 for all the work they've done in terms of making
5 sure that students and parents are able to ensure
6 a good future for the children of our state.

7 We engaged in a lot of debate this
8 year about universal prekindergarten and, you
9 know, what plan was better and what we were going
10 to get to -- you know, what was going to happen.
11 But we worked that stuff out and I think we got
12 to a place that we're on the right track. Three
13 hundred forty million dollars statewide,
14 \$300 million for New York City public schools
15 this year, another \$300 million next year, I
16 think is a very, very good start. But there's
17 still much more to go.

18 In that debate that we had about
19 funding and how we go forward, what we never
20 debated was that universal pre-K works,
21 point-blank, period. And we must continue as we
22 go forward to live up to our responsibility to
23 educate every single child in this state to the
24 best of our ability.

25 We also do, I think, a good thing in

1 this budget about granting the authority in the
2 budget to expand after-school programs. However,
3 we don't fund it. And so after-school programs
4 we must see, as we do our next budget, as an
5 extension of the full school day. That as we
6 look towards, you know, doing K through 12 and
7 UPK and so on and so forth, we must extend the
8 day by doing after-school programs and funding
9 them.

10 And then as we go to that, looking
11 at our sports, athletics, arts and music and
12 dance programs also as extensions of our
13 educational programs to make sure that young
14 people are being engaged, not just through test
15 preparation but in terms of rounding themselves
16 out as full people in our societies.

17 As relates to charters, you know, I
18 am somebody who supports charters, I'm on the
19 record on that. I've worked, you know, with many
20 of the charter schools in my district. But, you
21 know, this is a microsolution. And we really
22 shouldn't be giving so much, you know, energy to
23 something that educates less than 4 percent of
24 the children in our state.

25 Again, if we put every charter in

1 New York City, you know, and they all did what
2 they do now, you're talking about, you know,
3 230 kids -- you're talking about, at most,
4 37,000 kids in a system that has 1.2 million kids
5 in it.

6 And, you know, it hasn't worked in
7 the same way that it should actually work. And I
8 think I share Senator Montgomery's concerns here
9 that we're taking away local control from our
10 School Chancellor and our Mayor to manage the
11 schools and institutionalizing an educational
12 apartheid that Mayor Bloomberg put in motion by
13 elevating charter schools above traditional
14 public schools in the system.

15 And again, I think that it's not
16 about, you know, charter schools versus
17 traditional public schools, but it's how you in
18 fact manage that process. And when you create a
19 system in fact in which you bring charter schools
20 into a traditional public school setting and only
21 rehab and paint and fix up and refurbish the
22 areas where the charter schools are, you create
23 an unequal system. And that's what educational
24 apartheid is about. And that's unfortunately
25 what we have done, and I'm scared that that

1 system is going to be institutionalized in this.

2 And again, this is not a knock on
3 charter schools, but we need a better way to
4 manage the system so that we don't create these
5 civil wars over education in our districts.

6 I think, you know, Reverend Díaz is
7 right when he in fact says that the people in our
8 communities are fighting over these lotteries to
9 have charter schools. But that's only because
10 we've allowed the traditional public schools to
11 fail. We've allowed them to fail. And if we
12 keep saying, well, public schools are your only
13 option but then your kids can't all get into the
14 charter schools, what does that mean for the
15 98 percent of the kids in the rest of the system
16 who are not getting into charter schools?

17 They must maintain their intended
18 role of being laboratories for educational
19 progress that then gets duplicated into
20 traditional public schools. And that's the
21 process that I'm committed to and I'm looking
22 forward to working with this body on doing so
23 that we make sure that the successes of charter
24 schools are in fact duplicated in other places.

25 But we should be wary as we have

1 this debate right now, when you look at the
2 evaluation and test scores at charter schools,
3 they're frankly doing no better than public
4 schools. So, you know, people are desperate but
5 they don't have all the facts. There are some
6 charter schools that are doing well, but on
7 average the charter schools are not really
8 outperforming the traditional public schools. So
9 buyer beware.

10 As relates to Common Core, I want to
11 associate myself with Senator Latimer's comments.
12 And, you know, I think that we're on the right
13 track when we say that we need to do a better job
14 at managing the process of bringing Common Core
15 into our schools across the state.

16 And again, as I've said to some of
17 my colleagues, you know, people are like, "How
18 come you're not up in arms about Common Core?"
19 Because in my neighborhood, which is primarily
20 black and Latino kids, they've been failing the
21 tests. And we've been yelling about that, you
22 know, from the very beginning, that our kids are
23 failing the tests. Now that good white kids are
24 failing the tests upstate, now we have to stop
25 everything and slow it down.

1 And that's fine. And hopefully
2 everybody will benefit from the slowdown and we
3 will in fact implement this thing in a way that
4 in fact takes into account the learning styles of
5 every single child and makes sure that all
6 communities get both testing and a curriculum
7 that in fact addresses the educational needs of
8 each community.

9 That being said, to repeat my
10 argument from the hostile -- which I'm
11 disappointed did not pass today, the hostile
12 amendment which I introduced that I'm
13 disappointed did not pass today -- it is actually
14 illogical to in fact say that we need a
15 moratorium to implement Common Core for students
16 and don't give teachers and principals the same
17 kind of latitude to have a moratorium on the
18 evaluations that take into account the children's
19 performance on these same tests.

20 And so I still continue to call for,
21 after this budget process is over, an opportunity
22 for us to fix this injustice to both our teachers
23 and our principals. Because I think that if we
24 don't do that, we're going to wind up again with
25 additional problems.

1 As I wrap up, I want to speak to
2 something that again I am disappointed was not
3 addressed, and this is the issue of the GED and
4 the new Test Assessing Secondary Completion, the
5 TASC. And the TASC is replacing the GED test.

6 And, you know, again, like Common
7 Core, we have failed to see the management
8 problems in making TASC work and training and
9 getting everybody up to speed on it before we
10 started rolling it out. So we rolled this thing
11 out on January 1, 2014, but we didn't train
12 teachers, we didn't train test centers, we didn't
13 train anybody on how this thing is actually going
14 to work going forward.

15 And I again am calling on us to have
16 a moratorium and slow this process down so that
17 we can implement it correctly before we face the
18 same kind of failure that we're facing now as
19 relates to Common Core. We need to give
20 everybody an opportunity to get up to speed on
21 TASC.

22 As relates to higher education --
23 and I only have about five or six more things I
24 want to talk about. I'm joking. I'm joking.
25 Take my time? Okay, thank you.

1 As relates to higher education, you
2 know, higher education is as important as K-12
3 education. Right? A two-year degree now is what
4 a high school diploma was 10 or 15 years ago. So
5 it's critical that we are developing an education
6 system that makes a smooth transition from K-12
7 education to higher education.

8 Part of that transition is not just
9 competencies in reading, writing and arithmetic,
10 but also within the context of fully funding
11 these issues. And I think that Senator Toby
12 Stavisky has made a really, really good point
13 about support for the actual higher education
14 institutions. And I agree with her that we have
15 not nearly done as much as we need to do for
16 CUNY.

17 Again, as earlier, I'm happy that
18 this budget provides \$35 million for Roosevelt
19 Hall at Brooklyn College, which is in my
20 district, because I think it's going to be a good
21 start to helping making sure that we have a
22 facility that encourages the proper learning
23 environment at that important institution, what
24 we call "the Harvard of public education."

25 And the budget also does a lot of

1 good things in terms of increasing the base aid
2 to CUNY and fully restores the \$544,000 that was
3 cut from CUNY childcare centers. Which is
4 critical, because we know that at CUNY these are
5 nontraditional student. The average age of a
6 CUNY student is actually 25 years old.

7 And it restores \$1.2 million that
8 was cut from the Search for Education Elevation
9 and Knowledge, which is, you know, the SEEK
10 program. It fully restores \$1.7 million cut from
11 the Accelerated Study in Associate Programs,
12 that's the ASAP program.

13 And most importantly, the budget and
14 the process bringing TAP and other opportunity
15 programs into the 21st century. TAP was
16 increased by roughly 3 percent in this budget, or
17 \$165 this year, which is the first increase in
18 TAP in a decade. In a decade.

19 But we still fall woefully behind
20 within the -- so we're creating a gap, though. A
21 number of years ago, like about two years ago, we
22 voted for a rational tuition model that increases
23 tuition every single year at both CUNY and SUNY.
24 However, we have failed our commitment to make
25 sure that TAP keeps pace with the increases that

1 automatically happen at CUNY and SUNY.

2 I in fact want to suggest that we
3 pass a bill in the Legislature that creates an
4 automatic COLA for TAP, that automatically makes
5 sure that CUNY and SUNY students are at least --
6 but I think all students should in fact be
7 getting an automatic increase in their TAP award
8 that is commensurate with the increase from the
9 rational tuition model that we implemented in
10 both CUNY and SUNY.

11 For the first time ever, orphans,
12 foster children and wards of the state have been
13 made eligible for TAP instead of denying them
14 help to go ahead in their educational process.
15 The budget also authorizes the science,
16 technology, engineering and mathematics -- a STEM
17 initiative program for undergraduates.

18 Which brings up an interesting
19 point. So on one hand we're saying everybody
20 should have STEM education, but we don't in fact
21 acknowledge the fact that for you to make it in
22 STEM fields, right -- so if you're in science,
23 technology, mathematics or engineering -- for you
24 to advance in those fields you have to have a
25 graduate degree. Yet once again we submit a

1 budget that fails to create graduate TAP.

2 Members of this body, I am begging
3 you to in fact go forward and find the resources
4 to create graduate TAP. It is absolutely
5 nonsensical for us to say we're encouraging STEM
6 education when we in fact know, sitting here
7 today, that for you to get even an entry level
8 job in a STEM field you have to have a graduate
9 degree, yet we're not providing the kind of base
10 financial assistance for students to get those
11 degrees.

12 And so, you know, although again
13 it's been really important for us to have STEM
14 education and to be encouraging it, we haven't
15 done that in a proper way until we in fact are
16 providing for graduate TAP.

17 And lastly, we still have not fixed
18 the nonsensical way that part-time TAP is
19 administered. Right? Part-time TAP is
20 administered in a way that you have to be going
21 for a year or two full-time and then you have to
22 apply -- it's all these things that -- take off
23 the red tape. Just real simple. From going
24 full-time, I apply for TAP, if I meet the income
25 eligibility, I get it. If I'm a part-time

1 student, I'm applying for TAP, if I meet the
2 income eligibility I should get it.

3 It shouldn't have -- if you're a
4 part-time student, you shouldn't have to jump
5 through additional administrative hoops just
6 because you're going part-time. We still want
7 part-time students to have the ability to achieve
8 that education. We know they cannot do it
9 without the financial aid. And so it was
10 actually a fiscal trick and really a joke for us
11 to say that we have part-time TAP when in fact
12 we've moved the goalposts so far away no one will
13 ever reach it.

14 You know, we've done a good job, I
15 think, in this budget, and this is why I'm voting
16 for this budget, in terms of increasing the base
17 aid for SUNY and CUNY, both the childcare
18 centers, opportunity programs, and for technology
19 training. There's some very, very good things in
20 here. There's some things that we still need to
21 fix. But I'm going to vote aye, Mr. President,
22 because I think that we are on the road to making
23 sure that education is achieved for all of our
24 students in the State of New York.

25 Thank you.

1 ACTING PRESIDENT GRIFFO: Thank
2 you, Senator Parker.

3 Is there any other Senator that
4 wishes to be heard?

5 Seeing or hearing no other Senator
6 who wishes to be heard, I call upon
7 Senator Flanagan to close debate.

8 SENATOR FLANAGAN: Thank you,
9 Mr. President.

10 I appreciate all the comments from
11 my colleagues. I wanted to go over some things
12 and respond to some of the concerns that were
13 raised, speak to the issues involving the overall
14 education budget.

15 But I'll go back to some of the
16 things I said early on. There are many, many
17 good things in this budget. There are many, many
18 stellar things in the education budget. And
19 collectively, we are advancing almost
20 \$25.7 billion of New York State tax money to
21 public schools. No one should apologize for
22 that. That's a billion, well over \$1.1 billion,
23 closer to a \$1.2 billion increase from last year.
24 Again, the single largest growth area in the
25 budget.

1 My colleagues and I listened to many
2 of our communities, our school districts, had
3 tons of meetings. I'll give you a perfect
4 example. In my office -- you see this stack of
5 bills here -- I have letters and resolutions from
6 school districts all across the state. And every
7 one of those letters begged us for GEA help.
8 That's what they were. There was a whole
9 campaign put together so there was a statewide
10 effort to address those issues.

11 So \$25.7 billion, almost a
12 \$1.2 billion increase, the single largest growth
13 area in the budget, without question. And there
14 are components in there, \$280 million for
15 expense-based aids. Those are things that school
16 districts are entitled to and they should get.

17 There's \$250 million of new money
18 for Foundation Aid. Foundation Aid is important
19 for some of our colleagues. Someone mentioned
20 small cities and school districts like that;
21 that's an important component. It doesn't work
22 everywhere.

23 GEA. That is what we heard more
24 than anything else, probably 25 times over. This
25 year's budget provides \$602 million more GEA

1 relief. That is the largest area of the
2 education expenditure, and it is purely and
3 wholly and completely responsive to our
4 constituents.

5 The Governor came in, gave us a good
6 starting point. Problems with his budget, no
7 question; \$323 million, we're now up at
8 \$602 million. Our priorities were GEA relief.
9 That's what you see in this budget.

10 So in terms of overall funding,
11 there's a tremendous amount of good things.
12 Things that didn't get talked about, there's
13 \$14 million for Teacher Centers. That's money
14 that was restored, cut out by the Governor, put
15 back in, so we have an agreement there.

16 Libraries. The Governor cut funding
17 to libraries. Senator Farley, champion of
18 libraries. We put that money back and added a
19 million dollars on top.

20 Nonpublic schools. My colleague
21 Senator Felder has been probably the most
22 outspoken. There are four different pots of
23 money: \$4.5 million for safety grants,
24 \$8.1 million for transportation for after-school
25 programs, primarily in the City of New York;

1 \$5.23 million in nonpublic school aid; and
2 another pot of \$16 million. That is recognition
3 of services that they provide, the fact that
4 they're educating children all across the State
5 of New York, and that's a good and positive
6 thing.

7 Smart Bond Act. I think Senator
8 Parker spoke to this fairly briefly. But that,
9 you know, for me, the best thing about the Smart
10 Bond Act is it's going to go to the voters. That
11 will be out on a referendum. That will allow
12 them to make a decision. There has been a
13 healthy debate about that: How should we do it,
14 who should be eligible. But that's going to be
15 on the ballot, and ultimately the public decides.
16 So that's the great equalizing factor for us.

17 There was discussion about a large
18 variety of things. So charters, I want to speak
19 directly to charters. I have heard so many
20 different things about charter schools. And I
21 think part of what happened, in fairness, in the
22 last couple of years there's been very little
23 discussion about charter schools. But because of
24 actions taken this year and, frankly, actions
25 taken in the City of New York by the new

1 administration, that created a juggernaut in some
2 ways and broke a logjam in some other respects
3 that led to, in my opinion, a healthier debate.

4 So I look at it this way -- and I
5 don't have a charter school in my district, so
6 let me be very clear. I have part of the
7 district called Longwood, they have a charter
8 school that they deal with. But by and large,
9 there's 70,000 kids in the City of New York,
10 8,000 kids outside of the City of New York. It's
11 a statewide issue. They represent slightly less
12 than 3 percent of all the students in the State
13 of New York, but they're public school students.

14 So when we're talking about
15 non-public school kids and we're talking about
16 public school kids, we're talking about almost
17 3 million students in the State of New York. And
18 we have an obligation, if we have existing
19 laws -- and we do. There will always be people
20 who say, I don't like charters at all. That's
21 fine. But when we have laws, they should be
22 properly enforced.

23 And the last thing in the world, I
24 don't care if it's a charter school or a
25 non-charter school, kicking kids out in the

1 middle of the year, bad policy. Just bad form.
2 Doesn't matter what the community is. And that
3 is the reason that we see some of the things that
4 are in here.

5 So I believe the protections are
6 there. They're valid. People may disagree. But
7 I also want to reiterate, for school districts
8 outside of the city, there has been a lot of
9 comments raised about cost. Any changes, any
10 changes regarding tuition will be absorbed by the
11 State of New York. There will be no further
12 costs to local school districts. I've heard it a
13 hundred different times.

14 The reality is there is no
15 additional cost to the local property taxpayer.
16 Whatever increase there is going to be will be
17 absorbed by the State of New York. And that's
18 frankly the way it should be. If we're going to
19 be looking to deal with these issues
20 prospectively, that might open a window for
21 things to be done that would be helpful in that
22 area.

23 Now, Common Core. Senator Latimer
24 spoke to this, and a number of my colleagues
25 commented on this. I believe that we have some

1 terrific products in this legislation, and
2 there's a lot of reasons for it. We did
3 statewide hearings starting last fall. Many of
4 my colleagues participated. We issued a report,
5 advanced legislation, had a multitude of
6 discussions.

7 I sit as the Senate representative
8 on the Governor's Common Core panel. All the
9 issues that were raised in the context of the
10 Governor's panel had been raised previously
11 through the Senate, through the Assembly. And
12 all of you know, we heard from parents. This
13 thing started out from educators, and then it
14 morphed into the people who are at the forefront,
15 the parents and the students.

16 And when I speak about the parents,
17 I'm no different than anyone else. Parents
18 represent the students. They're obviously
19 interrelated and integrated, so they are
20 synonymous, frankly.

21 In what we had advanced and now what
22 is in this legislation, there are many good
23 things. And I believe that they should be
24 highlighted. We're basically banning
25 standardized testing for pre-K through 2. And

1 the crazy part is that we actually even had a
2 discussion about whether or not that be public
3 policy, that it never should have been public
4 policy. The kids who are 5 years old and 4 years
5 old sometimes have trouble holding a pencil, let
6 alone taking an exam.

7 There's legislation in here -- or
8 there's comments in here about unnecessary
9 testing. There's issues involving privacy.
10 There are at least 13 different points that have
11 been -- now will be put into statute. And these
12 are all in response to things that we heard from
13 the public, from educational professionals. And
14 I would concur that this is an excellent start,
15 but it is by no means finished, and I'll explain
16 why in a second.

17 There is a Parent Bill of Rights.
18 Where did we did get that from? We got that from
19 parents, listening to people out in the field,
20 out in our communities. And there are extensive
21 provisions in there, and we are now in a position
22 where we're telling SED and the Regents how to do
23 their job. And frankly, ladies and gentlemen, I
24 don't like that. That's not the public policy
25 that I would like to see in the State of

1 New York.

2 The Regents came out with an action
3 plan, but it's not fast enough, it's not swift
4 enough, it's not detailed enough. And we did
5 tell them -- Senator LaValle certainly spoke at
6 the committee meeting, as did many others -- that
7 if you don't act, we will act on your behalf.
8 Fortunately, some of the recommendations that
9 they made are now being codified.

10 So a Parent Bill of Rights. Senator
11 Krueger alluded to an organization called ALEC.
12 I've had as many meetings on these subjects as
13 any member of this body. I have never had
14 correspondence, I have never had any meeting with
15 anyone from a legislative entity called ALEC. I
16 know who they are, but they never came to see us,
17 never talked to us about privacy.

18 The people who came were parents.
19 And I'm going to throw out a name, most of you
20 may know the name. Her name is Sheila Kaplan,
21 she is an ardent advocate. She's one of many,
22 many, many parents and community members who came
23 and talked about a Parent Bill of Rights,
24 privacy, the creation of a chief privacy officer.
25 So there are no outside organizations.

1 We did get good input at a hearing
2 in Syracuse from national organizations about how
3 we could enhance the privacy laws, go beyond what
4 the federal government does. All those things
5 are generally if not specifically contained in
6 this legislation.

7 Having said that, the timing on this
8 is very important. Because as we wrap up -- we
9 even feel like we're in a little cocoon
10 sometimes, so we go back out into the real world
11 at some point tonight or tomorrow to our
12 constituents. In large part what you see here is
13 timely action that will directly affect students,
14 students in the next month, because ELA and math
15 exams are going to be administered.

16 This provides protection for those
17 students so that they don't have adverse impacts,
18 so it's not made part of their permanent
19 transcript or record. This is responsive to the
20 needs of students right now.

21 We still have work to do on
22 Common Core, because SED and the Regents are
23 still not doing it as well as they should. And
24 if we have to continue to intervene, I am very
25 confident that we will, because today we're

1 proving we're not hesitant to take action when
2 action is appropriate.

3 Now, I mention that this is timely
4 right now because of students in this coming
5 month. There is no question, every one of my
6 colleagues cares deeply about educational
7 professionals, principals and teachers in
8 particular. They're at the forefront. And
9 there's nothing more important than having a good
10 teacher and a good principal in a classroom and
11 in a school.

12 I know that there will be continued
13 ongoing debate, robust discussion, healthy
14 exchanges in terms of what should be done to
15 protect teachers. I don't want to have any
16 adverse impacts on teachers. And I believe as we
17 finish the budget and move into the second phase
18 of our session, that we will have many, many
19 discussions on that. And I am confident that in
20 some way, shape or form before we leave here in
21 this session, that we will take further action.
22 If SED and the Regents decide to do something
23 sooner, more power to them.

24 So there are a whole litany of
25 things that we have accomplished in this budget

1 collectively, collectively. And I'm going to
2 just touch on one more thing regarding Common
3 Core. Here's where we all need to do more work.
4 We need to go to the federal government, we need
5 to go to our colleagues -- because the reality is
6 those tests that we keep talking about, ELA 3
7 through 8, those are not our tests. We
8 administer them, and we'll put them together, but
9 the federal government is making us do it.

10 We need to be going to our federal
11 representatives. Those are really federal tests.
12 That's not the State of New York saying to school
13 districts we want you to do this. We're
14 constrained or restrained by law that we have to
15 administer these exams. We need to do a better
16 job of going to our federal representatives and
17 having them advocate for changes in regulation,
18 in statute and educational policy at the federal
19 level.

20 So on the whole, I think there are
21 many positive things in this budget. Again,
22 going back, GEA, GEA, GEA. It's like the old
23 adage, real estate is location, location,
24 location. There's over \$600 million. Again,
25 close to \$1.2 billion overall.

1 There will be those who will always
2 have comments that say the glass is half-empty.
3 I believe it's more than half-full and we're
4 moving in the right direction. And I know we
5 have plenty more work to do, but this is a very
6 solid education budget that everyone should be
7 able to embrace.

8 ACTING PRESIDENT GRIFFO: The
9 debate is closed.

10 The Secretary will ring the bell.
11 Read the last section.

12 THE SECRETARY: Section 3. This
13 act shall take effect immediately.

14 ACTING PRESIDENT GRIFFO: Call the
15 roll.

16 (The Secretary called the roll.)

17 ACTING PRESIDENT GRIFFO: Senator
18 Gipson to explain his vote.

19 SENATOR GIPSON: Thank you,
20 Mr. President. I rise to support this bill.

21 One of the things that I'm just very
22 happy to see in there is that the thing that so
23 many of us have advocated for, which is to
24 eliminate the standardized testing for pre-K
25 through second grade, I think is a huge step

1 forward.

2 We know that at such an early age we
3 should not be trying to standardize our young
4 children's minds, we should inspire them to be
5 individuals, to reach their maximum creativity.
6 That's how we're going to come up with new ideas
7 and new products in the future. And I am so
8 happy to see this eliminated so that our kids at
9 an early age can reach their maximum creative
10 potential.

11 And I will be voting yes. Thank
12 you.

13 ACTING PRESIDENT GRIFFO: Senator
14 Gipson to be recorded in the affirmative.

15 Announce the results.

16 THE SECRETARY: In relation to
17 Calendar Number 373, those recorded in the
18 negative are Senators Hoylman, Montgomery and
19 Perkins.

20 Ayes, 58. Nays, 3.

21 ACTING PRESIDENT GRIFFO: The bill
22 is passed.

23 SENATOR LIBOUS: Can we proceed
24 with Calendar Number 377, Mr. President.

25 ACTING PRESIDENT GRIFFO: The

1 Secretary will read Calendar Number 377.

2 THE SECRETARY: Calendar Number
3 377, Senate Budget Bill, Senate Print 6914, an
4 act to amend the Public Health Law.

5 ACTING PRESIDENT GRIFFO: Senator
6 Libous.

7 SENATOR LIBOUS: Mr. President, is
8 there a message of necessity at the desk?

9 ACTING PRESIDENT GRIFFO: There is
10 a message of necessity before the desk.

11 SENATOR LIBOUS: I move to accept
12 the message.

13 ACTING PRESIDENT GRIFFO: Can we
14 have some quiet in the chamber, please.

15 All in favor of accepting the
16 message of necessity signify by saying aye.

17 (Response of "Aye.")

18 ACTING PRESIDENT GRIFFO: Opposed?

19 (No response.)

20 ACTING PRESIDENT GRIFFO: The
21 message is accepted, and the bill is before the
22 house.

23 SENATOR LIBOUS: Thank you,
24 Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 Rivera.

2 SENATOR RIVERA: Thank you,
3 Mr. President. Would the sponsor yield for a few
4 questions.

5 ACTING PRESIDENT GRIFFO: The
6 sponsor yields.

7 SENATOR DeFRANCISCO: I will not.
8 I'm going to hand it over to the expert of
9 health, Senator Hannon.

10 ACTING PRESIDENT GRIFFO: The
11 sponsor defers to Senator Hannon, without
12 objection.

13 Hearing none, Senator Hannon, do you
14 yield to Senator Rivera?

15 SENATOR HANNON: Yes, I do.

16 ACTING PRESIDENT GRIFFO: Senator
17 Rivera.

18 SENATOR RIVERA: And I don't have
19 an objection either. Senator Hannon, through
20 you, Mr. President, is certainly an expert, an
21 excellent person to answer the following
22 questions.

23 I have a couple of things I wanted
24 to clarify. On Section 2801H, on line 31 on
25 page 24 of the bill I wanted to see if you could

1 explain that part of the legislation to me,
2 please. Through you, Mr. President.

3 SENATOR HANNON: That was a
4 provision in regard to having a public forum in
5 regard to certain medical facilities in a certain
6 county, and to have that open forum to be held.

7 SENATOR RIVERA: Through you,
8 Mr. President, if the sponsor would continue to
9 yield.

10 SENATOR HANNON: And, Senator
11 Rivera, perhaps I could ask that Senator Klein,
12 who had suggested that particular section,
13 provide a further explanation of it.

14 ACTING PRESIDENT GRIFFO: Do you
15 require further explanation, Senator Rivera?

16 SENATOR RIVERA: I have other
17 questions, if Senator Klein is going to yield.

18 ACTING PRESIDENT GRIFFO: Senator
19 Klein, without objection?

20 SENATOR KLEIN: Sure.

21 ACTING PRESIDENT GRIFFO: Senator
22 Klein.

23 SENATOR KLEIN: Through you,
24 Mr. President, I'd just like to just briefly
25 describe the amendment.

1 The purpose of the portion of the
2 budget bill is simple. As more and more large
3 clinics are being built without any sort of
4 Department of Health approval, this bill creates
5 a demonstration program in the County of the
6 Bronx to allow for a public forum so that the
7 community can have input before such projects are
8 built.

9 SENATOR RIVERA: Through you,
10 Mr. President, if Senator Klein would continue to
11 yield.

12 ACTING PRESIDENT GRIFFO: Senator
13 Klein, do you yield?

14 SENATOR KLEIN: Yes, Mr. President.

15 ACTING PRESIDENT GRIFFO: Senator
16 Rivera.

17 SENATOR RIVERA: Thank you,
18 Mr. President.

19 Is there a particular reason why the
20 provision only refers to the Bronx and not the
21 rest of the state?

22 SENATOR KLEIN: Well, this is an
23 issue that certainly eventually is going to have
24 an impact throughout the state. As many of you
25 know, a lot of hospitals are now sponsoring

1 clinics, ambulatory care programs. Because
2 really the future is to have many doctors housed
3 under one roof in these large facilities.

4 Also it is not profitable for
5 hospitals, as you know, or not very efficient, to
6 offer very long hospital stays. So most of these
7 procedures can be done not even having the
8 individual required to stay overnight.

9 So while I agree with the concept of
10 efficiency in healthcare, agree with what a lot
11 of these providers are proposing, to sort of
12 streamline healthcare and make it very easy to
13 for the patient to obtain services sort of all
14 under one roof, this is something that presently
15 has no oversight by the Department of Health.

16 Certainly locally this hit home in
17 my district, in the community of South Riverdale,
18 where Montefiore, an excellent healthcare
19 provider, decided to put right smack in the
20 middle of a residential community a proposed
21 11-story ambulatory care center. It may not be
22 considered a hospital by the Department of
23 Health, but certainly it's very, very large,
24 very, very cumbersome, and it caused a community
25 outcry.

1 People are outraged that this large
2 institution is going to be put right in the
3 middle of a residential block, not take into
4 consideration the density of the neighborhood,
5 not take into consideration the traffic patterns.
6 They're expecting over a thousand people a day to
7 come in and out of a roadway on a very narrow
8 block.

9 So I thought it was important that
10 we at least, at least require that the Department
11 of Health really take some community concerns.
12 And so what this would do is allow for a
13 community forum, which would be set of by the
14 Department of Health, making sure to get local
15 community board input, having them explain what
16 they're doing about the density, the need, as
17 well as traffic. And then really leaving it up
18 to the Department of Health to either mandate,
19 modify, or disapprove the potential project.

20 SENATOR RIVERA: Through you,
21 Mr. President, if Senator Klein would continue to
22 yield.

23 ACTING PRESIDENT GRIFFO: Does the
24 Senator yield?

25 SENATOR KLEIN: Yes, Mr. President.

1 ACTING PRESIDENT GRIFFO: Senator
2 Rivera.

3 SENATOR RIVERA: Thank you.

4 So if this is a -- I'm trying to
5 figure out if it's something that is -- you
6 mentioned this clinic of Montefiore or the
7 proposed building that Montefiore is potentially
8 putting up. And while I certainly have been --
9 I'm familiar with some of the stories, this is
10 something that would impact the Bronx as a whole.
11 Is that -- so my --

12 SENATOR KLEIN: Through you,
13 Mr. President -- oh, I'm sorry.

14 SENATOR RIVERA: So my question,
15 through you, Mr. President, if it's going to
16 impact the Bronx as a whole, what type of impact
17 could it have on other facilities that are
18 potentially attempting to do something, to build
19 one of the three in the categories that are
20 established in this bill?

21 SENATOR KLEIN: Through you,
22 Mr. President. This would apply to very large
23 facilities. These would have to be facilities
24 that are over three stories in height and over
25 30,000 square feet. So this is not your little

1 small neighborhood doctor's office. These are
2 very large facilities.

3 And again, I don't think it's too
4 much to ask, when anyone is building a project of
5 this size in any community, let alone the Bronx,
6 that they explain to the community and answer
7 some basic questions: What is the impact that
8 this is going to have on the quality of life of
9 the community? How are you going to deal with
10 the traffic? How are you explaining the need for
11 this facility in the community -- you know, is
12 there a market, are there people who need to
13 utilize these services?

14 And again, this in no way gives --
15 the Department of Health sort of having to
16 respond to the community, it doesn't give the
17 community a veto power. What it really does,
18 pure and simple, is give the community a voice
19 and then allows the Department of Health to
20 really weigh and listen to what the community has
21 to say and act accordingly.

22 SENATOR RIVERA: Through you,
23 Mr. President, if Senator Klein would continue to
24 yield.

25 ACTING PRESIDENT GRIFFO: Senator

1 Klein, do you yield?

2 SENATOR KLEIN: Yes, Mr. President.

3 ACTING PRESIDENT GRIFFO: The
4 Senator yields.

5 SENATOR RIVERA: Thank you,
6 Mr. President.

7 When I spoke about institutions or
8 facilities, I was less referring to the
9 facilities to be built and more referring to the
10 institutions that might be impacted or plans that
11 might be impacted from other institutions. Like
12 certainly Montefiore serves both of our
13 constituencies, it serves most constituencies in
14 the Bronx, it's a huge hospital.

15 In the case of St. Barnabas, for
16 example, which is a safety net hospital, which is
17 actually potentially going to build something
18 like one of these categories, may be in the plans
19 of doing it, was there any thought -- through
20 you, Mr. President -- of the impact that it would
21 have of kind of adding another regulatory
22 framework to what these institutions have to go
23 through now, because it is not -- I do not
24 believe that it is as simple as choosing a space
25 and just building something without actually

1 having some other -- you know, making sure that
2 the Department of Health actually approves the
3 services that they're going to provide in this
4 new space.

5 So through you, Mr. President, was
6 there any thought about the impact that it would
7 have on other institutions, like safety net
8 hospitals such as St. Barnabas?

9 SENATOR KLEIN: Sure. Through you,
10 Mr. President.

11 Really the idea for this
12 legislation, really the genesis of the
13 legislation was when myself and my colleague
14 Assemblyman Dinowitz, who also represents the
15 same community, actually wrote a letter to the
16 Department of Health asking why, if this proposed
17 facility kind of looks like a hospital, feels a
18 like a hospital, is serving a large number of
19 people like a hospital, why don't they have to go
20 through the certificate of need process. And we
21 received a very lengthy letter to say if it's not
22 considered a hospital, it's not a hospital, as
23 simple as that.

24 So I think requiring them to at
25 least hear from the community is not unduly

1 burdensome.

2 And as far as the concern you have
3 about St. Barnabas, I spoke to Dr. Scott Cooper a
4 couple of days ago. I know he's planning on
5 doing affordable housing and some other clinic,
6 which I helped and supported him a couple of
7 years ago when that was actually within my Senate
8 district. And I do not believe that it would be
9 covered.

10 First of all, what he's talking
11 about is affordable housing. He's not talking
12 about expanding a healthcare unit or providing
13 any type of ambulatory care.

14 But again, as I explained, we're not
15 giving veto power to the local community, we're
16 not allowing the local community board to just
17 stop a project. But we are giving a voice to the
18 local community and hoping and kind of mandating
19 that the Department of Health at least hear the
20 concerns of the community and then act
21 accordingly.

22 SENATOR RIVERA: Through you,
23 Mr. President, if Senator Klein would continue to
24 yield.

25 SENATOR KLEIN: Yes, Mr. President.

1 ACTING PRESIDENT GRIFFO: Senator
2 Klein yields.

3 SENATOR RIVERA: I have a
4 particular question, through you, Mr. President,
5 on the language that says -- I want to see if you
6 could help me define what it's supposed to --
7 when it says that the Department of Health is
8 supposed to consider "the physical
9 characteristics and social fabric of such
10 community," what exactly does that mean?
11 Particularly the term "social fabric," I'm not
12 sure I understand what that means.

13 SENATOR KLEIN: That would apply to
14 what I said earlier. You know, a lot of times
15 they would bring, you know, sort of an ambulatory
16 care center or something like this into a
17 community and they would need to identify really
18 the need in the community -- who are you
19 targeting, what population.

20 You know, I think as economics go, I
21 understand why Montefiore is proposing this. You
22 know, they rely very heavily on Medicaid dollars.
23 I think they're the largest Medicaid recipient in
24 the United States. And they're trying to tap
25 into a market that is private-pay and Medicare.

1 Makes sense.

2 But again, they should be able to
3 have to show that there is a need for that type
4 of facility here. I think that's probably the
5 easiest burden or hurdle that any potential
6 healthcare institution should have to meet. I
7 think the more serious ones are the height, the
8 density, the traffic and things of that nature.

9 SENATOR RIVERA: Through you,
10 Mr. President, if Senator Klein would continue to
11 yield.

12 ACTING PRESIDENT GRIFFO: Senator
13 Klein, do you yield?

14 SENATOR KLEIN: Yes, Mr. President.

15 ACTING PRESIDENT GRIFFO: Senator
16 Rivera.

17 SENATOR RIVERA: Thank you,
18 Mr. President.

19 I want to refer a second to line 30
20 on page 25, which reads as follows: "After due
21 consideration of the comments of the community
22 forum, in consultation with the Education
23 Department, the commissioner shall either
24 approve, modify or deny authorization,"
25 et cetera.

1 Is there any particular reason why
2 the Education Department is in that language of
3 that bill?

4 SENATOR KLEIN: Yeah, because what
5 this really is, in the present characterization,
6 is really considered right now large doctor's
7 offices. And as you know, that certification is
8 done by the Department of Education.

9 SENATOR RIVERA: Through you,
10 Mr. President, if Senator Klein would continue to
11 yield.

12 ACTING PRESIDENT GRIFFO: The
13 Senator yields.

14 SENATOR KLEIN: Yes, Mr. President.

15 SENATOR RIVERA: So I'm still -- so
16 it is something that is going to impact one
17 particular -- in this case, impact that one
18 particular institution.

19 As it relates to what the Department
20 of Health has to do, what -- right now, what kind
21 of expertise or experience do they have in
22 evaluating what the language of the bill is
23 calling "the appropriateness of the size, height,
24 bulk, dimensions and scope of such clinic,
25 facility or center when compared to the

1 surrounding physical characteristics"? I just
2 want to know if the Department of Health would be
3 able to perform this.

4 SENATOR KLEIN: Remember something.
5 You know, as I said, the genesis of this had to
6 do with locally zoning variances weren't changed,
7 weren't met. So this project really would be
8 known as an as-of-right project. That doesn't
9 mean it's right. That doesn't mean that the
10 institution shouldn't have to explain and answer
11 those questions.

12 But I think the key, Senator, is
13 line 30 that you talked about before. After this
14 entire process takes place, after this entire
15 hearing takes place, after all of these questions
16 are answered, the commissioner shall either
17 approve, modify, or deny authorization for the
18 establishment of any such clinic, facility or
19 center.

20 So ultimately the final hurdle -- or
21 the final decision, I should say, is made by the
22 Department of Health.

23 SENATOR RIVERA: Through you,
24 Mr. President, if Senator Klein would yield for
25 one more question.

1 ACTING PRESIDENT GRIFFO: Does
2 Senator Klein yield?

3 SENATOR KLEIN: Yes, Mr. President.

4 ACTING PRESIDENT GRIFFO: Senator
5 Rivera.

6 SENATOR RIVERA: As far as the time
7 and money that it would add to the process if an
8 institution wants to do something, put one of
9 these up, either a freestanding clinic,
10 outpatient healthcare facility, or ambulatory
11 care center, as far as the time and the money
12 that would be added to all the regulatory
13 framework that they would have to undergo right
14 now, has there been a consideration of what that
15 would be?

16 SENATOR KLEIN: Puts the burden on
17 who, the Department of Health or the proposed
18 project?

19 SENATOR RIVERA: Through you,
20 Mr. President, through the institution
21 itself that is trying to -- that is building one
22 of these.

23 SENATOR KLEIN: Well, again, I
24 don't think it's too much of a burden or too much
25 of an expense to require any health facility and

1 their sponsor to actually show up at a hearing,
2 talk about your plans.

3 Remember, these hearings are being
4 set by the Department of Health. It's just a
5 matter of the sponsor showing up with diagrams, I
6 guess, and everything else to explain to the
7 community how this project will work. So I don't
8 think it's much of a burden at all.

9 And as a matter of fact, you know,
10 moving forward, this is going to become an issue
11 in other places. I think in some cases you're
12 going to see some of these places located in
13 industrial parks. Which are not near any
14 communities, and you're probably not going to
15 have community members or the community board
16 even want a hearing.

17 But I think more and more when you
18 see these really clinics or very large healthcare
19 institutions that aren't considered hospitals in
20 residential communities, you're going to see
21 communities that are very, very concerned. Not
22 necessarily that they oppose the healthcare
23 institution, not necessarily that they may
24 disagree with the whole concept. But I think
25 they have a lot of questions, and I think the

1 community, first and foremost, deserves answers.

2 SENATOR RIVERA: Through you,
3 Mr. President, just actually one more thing if
4 Senator Klein would yield.

5 ACTING PRESIDENT GRIFFO: Do you
6 yield for a final question, Senator Klein?

7 SENATOR KLEIN: Yes, Mr. President.

8 ACTING PRESIDENT GRIFFO: Senator
9 Rivera.

10 SENATOR RIVERA: Thank you.

11 Again, if it's -- this actually goes
12 to the core of it. If it is such a good idea,
13 why not impose it on the entire state? What kind
14 of -- why would you put it just for the Bronx?

15 SENATOR KLEIN: As I said, the
16 genesis of this legislation came out of, you
17 know, a community concern.

18 As you know, Senator, 38 percent of
19 the people employed in Bronx County are employed
20 in the healthcare profession. This is something
21 that means jobs. But I think also when you're
22 building these large facilities, I really don't
23 think it's too much to ask that the local
24 community, in the sake of the community board or
25 other interested parties, get their say.

1 And I think that's going to make for
2 a better facility. I think it's going to really
3 cause better planning. And really, I think
4 really better PR, where the communities will
5 hear. This came out of, as I said, a very, very
6 large proposal. It's 11 stories that they're
7 proposing. Didn't contact anyone. Didn't
8 contact the local community board. No one really
9 knew what they were even building there until
10 finally someone found out and they had a big
11 rally.

12 So I think this will prevent that.
13 This will cause these proposals or these sponsors
14 to be good neighbors, understand that they're
15 locating in a community, understanding that this
16 will be their future client base and they should
17 respect their wishes.

18 And I think this is something that
19 really needs to be done statewide eventually.
20 And I thought it was important that in the Bronx,
21 especially as it involves this project, the pilot
22 program be in Bronx County and see how it works
23 here if we want to follow through with the rest
24 of the state.

25 SENATOR RIVERA: Mr. President, on

1 the bill.

2 ACTING PRESIDENT GRIFFO: Senator
3 Rivera on the bill.

4 SENATOR RIVERA: Thank you,
5 Mr. President.

6 I certainly want to thank
7 Senator Klein for the time that he spent
8 answering some of the questions.

9 And although I certainly agree with
10 the general thrust of having more community
11 involvement, I don't think that this particular
12 bill would be the -- or this particular language
13 would be the way to do it.

14 I do feel that there is limited
15 experience or expertise in the Department of
16 Health to be able to evaluate some of the things
17 that the language is asking the Department of
18 Health to evaluate. I'm still not sure what "the
19 physical characteristics and social fabric of
20 such community" means.

21 And I do think that there is -- that
22 it has -- that the impact that it might have on
23 institutions -- I certainly know where the
24 genesis comes from. I read the local papers as
25 well, and certainly I saw some of the rallies,

1 and our local news station, Bronx 12, certainly
2 covered a lot of them.

3 But I do think that the impact that
4 it might potentially have on other institutions
5 that this is not directly aimed at, who have done
6 things like this in the past and have done it
7 with a very -- and in this particular case I'm
8 talking about other safety net institutions,
9 certainly St. Barnabas, which is in my district.
10 And as Senator Klein mentioned, it was previously
11 in his district.

12 And there's a lot of work that
13 St. Barnabas does with safety net clients, and
14 they serve a very needy population. They're in
15 the process of considering how they're going to
16 expand to make sure that as it relates to the
17 waiver I'm going to be talking about in a second,
18 the waiver that we just got from the federal
19 government that allows us to be able to figure
20 out how to serve people better, how to get less
21 hospitalizations, et cetera, they're figuring out
22 how they're going to expand their services to be
23 able to achieve this. And this will actually
24 impact directly whether they would to be able to
25 do that. And they have already a very good

1 relationship with the local community.

2 It seems to me that in the ways that
3 this is written, and some of the language is
4 little bit vague -- and I certainly wanted to say
5 that even though, again, I agree with the overall
6 thrust of the purpose of the language, I
7 certainly was surprised to find it there and
8 would really like -- you know, would potentially
9 want to work with Senator Klein afterwards to see
10 if there's some way that it can be cleaned up.

11 But I wanted to mention that because
12 I do think that it is one of the parts of the
13 healthcare bill -- we voted on one earlier,
14 Mr. President, and we're voting on the second one
15 now -- and there's actually a lot of positives in
16 it. I did want to go through that because it
17 impacts certainly my constituency and might
18 potentially impact another institution which is
19 very core in my district.

20 But as far as the rest of the
21 healthcare bill, I actually think that we did
22 quite well. And I certainly thank Senator Hannon
23 as well as Assemblymember Dick Gottfried on the
24 Assembly side, since I know that there were a lot
25 of battles that were fought there, and at the

1 staff level as well. But I think that we have a
2 very good health bill in front of us.

3 We have a couple of issues -- and we
4 actually voted on a couple of health things in
5 other parts of the budget. Certainly there were
6 the \$1.2 billion as it relates to capital of the
7 healthcare facilities was in the capital budget,
8 and I think it is a very positive thing. We
9 certainly need more of it, but 1.2 is going to
10 help us along.

11 The Basic Health Plan, we've talked
12 about it on the floor of the Senate before. And
13 the language that was in the original Executive
14 proposal made it to the final version. I am very
15 happy about that. And certainly hundreds of
16 thousands of New Yorkers who will be impacted
17 positively by this are also happy that it is
18 there.

19 I'm also happy about the 2 percent
20 cap extended for another year. It is what we
21 have been trying to do to control Medicaid costs
22 for the last couple of years. It has been
23 successful, and we will continue to do that in
24 the years to come.

25 There's also funding for the

1 New York State of Health, as we clarified a
2 little bit earlier in the debate. It is not in
3 the same place where it was before, but
4 importantly, the funding is there. And we will
5 continue to have one of the exchanges that is
6 most successful across the country.

7 There's also repeal of third-party
8 audits for residents, which is something that
9 there was debate about as far as how residents
10 should be audited and whether there should be a a
11 third-party audit. There were some concerns that
12 we had there and that ultimately made it to the
13 final version.

14 I am concerned that the prevailing
15 wage did not make it to the final version as it
16 relates to nursing home workers. I'm certainly
17 very disappointed in that and was under the
18 impression, right up until the end, that it was
19 going to be in there. Unfortunately, it did not
20 make it.

21 I think we have to ask a very key
22 question, how did that not happen. And it is
23 something that is going to impact thousands of
24 workers across the state, people that serve
25 constituents in all of our districts. We have to

1 ask what happened with that. So that's a concern
2 that I have.

3 And finally there is -- as refers to
4 home care worker parity, there was a conversation
5 that we had had about how much money was in the
6 Executive proposal and that we wanted more --
7 \$100 million more, there was an increase of
8 \$100 million, and I think that is a positive
9 thing. We didn't get as much as many of us were
10 fighting for, but it definitely helps us along as
11 far as home care worker parity is concerned.

12 These are just some of the
13 highlights, but I do think that overall we have a
14 good health budget that achieves a lot of the
15 things that we wanted to achieve this year and
16 moves us along in the path of making sure that we
17 control costs and provide quality healthcare to
18 New Yorkers all across the state.

19 So besides those concerns that I
20 expressed earlier related to the Bronx in
21 particular, as well as the prevailing wage aspect
22 of it, I think that this is a good bill, I will
23 be voting in the affirmative, and ask my
24 colleagues to do the same.

25 Thank you, Mr. President.

1 ACTING PRESIDENT GRIFFO: Senator
2 Hannon.

3 SENATOR HANNON: Thank you,
4 Mr. President.

5 Thank you, Senator Rivera, for a --
6 I thought you were just going to ask questions,
7 but you got into the whole part of this bill.

8 I just want to talk about some of
9 the highlights that we were able to do in the
10 health budget. And it's certainly a
11 collaborative type of effort because it has such
12 far-reaching implications.

13 I think the biggest thing that's
14 going to be a transformation will be when and if
15 the proposed \$8 billion waiver is granted by the
16 federal government. And that in and of itself
17 could be something that will cause policy changes
18 for years to come. Because the stated purpose of
19 that waiver is to decrease hospital admissions by
20 25 percent over the next five years. Decrease
21 hospital admissions.

22 Now, people who don't get better
23 quicker; what's going to happen under that waiver
24 is the place of care will change. And so the
25 debate we already had in regard to the proposal

1 by Senator Klein that's in the budget will
2 continue. And we will have other places
3 throughout the state where hospitals will find
4 less and less usage and the question will be how
5 do we find an available, appropriate place for
6 the care to be given to the people of New York.

7 And accompanying that waiver there
8 is a proposal by the Executive, which we have
9 accepted, for \$1.2 billion in construction money
10 for places throughout the state to be -- and that
11 money would be administered by the Dormitory
12 Authority.

13 Both for the waiver money from the
14 federal government and for the construction
15 money, we have added to the budget what we
16 believe to be an appropriate input by this body,
17 by the public, by other members of the healthcare
18 community. Because the last thing we want to do
19 is have all these transformations go forward by
20 the so-called experts talking to the so-called
21 experts. And if that happens, we'll find the
22 same type of adverse reaction by the general
23 public as we found in education when we had the
24 educational experts talk to each other and be
25 very surprised when parents showed up at protests

1 throughout the state.

2 Other parts of this budget, there is
3 continued, and on a rolling two-year basis we
4 have continued it, the global cap, which fixes an
5 amount of money in regard to Medicaid spending
6 and says that if the total amount of spending is
7 pierced, then the Commissioner of Education, in
8 consultation with the Director of the Budget, can
9 reduce the allocations of money to each of the
10 providers.

11 However, that a cap has worked so
12 well that this year we're going to be able to
13 turn back 2 percent to all the healthcare
14 providers, the 2 percent that we took from them a
15 few years ago because we didn't have the money to
16 keep funding them.

17 There's other successes, I think, in
18 regard to installing in the Insurance Law to
19 prevent surprise billing and to have a fairness
20 in reimbursing physicians for what's called
21 out-of-network medical procedures. We've added
22 for another class money for the Doctors Across
23 New York. We were able to increase the funding
24 for spinal cord injury research; the total
25 Assembly, Senate, will be \$5 million, getting us

1 back to what we hope to be eventually the
2 pre-fiscal-crisis funding of \$8 million or even
3 more.

4 Early Intervention, a source of
5 consternation throughout the past year to
6 everybody in this house. We were not able to
7 have a fundamental change in how we do
8 Early Intervention. I think that is coming about
9 gradually by the administration.

10 But we did point out that the oldest
11 bills, the bills for nine months ago, hadn't
12 really been paid and it was not proposed to pay
13 them. So we are appropriating \$3.9 million in
14 order to make up for that for people who have
15 provided services who, without this money, might
16 go out of the business of providing the services.

17 And this is not just some type of
18 low-key good-wish type of thing. Children who
19 get Early Intervention services can often do far
20 better in terms of their future health, do better
21 in their future education. And so by this early
22 intervention we save society and ourselves a
23 considerable amount of money.

24 It's been mentioned that we're
25 adopting the Executive proposal for the Basic

1 Health Plan. This is a health plan that's
2 neither fish nor fowl. It's not Medicaid, it's
3 not a total insurance. It will be offered by the
4 same insurance folks. It will be there for
5 people between 138 percent and 200 percent of
6 poverty. There will be a heavy, heavy federal
7 participation, 95 percent federal participation.

8 It will also, neither fish nor fowl,
9 take much of its participants from people who are
10 already in the exchange. And it has been the
11 subject of a lot of study. The budget does not
12 absolutely authorize it, it authorizes the
13 administration to go forward if there are savings
14 to be had. And the savings are projected for
15 almost zero to \$300 million a year, certainly one
16 of the widest estimates I've ever seen.

17 We have altered significantly what's
18 called the Statewide Health Information Network,
19 unfortunately named the SHIN-NY. But there is a
20 need, we've altered it in a way that there will
21 be input and a deep look at how it's going to be
22 configured, what's going to be done, what the
23 governance of it will be.

24 People often say, well, just join
25 everything together. It's not that easy. We

1 need to make sure we're not duplicating what's
2 already there. Every hospital in this state
3 already has electronic medical records. The
4 question will be what is the authority to go
5 forward. If you want to join up physicians, are
6 we going to go after physician's offices. Open
7 questions, very important questions.

8 A couple of things we didn't do, and
9 I just want to talk about them. It was mentioned
10 before about the certificate of need, the process
11 of going to the Health Department to determine if
12 you're going to get a license to go ahead with a
13 certain given medical facility.

14 The reform that ought to be there to
15 make this far more streamlined I don't think
16 happened whatsoever. But we did not go ahead
17 with what was proposed for the urgent care
18 regulation. The case hadn't been made for it.

19 Neither did we go ahead with the
20 office-based surgery increased regulation. The
21 case had not been made for it.

22 I did think -- we passed in our
23 one-house that the retail clinics would have been
24 a great addition to primary care in this state.
25 The Assembly did not agree with that, and so

1 that's not in the final bill.

2 There were proposals in regard to
3 how the reimbursement of nursing homes would take
4 place in terms of the acute care and the degree
5 of acute care of their patients. That was called
6 the case mix index. That's been rejected.

7 We also rejected the prescriber
8 prevails changes which the Executive had
9 proposed.

10 And we rejected the regional health
11 information collaboratives that the Executive had
12 proposed. This was another quasi-attempt at
13 adding to the layer of regulation in this state.
14 It had the feel-good nature of, well, we really
15 need to get the communities involved, but it did
16 not have four corners to the proposal. It was
17 not definite as to what the proposal would
18 consist of. And it needs more work.

19 With the vagueness of that proposal
20 we thought let's let the administration move
21 forward, you can make grants to localities, you
22 can make grants to localities under a
23 drawing-board plan called SHIP, State Health
24 Insurance Plan, that has been funded by federal
25 grants and is really is the blueprint for much of

1 the transformation that's taking place in
2 healthcare in this state.

3 And with those grants and also with
4 the preventive agenda in regard to wellness,
5 which is now tied into all the hospitals in the
6 state, the thought would be those need to be done
7 before you start formalizing some type of
8 superstructure that does not exist now, and even
9 though there are some people who'd like to harken
10 back to the old HSAs of 40 years ago. But
11 anything in healthcare that's 40 years old really
12 is just to be studied for history, not to be
13 reactivated for the current needs.

14 So those are some of the things that
15 have been done. I'd simply sum up -- oh, wait,
16 no. Counselor Baldwin tells me we also rejected
17 the proposal to look at how the pharmaceutical
18 costs are determined for purposes of
19 reimbursement.

20 We do reimburse pharmacies,
21 independent chains. The idea is to strike a
22 fairness and a balance. What had been proposed,
23 average acquisition costs, just didn't strike
24 that balance. It really had too many tweaks to
25 it. It gave the administration unfettered

1 discretion to change it at will. And we put it
2 off for a year while it's studied.

3 And supposedly that was at great
4 cost. The mysteries of modern medicine are
5 matched only by about the mysteries of modern
6 pharmaceuticals. The costs vary sharply from
7 month to month. And we're going to have to
8 address it as part of our modern healthcare
9 system, but for the moment it's been postponed
10 for a year.

11 And so those are the things. Oh,
12 the comment is there is more change happening in
13 healthcare now in this state. It goes far beyond
14 exchanges and Obamacare, it goes to the
15 fundamental way we deliver care in this state.
16 Obamacare just changed how we do some
17 reimbursement. And in fact Obamacare is more of
18 an individual basis while the rest of what we're
19 doing in this state is more towards managed care.

20 And it's that managed care where
21 we're changing how we do our physical health, our
22 mental health, behavioral health, people with
23 substance abuse, people who are covered dually
24 under the state Medicaid and Medicare system.
25 All of those are the great changes that are

1 taking place. And I think that this budget
2 mirrors well where we need to go in that
3 direction.

4 Thank you.

5 ACTING PRESIDENT GRIFFO: Senator
6 Tkaczyk.

7 SENATOR TKACZYK: Thank you,
8 Mr. President. Would the sponsor please yield
9 for a couple of questions.

10 ACTING PRESIDENT GRIFFO: Senator
11 Hannon, do you yield?

12 SENATOR HANNON: Yes.

13 ACTING PRESIDENT GRIFFO: Senator
14 Hannon yields.

15 SENATOR TKACZYK: Thank you.

16 I appreciate how complex the health
17 budget is, and I really appreciate that you
18 mentioned the Early Intervention program. And I
19 know you've been working on that diligently, and
20 I greatly appreciate that. I have some questions
21 about that specific program.

22 How much in the budget was allocated
23 for this program for the 2014 fiscal year?

24 SENATOR HANNON: Well, we added for
25 the bills for 12 months to nine months ago.

1 Which were, when you think about it, when the
2 fiscal agent that we required of the State Health
3 Department got going, and they didn't get going
4 very fast. Those are the bills that really
5 weren't paid. And so that's \$3.9 million for
6 that.

7 The rest of the program, we'll get
8 the number for you in a minute.

9 What we had hoped to do was to
10 establish a far better process and procedure so
11 that as the services were rendered, the providers
12 submitted the bills, it went through the fiscal
13 agent, that that would be clearer and faster.

14 SENATOR TKACZYK: Mr. President,
15 I'm having trouble hearing the sponsor.

16 ACTING PRESIDENT GRIFFO: Senator
17 Hannon, can you maybe move over to the chair?

18 SENATOR HANNON: It's right here.

19 SENATOR TKACZYK: Okay, that's
20 better.

21 SENATOR HANNON: Okay. Turning the
22 volume up helps too.

23 ACTING PRESIDENT GRIFFO: Senator
24 Tkaczyk, do you want to continue?

25 SENATOR TKACZYK: Yes. So what

1 you're saying is the money that was added, the
2 \$3.9 million was for those three months where the
3 fiscal agent was not acting as a fiscal agent.
4 So the budget didn't cover a certain portion of
5 the year?

6 SENATOR HANNON: The rest of the
7 appropriation was over \$160 million. So this is
8 obviously one of the bigger endeavors that the
9 Health Department undertakes, but they did not
10 cover that specific quadrant of the unpaid claims
11 for there, and they had actually made the
12 representation perhaps we'll just let that stay
13 and let that work its way through.

14 But it was working its way through a
15 system that hadn't worked a year ago and we
16 didn't think it would be sure to work now. And
17 we're fairly confident that the system proved the
18 services had been rendered.

19 SENATOR TKACZYK: Will the sponsor
20 continue to yield?

21 SENATOR HANNON: Yes.

22 ACTING PRESIDENT GRIFFO: The
23 sponsor yields.

24 SENATOR TKACZYK: Is there enough
25 money in the budget that we're voting on today to

1 make sure that all of the claims will be covered
2 by the Early Intervention providers that have
3 been submitted?

4 SENATOR HANNON: We're reasonably
5 sure. It still depends, at the end of the day,
6 with clean claims. Sometimes that all tends to
7 work out well; sometimes it doesn't.

8 But I do know that we've gotten the
9 full attention of the Department of Health. I
10 certainly know that the counties are wary, so
11 they don't feel they're going to get any extra
12 burden added to them. And we do have a fiscal
13 agent functioning. So it seems to be reasonable.

14 I wasn't totally happy. I would
15 have liked a guarantee. Assemblyman Gottfried
16 and I have legislation in. We'll probably even
17 amend that further and submit it to this body for
18 consideration. But we need to move forward with
19 it.

20 SENATOR TKACZYK: Thank you. Will
21 the sponsor continue to yield?

22 SENATOR HANNON: Yes.

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR TKACZYK: So it's my

1 reading that we still need a legislative fix. We
2 think the funding is there, but the problem the
3 with the fiscal agent needed a legislative fix so
4 that, going forward, those Early Intervention
5 providers would get paid timely and would not
6 have to check from third-party insurance
7 companies.

8 Is it your position that we don't
9 need a legislative fix, or we still need a
10 legislative fix through your legislation?

11 SENATOR HANNON: I would be far
12 happier if we had legislation. I do believe,
13 though, there is a reasonable projection that it
14 will be working now. But I could be happier, as
15 I said, for legislation.

16 SENATOR TKACZYK: On the bill.

17 ACTING PRESIDENT GRIFFO: Senator
18 Tkaczyk on the bill.

19 SENATOR TKACZYK: I have another
20 question for the mental health piece, so maybe
21 I'll ask that and then go on the bill.

22 ACTING PRESIDENT GRIFFO: Sure.
23 Senator Tkaczyk, who would you like to ask?

24 SENATOR TKACZYK: I think Senator
25 Carlucci is chair of Mental Health.

1 ACTING PRESIDENT GRIFFO: Without
2 objection, Senator Carlucci?

3 Senator Tkaczyk.

4 SENATOR TKACZYK: Thank you,
5 Senator Carlucci.

6 There's a lot that I like about the
7 mental health budget and I'm going to continue to
8 work with you on making sure that we're doing
9 everything we can to get the Community Investment
10 Act working and increasing local mental health
11 services.

12 One of the questions I have, though,
13 is on the developmental disabilities portion of
14 the budget. Both the Assembly and Senate budget
15 bills added language to give transitional-care
16 adults the same due process rights: The right to
17 an impartial hearing and judicial review, as it
18 exists for all other disabled adults in
19 OPWDD-operated or certified institutions.

20 Why was that due process language
21 dropped from the final budget bill?

22 SENATOR CARLUCCI: As of the budget
23 negotiations, we weren't able to come to a final
24 agreement on that issue.

25 SENATOR TKACZYK: Would the sponsor

1 continue to yield?

2 SENATOR CARLUCCI: Yes.

3 ACTING PRESIDENT GRIFFO: The
4 sponsor yields.

5 SENATOR TKACZYK: Why?

6 SENATOR CARLUCCI: Well, there was
7 a lot of moving parts there. And we tried to
8 work towards an agreement, but unfortunately we
9 weren't able to come to one as of today.

10 SENATOR TKACZYK: Would the sponsor
11 continue to yield?

12 SENATOR CARLUCCI: Yes.

13 ACTING PRESIDENT GRIFFO: The
14 sponsor yields.

15 SENATOR TKACZYK: Thank you.

16 Would you be working on this through
17 the legislative process and possibly coming up
18 with a bill that addresses that language?

19 SENATOR CARLUCCI: I'm sorry, would
20 the Senator please repeat that question?

21 SENATOR TKACZYK: My question was
22 since this language was dropped from the final
23 budget bill, will you be working through the
24 legislative process to bring that language to the
25 floor in the form of a bill?

1 SENATOR CARLUCCI: Yeah,
2 absolutely. I look forward to working with
3 Senator Tkaczyk and any other Senators that wish
4 to work with me and the Mental Health Committee
5 on this important issue.

6 And this is something that we wanted
7 to address, and we were working with the
8 Assembly, with the Governor's office, to make
9 sure that people that are out of state that are
10 transferred in, that come back into the State of
11 New York, are given the same protections, the
12 same rights as anybody else.

13 So I think this is an important
14 issue and something that I'd love to work with
15 the Senator and any other colleagues in the
16 chamber on this issue.

17 SENATOR TKACZYK: Thank you.

18 On the bill, Mr. President.

19 ACTING PRESIDENT GRIFFO: Senator
20 Tkaczyk on the bill.

21 SENATOR TKACZYK: I'll be voting
22 yes on this bill and appreciate much of the work
23 that's been done by my colleagues.

24 But I want to speak about our most
25 vulnerable citizens, our very young disabled

1 children and their families, who are getting help
2 through the Early Intervention Program. And I
3 think we are at a crossroads.

4 I appreciate that there's money
5 specifically added to help pay for past payments,
6 but I still believe we need a legislative fix.
7 And because of the change and what we did last
8 year in the budget, the billing process for
9 Early Intervention providers is not working.
10 These providers are not getting paid timely.

11 This has resulted in children not
12 getting the services they need at a very young
13 age. Providers are going out of business. And
14 many of those providers are women-owned
15 businesses, and those providers are often women.
16 This change was not business-friendly. It hurts
17 children and frankly makes no sense and needs to
18 be fixed.

19 As John Hofmayer, who's director of
20 the United New York Early Intervention Providers,
21 said to me this past week, "I have yet to meet a
22 therapist or agency who has not suffered greatly
23 through this transition. There are skilled
24 therapists who have left the field, agency owners
25 who have closed their practices. Many who remain

1 have maxed out their lines of credit and
2 mortgaged their homes."

3 Providers are still waiting for
4 payments, as we discussed, from bills that are
5 more than 100 days old. One provider in Greene
6 County said this week: "As providers are
7 stopping work and going out of business, counties
8 are feeling the shortage." She has received
9 three emails this week from three different
10 counties begging providers to come back, and
11 they're asking for services for their children.

12 Children today are being born with
13 disabilities like Down syndrome, autism, cerebral
14 palsy, to parents who need help. And they need
15 help on how to care for their disabled child.
16 April is even Autism Awareness Month. But when
17 the parent calls for help, no one is answering.
18 We have to fix this. We have a very damaged
19 system.

20 As this provider said, "In order for
21 us to be willing to come back to Early
22 Intervention after this year of sacrifice and
23 uncertainty, we need more than assurances that
24 things will get better. We need Senator Hannon's
25 bill to pass into law so that we have stability

1 and we can get back to doing what we love,
2 providing services to the needy infants and
3 children in Early Intervention."

4 I look forward to voting for Senator
5 Hannon's bill, and I urge the Majority Coalition
6 to bring that legislation to the floor.

7 Thank you.

8 ACTING PRESIDENT GRIFFO: Senator
9 Hassell-Thompson.

10 SENATOR HASSELL-THOMPSON: Thank
11 you, Mr. President. Just a few comments on the
12 portion of the bill that was earlier discussed
13 with Senator Klein.

14 ACTING PRESIDENT GRIFFO: Senator
15 Hassell-Thompson on the bill.

16 SENATOR HASSELL-THOMPSON: Thank
17 you.

18 Members of the hospital team of
19 Montefiore, Simone and WestMed came to see me
20 about this facility because my district is
21 contiguous to that of Senator Klein's, and a lot
22 of the people from those neighboring communities
23 would be using that facility.

24 And there was a deep concern -- and
25 Senator Klein, I won't challenge anything that

1 you've said in terms of the order, because many
2 times facilities, when they have as-of-right, may
3 not necessarily contact the community on the
4 front end. But I know that at some point they
5 did have conversations with the community about
6 this project.

7 The comments I want to make,
8 however, is that this facility is not a hospital,
9 certainly not a hospital as we think of and now
10 hospitals in the traditional sense. But we have
11 to recognize, as I listened to Senator Hannon
12 talk, how medicine is changing and how we provide
13 services to people makes a significant difference
14 in terms of where they are provided.

15 I also heard the word "clinic" being
16 used. And this is not a clinic. And it's
17 important that we make that distinction because
18 many times when we think of clinic, we think that
19 the people who are coming are only poor people.
20 But what we're talking about is the fact that
21 many people still don't have primary physicians.
22 And even with their new health benefits and
23 insurance, they have nowhere to go to take these
24 benefits that now they have.

25 So one of the things that many of

1 the hospitals are doing as a public/private
2 partnership is looking at creating WestMeds. And
3 WestMed is one of the partners in this project.
4 What's important about that is that WestMed is
5 the medicine of tomorrow. It is a facility where
6 you go, you see your primary physician and then
7 every other service that you need, whether it's
8 x-rays, whether it's any kind of lab work.
9 Everything is under one roof.

10 And while that might look like a
11 hospital, certainly there are no beds, this is
12 not a residential stay. But this is a service.

13 The thing that a little bit
14 surprised me when I talked with each of the
15 partners was that the building was very tall.
16 And one of the things, as somebody who's served
17 on the city council in my city, anyone that wants
18 to build anything above six stories, we worried
19 about things like shadowing, and so what happens
20 to anybody who is in the shadow of this building.

21 More than that, we begin to talk
22 about what the parking is going to look like and
23 what the traffic is going to -- how the traffic
24 is going to impact communities where these
25 facilities come.

1 I admonished the hospital -- because
2 that's who approached me first -- that they were
3 coming at this juncture, when there was a
4 problem, to talk about it. And I agreed with all
5 the things that I heard because I encourage
6 people to come to the city councils. And in the
7 case of New York City, it's to your community
8 boards, because your community boards are the
9 place where there's real open discussion and the
10 whole community usually comes and expresses their
11 opinion.

12 They have assured me that they have
13 worked with the community, but the push-back
14 continues to be that they don't want the facility
15 there.

16 Now, what they've attempted to do,
17 as I understand it, is to consolidate. There are
18 several different facilities in this surrounding
19 area of Riverdale, and what they're doing is
20 consolidating all of them into one facility. And
21 the doctors are first-rate. These are not
22 students, but these are people who are
23 specialists in their field.

24 All of this becomes very important
25 in terms of what's going to be provided and how

1 that service is going to be delivered. I think
2 that what we have is a case of too often when
3 people have as-of-right -- and for those of you
4 who are what we call up in the country and you
5 don't have to worry about as-of-right as much as
6 we do in the city, you come in and no matter what
7 the objections, you will build anyway.

8 But one of the things that I've
9 always encouraged, particularly because I've
10 worked with Montefiore in many instances, as has
11 the Democratic Leader, Montefiore just took over
12 our two hospitals and have folded them into the
13 whole umbrella of Montefiore in order to save
14 those hospitals and to make sure that care
15 continues to be provided in our communities.

16 And so having worked with them, I
17 know that the capacity to be good neighbors. But
18 I think one of the difficulties is that this is a
19 project that Riverdale doesn't want. They just
20 don't want it. So no matter what you ask them to
21 go, there's always going to be -- you give a
22 checklist and then they correct all the things
23 that you tell them and you go back and you get
24 another checklist. And it's very clear that
25 that's not a facility that they want.

1 We need the facility. And I'm not
2 sure how we can work out the differences in terms
3 of height, in terms of the parking, but those are
4 things that all of us are going to have to work
5 on. Because healthcare has to come to our
6 communities. And if we continue to be NIMBY, we
7 don't want it in our communities, then the people
8 who really need the services are suffering.

9 And so that we can't be the
10 bureaucrats that always speak for the people who
11 have the greatest needs. We should be speaking
12 on their behalf, and not on our own behalfs, and
13 in many instances that's what does occur.

14 I saw this in the budget, it was
15 called to my attention. I was deeply concerned,
16 partly for some of the same reasons that Senator
17 Gustavo Rivera talked about, but mainly because
18 my concern is I don't want bad feelings about
19 this facility and I don't want a self-fulfilling
20 prophecy that it comes and it becomes all the
21 nightmare that the people of Riverdale are afraid
22 will happen.

23 But I also have the distinct feeling
24 no matter what we do, that feeling is not going
25 to go away. I'm not sure what we're doing to be

1 able to do, but I was concerned that the way -- I
2 think my real concern was the way this action was
3 taken in the budget, in a manner that seemed to
4 be somewhat surreptitious.

5 And I'm glad we've had the
6 opportunity to at least discuss it on the floor
7 and to state that the County of the Bronx, which
8 is highly represented in this chamber, is deeply
9 concerned about how we provide healthcare in the
10 best possible manner. And if every community is
11 going to be closed to us, then what are we going
12 to do about how we move forward?

13 We're having hospitals that are
14 closing all over the place, and those that are
15 staying open, they're going to be changing.
16 There's going to be a real revolution in the way
17 hospital facilities look, and more of them going
18 to be to moving toward a WestMed model. And so
19 we have to anticipate that.

20 But what we can hope is that there
21 will be a consideration and an understanding of
22 the demographics of an existing community and how
23 do we blend into that community and not
24 overshadow it and create animosity on the part of
25 the people who are residents. And particularly

1 because of the location of this particular
2 facility, it becomes more important that we do
3 that.

4 And just my last comment on this
5 budget, certainly I am deeply concerned that
6 we're not addressing additional issues around HIV
7 and AIDS. I wanted more money in the educational
8 facility, more outreach to be done in certain
9 communities. Even though, you know, we're
10 talking about the fact that there are almost no
11 new cases of transmittal of HIV by mothers
12 through breast milk. But we are having a
13 continued increase among young girls, ages 12 to
14 22, that continues to be a major issue and a
15 concern.

16 And a lot of that is because we're
17 just not doing as much as we need to be doing in
18 our -- and one of Senator Velmanette Montgomery's
19 favorite things is school-based clinics. We're
20 not expanding them, we're not funding them at the
21 level that they could and should because we're
22 not teaching our girls particularly about
23 sensuality and their own sexuality. We're afraid
24 to do it in the home because parents are not
25 educated to do it or whatever their reasons, and

1 we're prohibiting our institutions from doing it.

2 So there has to be a point at which
3 we help to do something different. Because I am
4 concerned about the numbers of young girls who
5 continue to -- and pregnancy today is the least
6 of their concerns. But certainly other
7 transmitted diseases are continuing to be a major
8 issues, and we're not addressing that in a wide
9 broad public policy in the way that I think it
10 ought to.

11 So I appreciate, Senator Hannon, the
12 extensive work that you've done in this budget.
13 And I can appreciate that, but those are just
14 some of the concerns that I needed to share in
15 terms of my concern about where we need to be
16 looking as we go down the road.

17 Thank you. Thank you,
18 Mr. President.

19 ACTING PRESIDENT GRIFFO: Senator
20 Stavisky.

21 SENATOR STAVISKY: Thank you,
22 Mr. President.

23 She doesn't appear to be in the
24 chamber, but I do want to thank Senator Tkaczyk
25 for her comments about the Early Intervention

1 issue, because I too am troubled at the lack of a
2 legislative solution.

3 This is an issue that I have been
4 working on also for a number of years. And last
5 summer I was in downtown Flushing and a group of
6 south Asians come up to me and said, We own some
7 facilities that provide the Early Intervention
8 services to children who are autistic or
9 developmentally disabled or have some type of
10 handicapping condition, and they weren't being
11 paid. And to me, that's not fair.

12 And in fact, St. Mary's Hospital in
13 Bayside sent out a letter saying that they were
14 eliminating their Early Intervention program
15 because they weren't being paid.

16 Now, the fact that it's not included
17 in the budget or with its own freestanding bill
18 seems to me to beg the question. And --

19 SENATOR HANNON: I'll take that as
20 a question.

21 SENATOR STAVISKY: All right. And
22 let me just say that it's important because Early
23 Intervention --

24 ACTING PRESIDENT GRIFFO: Senator
25 Hannon --

1 SENATOR STAVISKY: Let me just
2 finish my one sentence.

3 SENATOR HANNON: Could I yield to
4 that question?

5 ACTING PRESIDENT GRIFFO: Senator
6 Stavisky --

7 SENATOR STAVISKY: Yeah, let me
8 just finish the one sentence.

9 ACTING PRESIDENT GRIFFO: Senator
10 Stavisky has the floor.

11 Senator Hannon, why do you rise?

12 SENATOR HANNON: To yield to her
13 question.

14 SENATOR STAVISKY: Let me just --

15 ACTING PRESIDENT GRIFFO: Okay.
16 Senator Stavisky will continue, then yield to
17 you.

18 Senator Stavisky, continue.

19 SENATOR STAVISKY: -- because Early
20 Intervention does work.

21 I will be happy to yield.

22 ACTING PRESIDENT GRIFFO: Senator
23 Hannon.

24 SENATOR HANNON: I agree with you,
25 it does work. We had legislation that we put

1 out. When we brought it up in the negotiations,
2 they scored it at virtually \$700 million. Now,
3 we thought that was pretty ridiculous and
4 outrageous.

5 But they continued to add to the
6 problem by talking about the successes. They
7 issued a report. Pretty much everybody in the
8 Early Intervention community said the report was
9 not correct. We continue to want to have
10 legislation. They decided they would have
11 nothing more than about a two-day discussion of
12 this whole thing.

13 So the fact that there is no further
14 legislation in there is because we could not get
15 them to agree. The "them" being the Executive,
16 the Department of Health.

17 We will continue to pursue this. As
18 I said before just when I was talking about
19 health, getting this program going well saves
20 those kids future problems, saves their health
21 future problems, and saves society an immense
22 amount of money we'd otherwise have to address
23 down the road.

24 So I agree with you.

25 SENATOR STAVISKY: If you --

1 ACTING PRESIDENT GRIFFO: Senator
2 Stavisky.

3 SENATOR STAVISKY: Would the
4 Senator respond to a question?

5 ACTING PRESIDENT GRIFFO: Senator
6 Hannon, do you yield?

7 SENATOR HANNON: Yes.

8 SENATOR STAVISKY: Have there been
9 any other independent studies to assess the
10 monetary cost?

11 SENATOR HANNON: No, but there's
12 been a lot of discussions that we think that --
13 the question of cost is a very interesting thing.
14 Because part of the adoption of a fiscal agent,
15 which had been proposed by this administration
16 and several prior administrations, was it was
17 really a shifting of cost, can we get insurance
18 companies to pick up something that is covered by
19 their policies.

20 Getting a determination as to which
21 companies offer which policies is somewhat
22 difficult. The stumbling block comes not because
23 of, say, if we're covered by Empire and we know
24 what the policy is and we know if you're a state
25 employee you're covered by Empire, et cetera. It

1 really comes because of the companies that are
2 self-insured.

3 And self-insured are a special
4 category under ERISA, one of the federal labor
5 acts. And we're not even allowed as a state to
6 ask a company if you're under ERISA. It's a
7 total anomaly, they changed it only a little bit
8 in the Affordable Care Act, but not enough.

9 So that the fiscal agent purports to
10 just say to the insurance company, Are you
11 self-insured or you're not? And then you have to
12 presume, if they're not, who's going to pay for
13 it. And if there isn't coverage, the state has
14 to pay for it. All of that adds to delay, and
15 there wasn't a decent mechanism.

16 So the question of cost is -- it's a
17 question really of who's paying, not the total
18 cost. Is there an independent study? No,
19 there's not, because you have this barrier as to
20 what the state can ask of the self-insured
21 companies.

22 SENATOR STAVISKY: Thank you,
23 Mr. President.

24 Thank you, Senator. That was pretty
25 much what the EI providers had said to me. Thank

1 you.

2 ACTING PRESIDENT GRIFFO: Thank
3 you. Is there any other Senator wishing to be
4 heard?

5 Seeing none, hearing none, debate is
6 closed. The Secretary will ring the bell.

7 Read the last section.

8 THE SECRETARY: Section 3. This
9 act shall take effect immediately.

10 ACTING PRESIDENT GRIFFO: Call the
11 roll.

12 (The Secretary called the roll.)

13 ACTING PRESIDENT GRIFFO: Senator
14 Carlucci to explain his vote.

15 SENATOR CARLUCCI: Thank you,
16 Mr. President.

17 I want to thank my colleagues for
18 working on this very important piece of
19 legislation, this budget bill. I want to thank
20 the members of the Mental Health Committee. We
21 were able to do quite a bit.

22 Some of the most important pieces, I
23 think, are respecting and acknowledging the hard
24 work that direct-service professionals do. The
25 direct-service professionals in the State of

1 New York, the tens of thousands of them are the
2 backbone of the Office for People With
3 Developmental Disabilities. They do some of the
4 hardest work. And unfortunately, they haven't
5 seen a cost-of-living adjustment in about a half
6 a decade.

7 So with this budget we're able to
8 raise their salaries by 2 percent --

9 ACTING PRESIDENT GRIFFO: Senator
10 Carlucci, excuse me.

11 Can we have some order in the
12 chamber, please?

13 Senator Carlucci, continue.

14 SENATOR CARLUCCI: Thank you,
15 Mr. President.

16 Our direct-service providers are
17 really the backbone of the Office for People With
18 Developmental Disabilities, the DD system. They
19 have some of the hardest jobs. And
20 unfortunately, the average salary for a
21 direct-service provider is around \$29,000 in the
22 State of New York. And think of it, they haven't
23 received a COLA in five years.

24 So I want to thank my colleagues for
25 coming together to find a way to say we can do

1 that COLA, a 2 percent COLA, starting January 1st
2 of 2015.

3 Another important piece is that
4 we've got to really pay attention and make sure
5 that there's a career ladder that we engage
6 people who are doing some of the hardest work.
7 That we say yes, if you want to make a profession
8 in being a direct-service professional, that
9 there's a career for you, there's a career
10 ladder.

11 And in this budget we were able to
12 put in a Direct-Service Professional Credential
13 Pilot Program to make sure that there is a career
14 ladder, that hopefully people that are doing this
15 work don't have to work two to three jobs to do
16 this, to raise a family, that they'll be able to
17 live in the community and be able to do this over
18 a long period of time.

19 Some of the other important pieces
20 that we were able to do. Right now the Centers
21 for Medicaid Services are putting a mandate on
22 the state to close our sheltered workshops. We
23 have 8,000 people with developmental disabilities
24 currently in sheltered workshops that are going
25 to be forced to close over the coming years. We

1 need to find ways to put people into integrated
2 employment settings.

3 With our developmental disability
4 tax credit, we're going to give employers up to
5 \$5,000 to hire someone with a developmental
6 disability. So this will not only give people a
7 meaningful job, but it will allow people with
8 developmental disabilities to really achieve
9 their full potential.

10 Another very important piece is
11 updating the Community Reinvestment Act of 1993.
12 We've now increased every bed from a floor of
13 \$70,000 to \$110,000 that will be invested back
14 into the community any time there's a closure at
15 any one of our facilities.

16 So there's a lot of good things in
17 this budget. I want to thank my colleagues for
18 working together and protecting some of our most
19 vulnerable populations.

20 Mr. President, I'll be voting yes.
21 Thank you.

22 ACTING PRESIDENT GRIFFO: Senator
23 Carlucci to be recorded in the affirmative.

24 Senator Rivera to explain his vote.

25 SENATOR RIVERA: Thank you,

1 Mr. President, just to briefly explain my vote.

2 As I said earlier, I think that
3 there's a lot of very positive things in this
4 budget bill. Just a couple of things I didn't
5 point out before.

6 Certainly, as we talked about Early
7 Intervention, I certainly thank everyone who
8 fought to make sure that that was in the budget.
9 That was a very positive thing.

10 Also, the private equity provision,
11 something that was rejected, was something that
12 we in the Democratic Conference certainly thought
13 that needed to be out of the budget, and it was,
14 and that was a positive thing.

15 Also we have the -- as Senator
16 Hannon mentioned, we have Doctors Across
17 New York, we have \$2.5 million for a physician
18 loan program. And the physician practice support
19 is something that we also supported.

20 I just thought it was necessary to
21 stand up for a second and say that those are
22 things that were also in this budget and I think
23 are positive overall, and that's why I will also
24 be voting in the affirmative.

25 Thank you, Mr. President.

1 ACTING PRESIDENT GRIFFO: Senator
2 Rivera to be recorded in the affirmative.

3 Announce the results.

4 THE SECRETARY: Ayes, 61.

5 ACTING PRESIDENT GRIFFO: The bill
6 is passed.

7 SENATOR LIBOUS: Mr. President, can
8 we now go to Calendar Number 372.

9 ACTING PRESIDENT GRIFFO: The
10 Secretary will read Calendar Number 372.

11 THE SECRETARY: Calendar Number
12 372, Senate Budget Bill, Senate Print 6355D, an
13 act to amend the Vehicle and Traffic Law.

14 ACTING PRESIDENT GRIFFO: Senator
15 Gianaris, why do you rise?

16 SENATOR GIANARIS: Mr. President, I
17 believe there is an amendment at the desk. I ask
18 that the reading be waived and that
19 Senator O'Brien may be heard on the amendment.

20 ACTING PRESIDENT GRIFFO: Senator
21 Gianaris, upon review of the amendment I rule
22 that it is not germane to the bill and therefore
23 out of order.

24 SENATOR GIANARIS: I'd like to
25 appeal the decision and ask that Senator O'Brien

1 be heard on the appeal.

2 ACTING PRESIDENT GRIFFO: An appeal
3 has been so made and, Senator O'Brien, you may be
4 heard.

5 SENATOR O'BRIEN: Thank you,
6 Mr. President.

7 My amendment to the budget bill is
8 germane because it does not unreasonably expand
9 the object of the underlying bill, it maintains
10 the same purpose and addresses the same areas of
11 law.

12 The purpose of my amendment is to
13 ensure that public officials who are found guilty
14 for acts of corruption do not profit from their
15 wrongdoings. Public officials collect pensions
16 accrued while in office even while they are in
17 jail for crimes they committed while in office or
18 even through their abuse of their office.

19 The 2011 ethics package signed by
20 Governor Cuomo prevents this from happening in
21 the future, but did not apply to any public
22 officials who held office prior to that date.

23 In order to protect the well-being
24 of our constituents, we must make sure that
25 public officials cannot profit from their

1 wrongdoings. Allowing a convicted official to
2 collect a six-figure pension is bad for the
3 taxpayers and sends the wrong message to the
4 voters.

5 This proposal simply allows a court
6 to decide whether or not to pursue restitution
7 for an official's crime. That means that where
8 taxpayers were cheated by an official's conduct,
9 the taxpayers have a right to collect that money
10 through the official's pension. This is a
11 common-sense way to protect taxpayer dollars
12 being administered by impartial judges.

13 When public officials violate the
14 public trust, they are breaking an oath to uphold
15 the laws and Constitution of the State of
16 New York. Officials agree to uphold the law, and
17 they violate that agreement when they commit acts
18 of public corruption. Because of that violation,
19 courts should be free to decide whether an order
20 of restitution is necessary to make the taxpayers
21 whole.

22 Thank you, Mr. President.

23 ACTING PRESIDENT GRIFFO: Thank
24 you, Senator O'Brien.

25 The vote is on the ruling of the

1 chair and overruling the ruling of the chair. So
2 all those in favor of overruling of the ruling of
3 the chair signify by saying aye.

4 Senator Gianaris.

5 SENATOR GIANARIS: Show of hands,
6 please, Mr. President.

7 ACTING PRESIDENT GRIFFO: A show of
8 hands has been requested and so ordered.

9 All those voting in favor of
10 overruling the ruling of the chair please raise
11 your hand.

12 Announce the results.

13 THE SECRETARY: Ayes, 27.

14 ACTING PRESIDENT GRIFFO: The
15 ruling of the chair stands.

16 Senator Gianaris.

17 SENATOR GIANARIS: Mr. President, I
18 believe there is a final amendment at the desk
19 for the night. I ask that the reading of that
20 amendment be waived and that Senator Krueger may
21 be heard on the amendment.

22 ACTING PRESIDENT GRIFFO: Senator
23 Gianaris, upon review of the amendment, I rule
24 that the amendment is not germane to the bill and
25 therefore out of order.

1 SENATOR GIANARIS: I appeal the
2 decision of the chair, and I ask that Senator
3 Krueger be heard.

4 ACTING PRESIDENT GRIFFO: The
5 appeal is so noted, and Senator Krueger will be
6 heard.

7 SENATOR KRUEGER: Thank you,
8 Mr. President.

9 My amendment to the budget bill is
10 germane because it does not unreasonably expand
11 the object of the underlying bill, maintains the
12 same purpose, and addresses the same areas of
13 law.

14 This amendment that I offer today
15 would add \$340 million for allocations to cities,
16 towns and villages in the Aid and Incentives for
17 Municipalities program, or AIM, under "Local
18 Government Assistance" in this appropriations
19 bill.

20 The AIM program is a property tax
21 relief program that has a proven history of
22 success in this state and, when sufficiently
23 funded, effectively suppresses the growth of
24 municipal property tax levies.

25 Under my amendment, AIM funding

1 would increase by nearly 43 percent over current
2 funding in the next fiscal year, providing
3 \$140 million more to the cities, towns and
4 villages outside of New York City and
5 \$200 million to New York City. As we know, AIM
6 funding has been flat or reducing for several
7 years.

8 AIM funding has provided significant
9 municipal property tax relief. Since local
10 governments across the state are under immense
11 fiscal stress due to unfunded mandates, the
12 aftermath of the Great Recession, a declining
13 property tax base and now a 2 percent cap on
14 property tax levies, growth in AIM funding is
15 more critical now than ever. The time has come
16 to restore the AIM program as a key component for
17 providing fiscal relief to local governments and
18 their property tax owners throughout the state.

19 I sat through budget hearings and
20 heard local officials from towns, villages,
21 county officials, board experts from the State
22 School Board Association, an endless stream of
23 examples of the problems that our local
24 governments were facing and our local school
25 districts were facing.

1 It is our responsibility as the
2 state government to ensure that we're providing
3 adequate funding to guarantee that the actual
4 services that need to be delivered at the local
5 level are delivered. This is a perfectly
6 reasonable increase in AIM funding, and we should
7 not go home here tonight unless we're prepared to
8 provide it to our localities.

9 Thank you, Mr. President.

10 ACTING PRESIDENT GRIFFO: Thank
11 you, Senator Krueger.

12 Again, this will be a vote on
13 procedure, on the ruling of the chair. All those
14 in favor of overruling the ruling of the chair
15 please say aye.

16 SENATOR GIANARIS: Show of hands,
17 Mr. President.

18 ACTING PRESIDENT GRIFFO: Senator
19 Gianaris has requested a show of hands.

20 All those in favor of overruling the
21 ruling of the chair please show your hand.

22 Announce the results.

23 THE SECRETARY: Ayes, 28.

24 ACTING PRESIDENT GRIFFO: The
25 ruling of the chair stands.

1 The bill is before the house.

2 Senator Squadron.

3 SENATOR SQUADRON: Thank you. If
4 the sponsor would yield.

5 ACTING PRESIDENT GRIFFO: Senator
6 DeFrancisco, do you yield?

7 SENATOR DeFRANCISCO: Yes, I would.

8 ACTING PRESIDENT GRIFFO: Senator
9 Squadron.

10 SENATOR SQUADRON: Thank you.

11 I wanted to ask the sponsor a little
12 bit about this pilot program that's in this bill
13 for public financing of election.

14 SENATOR DeFRANCISCO: I've been
15 asked to refer that question to Senator Valesky.
16 He would like to respond to the questions and to
17 explain that part of the budget.

18 And I'll answer anything else,
19 except about housing in New York.

20 ACTING PRESIDENT GRIFFO: Senator
21 DeFrancisco defers to Senator Valesky without
22 objection.

23 Hearing none, Senator Valesky, do
24 you yield to Senator Squadron?

25 SENATOR VALESKY: Yes, I yield.

1 ACTING PRESIDENT GRIFFO: Senator
2 Squadron.

3 SENATOR SQUADRON: Thank you.

4 And as much as I do object to not
5 being able to discuss this with the sponsor, I
6 look forward to discussing it with Senator
7 Valesky.

8 If Senator Valesky just would
9 describe what this pilot for this single election
10 is.

11 SENATOR VALESKY: Certainly. This
12 is a pilot project, a voluntary matching program
13 in the office of the State Comptroller for this
14 year's election for the State Comptroller.

15 It's a six-to-one match.
16 Contributions from \$10 to \$175 from individuals,
17 residents of New York State. Two thousand or
18 more of those would be matched once that
19 candidate received \$200,000 in contributions.

20 SENATOR SQUADRON: If the sponsor
21 would continue to yield.

22 SENATOR VALESKY: Yes.

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR SQUADRON: And this would

1 be for which election cycle?

2 SENATOR VALESKY: This would be,
3 Mr. President, for the election for the office of
4 State Comptroller in November of this year.

5 SENATOR SQUADRON: If the sponsor
6 would continue to yield.

7 SENATOR VALESKY: Yes.

8 ACTING PRESIDENT GRIFFO: Senator
9 Valesky yields.

10 SENATOR SQUADRON: Thank you.

11 And under this proposal, when would
12 the first distribution of public dollars
13 potentially happen?

14 SENATOR VALESKY: This pilot
15 program would also apply to both the primary and
16 the general election for the office of
17 Comptroller. This provision of the bill would
18 take effect on the first of May.

19 SENATOR SQUADRON: If the sponsor
20 continue to yield.

21 And I appreciate that. Based on the
22 calendar --

23 ACTING PRESIDENT GRIFFO: Senator
24 Valesky yields, Senator Squadron.

25 SENATOR VALESKY: Yes.

1 SENATOR SQUADRON: Based on the
2 calendar laid out in the bill, when would be the
3 first day that candidates would be eligible to
4 receive public dollars for the election?

5 SENATOR VALESKY: They would be
6 eligible to receive matching funds once the
7 candidate received at least 2,000 contributions
8 from a \$10 to \$175 range. And when that total
9 dollar amount equals \$200,000, they would be able
10 to apply for those matching funds.

11 SENATOR SQUADRON: If the sponsor
12 would continue to yield.

13 SENATOR VALESKY: Yes.

14 ACTING PRESIDENT GRIFFO: Senator
15 Valesky yields.

16 SENATOR SQUADRON: And I appreciate
17 the thresholds.

18 Just in terms of dates, is it fair
19 to say that the first distribution of matching
20 funds would be sometime in mid-July?

21 SENATOR VALESKY: Yes, that's fair
22 to say.

23 SENATOR SQUADRON: If the sponsor
24 would continue to yield.

25 SENATOR VALESKY: Yes.

1 ACTING PRESIDENT GRIFFO: Senator
2 Valesky yields.

3 SENATOR SQUADRON: Based on our
4 analysis of this proposal, in fact the first
5 distribution of matching funds could be in
6 77 business days from today. Does that sound
7 about right?

8 SENATOR VALESKY: Give or take.
9 (Laughter.)

10 SENATOR SQUADRON: If the sponsor
11 would continue to yield.

12 SENATOR VALESKY: Certainly.

13 SENATOR SQUADRON: When New York
14 City enacted a system of matching funds, does the
15 sponsor know the period of time between the
16 passage of that provision and the distribution of
17 the first set of matching funds?

18 SENATOR VALESKY: Well, that was a
19 number of years ago, and I'm sure you're aware of
20 that.

21 But I'm glad you raised that issue,
22 because the system that has been in existence in
23 New York City has certainly given the State of
24 New York a template upon which to pattern this
25 pilot project for the office of State

1 Comptroller.

2 SENATOR SQUADRON: If the sponsor
3 would continue to yield.

4 SENATOR VALESKY: Yes.

5 ACTING PRESIDENT GRIFFO: Senator
6 Valesky yields.

7 SENATOR SQUADRON: And it's the
8 reading of the bill that it would require the
9 promulgation of rules and regulations, the hiring
10 of apparently 12 full-time people to administer
11 this program. It would all have to happen within
12 that 77-day period.

13 Does that lead to any concern for
14 the sponsor about the ability to have a
15 successful matching funds program in an
16 environment where we know some very members of
17 this house have real concerns about matching
18 funds programs?

19 SENATOR VALESKY: Well, I don't
20 share those concerns. I certainly have
21 confidence in the Board of Elections' ability to
22 comply with this piece of law, and I'm sure they
23 will carry it out.

24 SENATOR SQUADRON: If the sponsor
25 would continue to yield.

1 SENATOR VALESKY: Certainly.

2 ACTING PRESIDENT GRIFFO: Senator
3 Valesky yields.

4 SENATOR SQUADRON: Has the sponsor
5 had or been aware of any conversations with the
6 Board of Elections in which they have suggested
7 that they are comfortable enacting this sort of
8 matching funds system in 77 business days?

9 SENATOR VALESKY: I have not.

10 SENATOR SQUADRON: If the sponsor
11 would continue to yield.

12 SENATOR VALESKY Yes.

13 SENATOR SQUADRON: I actually am a
14 big supporter of matching funds systems. I've
15 run for office under a system, the Wild West
16 system in the state, and I've run for office with
17 a matching funds system, and there's no question
18 that it empowers regular people. And the system
19 encourages all of us to do what all of us are in
20 this business to do, which is speak to folks
21 about the public service we want to provide if we
22 are given that privilege.

23 And I do worry, though, about any
24 proposal that would undermine the argument for
25 this. You know, I know that just a couple of

1 weeks ago we had a provision on here in which
2 Senator DeFrancisco expressed a real concern
3 about this sort of system. And I also know that
4 the City Campaign Finance Board has over many
5 years had a lot of legitimate concerns raised
6 about its function. And there's a lot of
7 legitimate concerns about when you're using these
8 kinds of dollars, you want to make sure they're
9 really going to their purpose. So I want to make
10 sure that we're not undermining it.

11 Let me ask, in that context, why
12 only the Comptroller? Why only the Comptroller?

13 SENATOR VALESKY: Mr. President,
14 through you, this is a result of negotiations
15 between the Governor, the Senate and the
16 Assembly. And as a result of those negotiations
17 and as a good first step down the path toward a
18 matching system in the State of New York, it was
19 determined that the Comptroller's office or the
20 election of the State Comptroller would be the
21 place to begin a pilot project, the appropriate
22 place.

23 SENATOR SQUADRON: If the sponsor
24 would continue to yield.

25 SENATOR VALESKY: Certainly.

1 ACTING PRESIDENT GRIFFO: Senator
2 Valesky yields.

3 SENATOR SQUADRON: Is it because of
4 the fact that statewide candidate in New York
5 State can take more than \$60,000 from individuals
6 or limited liability corporations, what amount to
7 essentially unlimited sums, that we started with
8 a statewide race, or is it because of some other
9 factor?

10 SENATOR VALESKY: Well,
11 Mr. President, you have to start somewhere. And
12 it was determined through the negotiation process
13 of this budget that the office of State
14 Comptroller would be a fine place to begin.

15 SENATOR SQUADRON: If the sponsor
16 would continue to yield.

17 SENATOR VALESKY: Yes, I'll yield.

18 SENATOR SQUADRON: Was there any
19 discussion of including other offices in this
20 77-day pilot?

21 SENATOR VALESKY: There have been
22 lots of discussions among the Governor, the
23 Senate, the Assembly, about matching funds,
24 offices that would be eligible for a matching
25 fund program, years in which the program would

1 start.

2 But as far as this budget is, in
3 this final budget bill, this Public
4 Protection/General Government budget bill, as a
5 result of those negotiations it was determined
6 among the Governor, the Senate and the Assembly
7 that the office of Comptroller would be an
8 appropriate place to begin a pilot or a test
9 project.

10 SENATOR SQUADRON: If the sponsor
11 would continue to yield.

12 SENATOR VALESKY: Yup.

13 ACTING PRESIDENT GRIFFO: Senator
14 Valesky yields.

15 SENATOR SQUADRON: In a scenario in
16 which no one chose to participate in this pilot
17 program and this were a test, as the sponsor
18 refers to it, would the sponsor's view be that
19 that would make it likely that we would then take
20 the next step in expanding a matching funds
21 system in this state?

22 SENATOR VALESKY: Well, I do think
23 that whether any candidate for this office
24 participates in the matching program or not would
25 have very little to do with whatever this

1 Legislature, in the next three months or so
2 between now and the end of the legislative
3 session, or the next Legislature would do on this
4 question. I'm not sure there's any correlation
5 at all as to whether participation in this pilot
6 has any influence on what any future Legislature
7 might do around matching funds projects.

8 SENATOR SQUADRON: If the sponsor
9 would continue to yield.

10 SENATOR VALESKY: Yes.

11 SENATOR SQUADRON: So just to
12 understand, the idea is that this is a test to
13 see if this works, but whether or not the test
14 happens will have no impact on the ability in the
15 future to expand a matching funds system?

16 SENATOR VALESKY: Mr. President,
17 through you. Whether or not the test happens is
18 directly the responsibility of the candidates who
19 are running for the office of State Comptroller,
20 not the Legislature that is enacting this pilot
21 project.

22 SENATOR SQUADRON: If the sponsor
23 would continue to yield.

24 SENATOR VALESKY: Yes.

25 SENATOR SQUADRON: Has there been

1 any sense that any candidates for Comptroller
2 would participate in this test, thereby allowing
3 us to show its impact?

4 SENATOR VALESKY: That would be a
5 question that would have to be asked of the
6 numerous or not so numerous candidates that may
7 be running for the office of State Comptroller
8 this year.

9 SENATOR SQUADRON: If the sponsor
10 would continue to yield.

11 SENATOR VALESKY: Yes.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields, Senator Squadron.

14 SENATOR SQUADRON: Thank you.

15 Moving forward, is there anything
16 about this -- well, actually, moving forward, the
17 sponsor talks about sort of the process by which
18 we ended up with this test that may or may not be
19 a a test. Just to understand, because I know the
20 Assembly in their one-house budget put a system
21 of matching funds, I know that Senator Klein has
22 in the past sponsored a system of matching funds,
23 I know that Senator Stewart-Cousins, I believe,
24 currently sponsors a system of matching funds.

25 Just to understand sort of where we

1 are in the dynamic here as this very quick test
2 happens, why didn't we end up with more this
3 year? Is it the belief of the Majority Coalition
4 overall that this is as much as we should do
5 right now? Or was this a negotiation based on
6 the fact that many members of the Majority
7 Coalition oppose matching funds?

8 SENATOR VALESKY: This pilot
9 project was the result of three-way negotiations
10 between the Governor, the Senate and the
11 Assembly. This is the result for this particular
12 budget that was agreed to.

13 But certainly going forward, as I
14 indicated earlier, we have three months of the
15 session left this year, and there's certainly
16 every indication that negotiations and
17 discussions among those three parties will
18 continue as to the potential of enhancing a
19 matching system for other offices in future
20 years.

21 SENATOR SQUADRON: If the sponsor
22 would continue to yield.

23 SENATOR VALESKY: Yes.

24 ACTING PRESIDENT GRIFFO: The
25 sponsor yields.

1 SENATOR SQUADRON: Thank you. And
2 I appreciate the implicit fact in that statement
3 that the sponsor at least believes that expanding
4 this would be a positive thing, that this is too
5 little and too late when it comes to putting the
6 kind of matching funds system in that we so
7 desperately need and that so many folks and of
8 course the Governor himself -- and I was remiss
9 in saying this -- in his budget address, in his
10 State of the State, made very clear how important
11 exactly this kind of matching funds system would
12 be. So I'm glad to see hear the sponsor at least
13 seems to share that view.

14 Just so that I can really
15 understand, as affects the races for Governor,
16 Attorney General, and State Legislature, would
17 this bill do anything to close the so-called
18 LLC loophole by which corporations can contribute
19 essentially unlimited amounts of money if their
20 principal starts new businesses?

21 SENATOR VALESKY: This bill's focus
22 in terms of campaign financing is on
23 establishing this pilot program for matching
24 funds.

25 SENATOR SQUADRON: I'll take that

1 as a no.

2 If the sponsor would continue to
3 yield.

4 SENATOR VALESKY: Yup.

5 SENATOR SQUADRON: Would this bill
6 do anything for -- for Governor, Attorney General
7 and State Legislature do anything about
8 contribution limits, which for statewide
9 candidates are over \$60,000, for State Senate
10 candidates are more than \$16,000, for State
11 Assembly candidates are nearly \$8,000 -- would it
12 do anything about the extraordinarily high
13 contribution limits that currently impact this
14 for the offices of Governor, Attorney General and
15 State Legislature?

16 SENATOR VALESKY: Mr. President,
17 this bill's focus or this part of this bill's
18 focus is to demonstrate the efficacy of a
19 matching system in the State of New York through
20 a pilot program for the office of State
21 Comptroller this year.

22 SENATOR SQUADRON: So I'll take
23 that as a no.

24 If the sponsor would continue to
25 yield.

1 SENATOR VALESKY: Yeah.

2 SENATOR SQUADRON: Would this bill
3 do anything about the fact that according to a
4 recent study by the New York State Public
5 Interest Research Group, more than 50 percent of
6 all contributions made in this state don't come
7 from individuals but come from non-individual
8 entities, nonresidents of the state by nature?

9 ACTING PRESIDENT GRIFFO: Senator
10 DeFrancisco, why do you rise?

11 SENATOR DeFRANCISCO: Yes, I think
12 I -- I just wanted to mention that I referred the
13 questions with respect to this bill as to the
14 pilot program to Senator Valesky. I would be
15 happy to answer all the other campaign finance
16 issues you may have because he has explained all
17 that it is and that there may be discussions in
18 the future.

19 So I would be more than happy to
20 answer all your other questions, if you don't
21 mind, Senator Valesky.

22 SENATOR SQUADRON: I'm pleased to
23 hear that Senator DeFrancisco is back in the
24 ring. Welcome.

25 SENATOR VALESKY: Well, if I may

1 just --

2 ACTING PRESIDENT GRIFFO: Senator
3 Valesky, you may continue.

4 SENATOR VALESKY: If I may just
5 answer that final question to address some of the
6 issues that Senator Squadron has raised, I think
7 it's worth noting that as we complete this budget
8 process, the minority in this house has offered a
9 total of six amendments -- all were ruled by you,
10 Mr. President, not germane -- everything from
11 pensions to hydrofracking to Hire New York bill,
12 charter schools, Common Core, AIM funding
13 increase. Yet there is no amendment or no
14 attempt of an amendment to anything that Senator
15 Squadron has presented during his series of
16 questions. So I think that's worth noting.

17 Thank you.

18 ACTING PRESIDENT GRIFFO: Thank
19 you, Senator Valesky.

20 Senator Squadron, you still have the
21 floor.

22 SENATOR SQUADRON: Thank you.
23 Thank you. And I'll talk about that in a second.

24 But, Senator DeFrancisco, I think we
25 were coming to the end of this, but let's just

1 see. Is there anything that -- would this bill
2 do anything about the fact that for races other
3 than Comptroller -- for Governor, Attorney
4 General and State Legislature -- the fact that
5 there are essentially 250 contributors in
6 New York State that give the lion's share of all
7 the contributions in contributions well over
8 \$5,000 and that less than 3 percent or around
9 3 percent of contributions in this state to any
10 candidate running come in \$250 or smaller chunks?

11 SENATOR DeFRANCISCO: Well, there
12 is no change in here with respect to levels of
13 donations and caps on expenditures, caps on
14 donations. There's nothing in this bill on that.

15 However, now that you ask, there are
16 some very important things that are in this bill.
17 And the very important things that are in this
18 bill is that there are several additional changes
19 in the law making higher penalties for violations
20 of the Election Law. In fact, one Election Law
21 provision dealing with public corruption has been
22 removed from the Election Law and put in the
23 Penal Law for criminal enforcement.

24 In addition, there's a new offense
25 called corrupting the government which has

1 substantial penalties.

2 In addition, bribery nowadays -- a
3 bribery has always been someone offers, someone
4 accepts. Well, the DAs throughout the state have
5 been saying wait a minute, the offer should be
6 enough for the highest penalty, because that's
7 the crime. Whether it's accepted or not, they're
8 trying to bribe a public official.

9 So now the definitions of a bribery
10 and attempt are the same as they currently are.
11 An attempt is someone doesn't accept, and it's
12 just an offer. A bribery is an offer and
13 acceptance. But the penalties of a bribery and
14 an attempted bribery are now the same. So you
15 can't just say that someone didn't accept the
16 bribe and therefore I should get the lower
17 charge, the attempt.

18 In addition, there's a new
19 compliance enforcement unit that's put in the
20 Board of Elections. And a lot of good things
21 there. How many technical violations never get
22 picked up? Now the compliance unit is going to
23 have to pick them up and not say "I gotcha," but
24 give the candidate 30 days to cure if it's an
25 inadvertent violation and not an intentional one.

1 Which gives all of us the opportunity to fill in
2 a blank that maybe someone didn't fill in
3 correctly.

4 But once it's turned out to be
5 intentional, you continue to refuse, well then
6 there's substantial penalties and that's where
7 another important point happens. There is a --
8 this is the last thing I'll say, and then you can
9 go on. But you're looking for a forum, I'm
10 giving you a forum.

11 The last thing that I'll mention
12 right now is there is now an enforcement counsel
13 that's going to be assigned to the Board of
14 Elections. The Board of Elections will continue
15 to do their job. However, this individual,
16 selected by the Governor with the advice and
17 consent of both the Senate and the Assembly, that
18 individual -- because the criticism has been,
19 well, two Democrats, two Republicans, they always
20 result in a tie, nothing ever gets done. This
21 individual not only can investigate and present
22 these problems to the board, but, in the event
23 there's a tie, he or she can break the tie.

24 So even though, even though some of
25 the things you were looking for with respect to

1 public finance and limits and so forth didn't
2 occur, there are substantial reforms in this
3 budget bill.

4 SENATOR SQUADRON: And I thank the
5 sponsor for that walk down Distraction Lane.

6 On the bill, Mr. President.

7 ACTING PRESIDENT GRIFFO: Senator
8 Squadron on the bill.

9 SENATOR DeFRANCISCO: Excuse me.

10 ACTING PRESIDENT GRIFFO: Senator
11 DeFrancisco.

12 SENATOR DeFRANCISCO: I thought
13 that maybe the public might want to know what
14 reforms we have done in this budget, good
15 reforms, not just listen to someone complain
16 about things that are not in the bill.

17 So that wasn't a diversion, it was
18 an attempt to educate.

19 Thank you, Mr. President.

20 ACTING PRESIDENT GRIFFO: We
21 appreciate you providing information on the bill.

22 Senator Squadron, continue to keep
23 your comments germane to the bill.

24 SENATOR SQUADRON: As I have,
25 Mr. President. Thank you.

1 ACTING PRESIDENT GRIFFO: On the
2 bill, Senator Squadron.

3 SENATOR SQUADRON: On the bill,
4 Mr. President.

5 And it's interesting that when we're
6 talking about the very small number of heavily
7 invested, deeply pocketed individuals and
8 entities that contribute the lion's share of
9 dollars to candidates for election in this state,
10 instead what we get is distraction.

11 Because the truth is we have a huge
12 problem in this state. We have some of the most
13 lax campaign finance laws in the country. We
14 have contribution limits that shock individuals
15 across the state when they learn about them. We
16 have a system and a culture where a very, very
17 small number of folks even participate in order
18 to help elected officials raise dollars. And we
19 have loopholes like the LLC loophole that let
20 individuals, through a pretty simple mechanism,
21 literally contribute unlimited sums to candidates
22 in this state.

23 We need better enforcement on the
24 Board of Elections. And we agree on that, and
25 let's just be clear. We agree. That's positive,

1 it's good. The reason we have to talk about this
2 is you have a Governor, a State Assembly majority
3 and members of both the minority and the majority
4 in this house that support doing something about
5 the absolutely shameful campaign finance system
6 that we have in this state, and yet we don't have
7 a chance to vote on that in this budget.

8 And I appreciate Senator Valesky
9 requesting more hostile amendments in this
10 process. But as he points out, all six of those
11 hostile amendments have not only failed, they've
12 failed to even get a vote on the substance of the
13 matter.

14 And this is not an issue where we
15 need to raise the question again, it is an issue
16 where we need a result. And I would hope that
17 Senator Valesky would share our commitment and my
18 commitment to reaching a result on this issue,
19 not simply having another bill come up and be
20 voted down through parliamentary procedure.

21 The fact that we have a proposal
22 here that would require within 77 days or so a
23 state entity to be ready to put out matching
24 funds, and we haven't spoken to the state entity
25 that's going to do that, the Board of Elections,

1 according to the sponsor, haven't gotten any
2 commitment from any candidates that they're
3 willing to do this, means that it's not a real
4 test. It's a system that's designed to undermine
5 the arguments for matching funds and for finance
6 financing over time.

7 And I know that that's not the
8 sponsor's intent. I know the sponsor is a
9 long-time supporter of this. But unfortunately
10 that is going to be the consequence here. By the
11 sponsor I mean Senator Valesky, who spoke on the
12 bill, which I appreciate.

13 The truth is we know what we need
14 here. We know what works. The Governor was very
15 clear laying this out at the beginning of the
16 year. Senator Klein, that member of the Majority
17 Coalition has been clear. Senator Stewart-
18 Cousins has been clear. Speaker Silver and the
19 Assembly majority have been clear.

20 And we don't have anything that's
21 going to change the system in the state before us
22 right now. In fact, I fear what we have before
23 us is something that's going to undermine the
24 argument for fundamental reform that we so
25 desperately need.

1 It might lead to distraction, it
2 might lead to some patting ourselves on the back
3 for dealing with a Board of Elections that's been
4 underfunded and unable to do its job, but it is
5 not going to deal with the core problem in this
6 state, small numbers of heavily invested, deeply
7 pocketed individuals and entities who have a
8 vastly outsized influence instead of the regular
9 people across this state who should be empowered
10 in elections for Governor, for Attorney General,
11 for Comptroller, for State Senate and for State
12 Assembly.

13 This won't do that. And I really
14 fear what it will do is give opponents of this --
15 of whom we know there are a whole lot in this
16 house -- ammunition to prevent a system of
17 matching funds and public financing from ever in
18 the foreseeable future being implemented in this
19 state.

20 That's the reason I'm going to have
21 to vote against this bill, it's the reason I'm so
22 disappointed today. And I really do hope that
23 Senator Valesky's suggestion that we will see
24 this again this year turns out to be true. If we
25 do, I look forward to standing shoulder to

1 shoulder and figuring out how to make it a
2 reality.

3 Thank you, Mr. President.

4 ACTING PRESIDENT GRIFFO: Thank
5 you, Senator Squadron.

6 Senator Gianaris.

7 SENATOR GIANARIS: Thank you,
8 Mr. President.

9 I would ask Senator Valesky to
10 excuse my back, but ask him if he would yield for
11 some questions.

12 ACTING PRESIDENT GRIFFO: Senator
13 Valesky, do you yield?

14 SENATOR VALESKY: Certainly.

15 ACTING PRESIDENT GRIFFO: Senator
16 Gianaris.

17 SENATOR GIANARIS: Thank you.

18 I would ask if the sponsor remembers
19 when this body passed the Public Integrity Reform
20 Act in June of 2011.

21 ACTING PRESIDENT GRIFFO: Senator
22 Valesky.

23 SENATOR VALESKY: Yes,
24 Mr. President, I do recall that.

25 SENATOR GIANARIS: And if the

1 sponsor would continue to yield.

2 SENATOR VALESKY: Yes.

3 ACTING PRESIDENT GRIFFO: Senator
4 Valesky yields.

5 SENATOR GIANARIS: Does he recall
6 that in that act that we passed in June of 2011
7 there was a requirement that the Board of
8 Elections would establish regulations by
9 January 2012 dealing with the disclosure of
10 independent expenditures?

11 SENATOR VALESKY: Mr. President, I
12 appreciate Senator Gianaris reminding me of that.
13 We've passed a couple of thousand bills between
14 then and now, so I appreciate his refresher.

15 SENATOR GIANARIS: Thank you.

16 And if he would continue to yield
17 again.

18 SENATOR VALESKY: Yes.

19 ACTING PRESIDENT GRIFFO: Senator
20 Valesky yields.

21 SENATOR GIANARIS: Allow me to
22 refresh some more. And I would ask if Senator
23 Valesky is aware that the Board of Elections,
24 given a full six months to implement regulations
25 dealing with disclosures of independent

1 expenditures, took almost a year and a half to
2 actually get as far as adopting those
3 regulations. It took till October of 2012 before
4 they were adopted.

5 SENATOR VALESKY: Well,
6 Mr. President, I will repeat what I said in my
7 answer to Senator Squadron's question. I have
8 confidence in the Board of Elections' ability,
9 subsequent to the passage of this legislation, to
10 comply in a timely fashion with the statute at
11 hand, which is a pilot project in matching funds
12 for the office of State Comptroller.

13 SENATOR GIANARIS: And if Senator
14 Valesky will continue to yield.

15 SENATOR VALESKY: Yes.

16 ACTING PRESIDENT GRIFFO: Senator
17 Valesky yields.

18 SENATOR GIANARIS: Does Senator
19 Valesky have any evidentiary reason to believe
20 that a Board of Elections that could not adopt in
21 almost a year and a half simple disclosure
22 regulations somehow in three months or so will be
23 able to adopt something much more ambitious in
24 terms of implementing for the first time in this
25 state a public matching fund program?

1 SENATOR VALESKY: For one race,
2 Mr. President -- one, one race, the office of
3 State Comptroller -- yes, I am definitely
4 confident that the Board of Elections will be
5 able to comply.

6 SENATOR GIANARIS: Again, if
7 Senator Valesky would continue to yield.

8 SENATOR VALESKY: Yes.

9 ACTING PRESIDENT GRIFFO: Senator
10 Valesky yields.

11 SENATOR GIANARIS: The question was
12 not whether he's confident, the question is
13 whether he has any evidentiary evidence that the
14 board can do something this ambitious in this
15 short a time, because we do have some evidence
16 that they cannot.

17 SENATOR VALESKY: Mr. President, I
18 am convinced that they will be able to comply
19 with the statute.

20 SENATOR GIANARIS: If the Senator
21 would continue to yield.

22 SENATOR VALESKY: Yup.

23 SENATOR GIANARIS: And I apologize
24 if I'm being redundant with some of the things
25 Senator Squadron covered, but if I could ask

1 again, why is this applied to the State
2 Comptroller only and no other offices?

3 SENATOR VALESKY Mr. President, can
4 Senator Gianaris repeat the question? I'm sorry.

5 SENATOR GIANARIS: Why the
6 Comptroller only, is the question. Why was that
7 office selected and no others included?

8 SENATOR VALESKY: The office of
9 Comptroller was selected as a test pilot for the
10 2014 election based on negotiations between the
11 Governor, the Senate and the Assembly.

12 SENATOR GIANARIS: And again, if
13 Senator Valesky would yield.

14 SENATOR VALESKY: Yes.

15 SENATOR GIANARIS: I would ask if
16 Senator Valesky can enlighten us regarding those
17 negotiations, if he could take us into that back
18 room for a moment and explain to us which of the
19 parties in that room had a problem with expanding
20 it beyond just the Comptroller's office.

21 SENATOR VALESKY: Well,
22 Mr. President, that's a question that I am not
23 able to answer. I am not in that room, so he
24 will ask have to ask others who perhaps were.

25 SENATOR GIANARIS: Would Senator

1 Klein like to yield? I believe I was invited to
2 ask others in the room to answer the question.

3 ACTING PRESIDENT GRIFFO: Senator
4 Klein has not spoken on this bill, Senator
5 Gianaris.

6 SENATOR DeFRANCISCO: I'll answer
7 it, but I don't know what it is.

8 SENATOR GIANARIS: You weren't in
9 the room either, apparently.

10 (Laughter.)

11 ACTING PRESIDENT GRIFFO: Would you
12 like Senator DeFrancisco to attempt?

13 SENATOR GIANARIS: If he'd like to
14 give it a try.

15 ACTING PRESIDENT GRIFFO: Senator
16 DeFrancisco, do you yield to Senator Gianaris?

17 SENATOR DeFRANCISCO: Yes.

18 SENATOR GIANARIS: The question
19 was -- and I'm afraid to say I think you might
20 not have standing to answer it either. But the
21 question was in the room in which these
22 negotiations were ongoing, which was the party
23 that was opposed to expanding this beyond just
24 the Comptroller's office?

25 SENATOR DeFRANCISCO: Well, you

1 know as well as anyone does that you negotiate
2 with an object to try to attain some goal, and
3 those negotiations in many situations are private
4 negotiations so no one is unduly blamed for one
5 position or another.

6 I can tell you quite candidly I
7 personally was in some of the discussions, and
8 I'll tell you I would not have necessarily done a
9 pilot. There was a difference of opinion on many
10 people. Each person in this room may have a
11 different position. But to suggest who took this
12 position or another, different people in each
13 conference would have different answers to that.

14 So Senator Valesky mentioned that
15 there will be additional negotiations. If people
16 start pointing fingers that this person wouldn't
17 do that, this person wouldn't do that, the level
18 of trust to try to reach a result I think would
19 be hurt. And so -- and plus it's irrelevant.

20 SENATOR GIANARIS: Would somebody
21 continue to yield, I don't know which --

22 (Laughter.)

23 SENATOR DeFRANCISCO: I'm here. I
24 was starting to, you know, lose my energy.

25 ACTING PRESIDENT GRIFFO: Senator

1 DeFrancisco yields.

2 Senator Gianaris.

3 SENATOR GIANARIS: Thank you.

4 Well, initially, let me just take a
5 tremendous issue with what was just stated by
6 Senator DeFrancisco. The idea that letting the
7 public be aware of who has what position on an
8 issue somehow hurts the cause is exactly the
9 problem we're facing, not only in the State
10 Senate but in state government in its entirety.

11 And I would ask -- I guess I'll go
12 back to Senator Valesky, if he would yield.

13 ACTING PRESIDENT GRIFFO: Senator
14 Valesky, do you yield?

15 SENATOR VALESKY: Yes.

16 SENATOR GIANARIS: Senator Valesky,
17 forget about the room for a moment that you
18 weren't in. But do you yourself support the
19 inclusion of the State Legislature in a public
20 matching program?

21 ACTING PRESIDENT GRIFFO: Senator
22 Valesky.

23 SENATOR VALESKY: Yes.

24 SENATOR GIANARIS: And if Senator
25 Valesky would continue to yield.

1 SENATOR VALESKY: Yes.

2 ACTING PRESIDENT GRIFFO: The
3 Senator yields.

4 SENATOR GIANARIS: Thank you.

5 Can Senator Valesky please explain
6 to us how it is that a bill is approved to come
7 to the floor of the Senate for a vote? Whose
8 approval is required?

9 SENATOR VALESKY: Well,
10 Mr. President, I certainly am quite confident
11 that Senator Gianaris and every member of this
12 Senate is fully aware of the rules that govern
13 this Senate that say that the co-presidents of
14 the Senate establish the daily active list.

15 SENATOR GIANARIS: Thank you.

16 And if Senator Valesky would
17 continue to yield.

18 SENATOR VALESKY: Yes.

19 ACTING PRESIDENT GRIFFO: The
20 Senator yields.

21 SENATOR GIANARIS: And if he can
22 speak for the leader of his conference -- I don't
23 know if he can -- but my question is why would
24 the leader of his conference, the co-leader of
25 this Senate, agree to bring this bill to this

1 floor for a vote when it contains a matching
2 program that he believes is inadequate by his own
3 words?

4 SENATOR VALESKY: Mr. President,
5 this is, as I have stated a number of times, as
6 Senator DeFrancisco has just stated, this is --
7 this bill, this provision of this bill, this bill
8 is one bill of a 10-bill package that is
9 comprising a \$138 billion state budget that will
10 be due in three hours and 15 minutes. It was
11 subject to the same sort of negotiation process
12 that every element of this \$138 billion budget
13 was. The Governor, the Senate, and the Assembly
14 negotiating in good faith, different positions,
15 different proposals, coming to a common
16 conclusion so that we can complete a fourth
17 consecutive on-time budget.

18 SENATOR GIANARIS: Would Senator
19 Valesky continue to yield.

20 SENATOR VALESKY: Yes.

21 ACTING PRESIDENT GRIFFO: Senator
22 Valesky yields.

23 SENATOR GIANARIS: Would Senator
24 Valesky agree that his answer reflects a
25 determination by someone who supports a more

1 robust public matching system, by his own words,
2 that that better possibility was sacrificed in
3 order to get the rest of this budget agreed to?

4 SENATOR VALESKY No, I would not
5 agree at all with that, Mr. President.

6 SENATOR GIANARIS: If Senator
7 Valesky would continue to yield.

8 SENATOR VALESKY: Yes.

9 ACTING PRESIDENT GRIFFO: Senator
10 Valesky yields.

11 SENATOR GIANARIS: I took his
12 previous answer to say that as part of -- excuse
13 me, take it back a second. The previous question
14 was why was this bill agreed to when the proposal
15 the co-leader supports was not in it, and I was
16 told that it's the result of negotiations.

17 Well, how does he not agree that
18 that inevitably leads to the conclusion that a
19 more robust public financing system was not
20 enough of a priority to not conclude those
21 negotiations without it included in the budget?

22 SENATOR VALESKY: Well,
23 Mr. President, I apologize, I'm a little
24 confused. Senator Gianaris has certainly been
25 here in Albany much longer than I have, but I'm

1 sure he knows and has been aware through his many
2 years of service that there are budget priorities
3 that the Speaker of the Assembly has, some that
4 make it into the final budget, others that don't.
5 There are budget priorities of the Senate
6 Temporary President or Co-Presidents; some make
7 it into the final budget, others don't. There
8 are priorities from the Governor of the State of
9 New York; some make it into the final budget,
10 others don't.

11 This is the art of compromise.
12 That's how a budget is put together. I'm sure
13 Senator Gianaris is aware of that.

14 SENATOR GIANARIS: Thank you.

15 If Senator Valesky will continue to
16 yield.

17 SENATOR VALESKY: Yes.

18 ACTING PRESIDENT GRIFFO: Senator
19 Valesky yields.

20 SENATOR GIANARIS: With respect, I
21 know Senator Valesky has been here for many years
22 as well, because when I was in the Assembly we
23 worked together on many bills. So I know he's
24 got experience here as well as I do.

25 It's not as if everyone puts their

1 priorities in a grab bag and random ones get
2 pulled out and included in the budget and other
3 ones don't. The fact is the leaders make greater
4 or lesser priorities of what their positions are
5 and agree or don't agree to bills getting
6 concluded without them being in it.

7 So again, why is it that we're
8 dealing with a bill today that does not include a
9 system that's more robust than the Assembly
10 supports, that the Governor supports, that the
11 Democratic Conference supports, that the
12 Independent Democratic Conference supposedly
13 supports, and only the Senate Republican
14 Conference seems to not support -- although
15 Senator DeFrancisco won't tell us exactly who
16 does what in that room, it seems from public
17 statements that that's clear -- why are we
18 dealing with a bill that doesn't include
19 something that everyone in the State Legislature
20 and the Executive supports except the Senate
21 Republicans?

22 SENATOR VALESKY: Mr. President, I
23 think that it's very clear that the Majority
24 Coalition in this Senate, the majority in the
25 Assembly, and the Governor, perhaps most

1 significantly, are extremely interested on behalf
2 of the people of the State of New York in
3 achieving a fourth consecutive on-time budget,
4 which we are about to do momentarily.

5 As I said earlier in my response to
6 Senator Squadron, this is an issue that will
7 continue to be negotiated past the budget
8 deadline. This is a first start, it is a good
9 first step. And I'm quite sure and very
10 confident that negotiations will continue after
11 the budget is adopted.

12 You know, I would just be concerned,
13 though, that Senator Gianaris appears to be
14 saying that the on-time budget and the
15 responsibility for the fourth consecutive year of
16 doing a budget on time is secondary, apparently,
17 to one particular issue that's included in this
18 budget.

19 SENATOR GIANARIS: If Senator
20 Valesky would yield for one final question.

21 SENATOR VALESKY: Yes.

22 ACTING PRESIDENT GRIFFO: Senator
23 Valesky yields.

24 SENATOR GIANARIS: I heard him
25 indicate that he has confidence in the ongoing

1 negotiations on this issue. I would ask, is his
2 confidence level that something more robust will
3 get done in the next three months the same
4 confidence level he has that the Board of
5 Elections will implement these regulations in
6 time?

7 SENATOR VALESKY: Mr. President, as
8 I've indicated earlier, I am confident that
9 good-faith negotiations between all parties will
10 continue just as soon as this budget is adopted.

11 SENATOR GIANARIS: Thank you,
12 Senator Valesky.

13 On the bill, Mr. President.

14 ACTING PRESIDENT GRIFFO: Senator
15 Gianaris on the bill.

16 SENATOR GIANARIS: We're dealing
17 with something that has pretty widespread support
18 in state government. Every party in terms of the
19 State Legislature, both the Assembly and the
20 Senate, the Governor, members of our conference,
21 members of the Majority Coalition all support a
22 more robust program than that which we're dealing
23 with tonight. And yet we're unable to get there
24 because not enough of a priority has been made
25 about achieving that goal.

1 It's the reason why a broad
2 coalition of good-government groups, from the
3 Brennan Center to Citizen Action to Citizens
4 Union to Common Cause to the League of Women
5 Voters to NYPIRG, all agree that this pilot
6 program is a mistake and, to use their words, is
7 destined to fail.

8 Now, I have been here a long time,
9 which means I'm a bit of a cynic at times. And I
10 can't help but ask the question, are we propping
11 something up here so that it will be unsuccessful
12 this year and then the issue of public financing
13 going forward will end up taking on water and
14 will make it more difficult, shattering Senator
15 Valesky's great confidence that we're going to
16 have some successful negotiations later in the
17 session.

18 It's unfortunate, too, that this is
19 included in a bill that has a lot of important
20 things in it, which is going to lead me to vote
21 yes because I do want ethics reforms and I do
22 want some of the changes that are included in
23 this bill.

24 But this particular Part H,
25 subpart D, title 2 of S6355D, negotiated in a

1 back room that we're not allowed to know who took
2 what positions in, is an abomination.

3 Thank you, Mr. President.

4 ACTING PRESIDENT GRIFFO: Thank
5 you, Senator Gianaris.

6 Senator Díaz.

7 SENATOR DÍAZ: Thank you,
8 Mr. President.

9 Today I have been praising people
10 from left to right. But now I'm praising no
11 more. I'll tell you why is it that now I'm
12 stopping praising. Because we're about to ask
13 the residents of the State of New York to pay, to
14 put money, who work, get up early in the morning
15 go and work, pay taxes, and out of that money
16 give us politicians some so we could pay for our
17 campaigns.

18 It is outrageous to ask the people
19 of the State of New York to start planning, with
20 a pilot project, to make it bigger, to ask the
21 people of the State of New York to give up money
22 so we could go and spend money, their money, in
23 our campaigning.

24 There is no money to comply with the
25 court ruling on CFE, Campaign for Fiscal Equity.

1 The court decided, the court issued a ruling that
2 we should find money and that we have to pay
3 money and bring and find money to be equal in the
4 education, to get money for education -- but
5 there's no money nor that. There is no money.
6 We cannot give that money, we cannot comply, we
7 have not been complying with the state ruling to
8 give money, that money that we owed for
9 education, because there is no money.

10 But there is money for us
11 politicians to spend in our campaigns, political
12 campaigns. There is no money to pass the DREAM
13 Act, there's no money, 20 or 25 -- 25 million,
14 there is no money for the DREAM Act. So
15 therefore we deny 8,000 students the opportunity
16 to get a college education because there is no
17 money, but there is money for us politicians to
18 spend in our political campaign. There's money
19 for that.

20 There is no money to keep hospitals
21 open, clinics, and many communities need
22 services. There is no money. The hospitals have
23 been closing in the State of New York, hospitals
24 are closing, but we are asking the people of the
25 State of New York to give money while their

1 health is put in danger, where their hospitals
2 have been closed, where their needed services
3 have been cut because there is no money -- but
4 now we are telling them there is money, we have
5 to give money to politicians so they could spend
6 in their political campaigns.

7 There is no money to give increases
8 to working people in the State of New York, but
9 there is money for us politicians to spend in our
10 political campaigns. There is no money. There
11 is no money even to increase the salary of our
12 staff members.

13 We ask our staff members, go work
14 and work and work, Saturday, Sunday, night, day,
15 go represent me there, go represent me there, go
16 over there. But there is no money to give our
17 staff members an increase in salary. There is no
18 money. But there is money for us politicians to
19 spend in our political campaigns.

20 There is no money, there is no money
21 to build housing, to provide those thousands of
22 families in shelters a decent apartment. And
23 we're putting them in places that looks like I
24 don't even want to mention the name. But there
25 is no money for that, there is no money to build

1 houses, there is no money to build decent
2 housing. But there is money, there is money for
3 us politicians to spend on our political
4 campaigns.

5 There is no money, there is no money
6 for prevailing wages in the State of New York.
7 There is no money. But there is money,
8 Mr. President and ladies and gentlemen, there is
9 money for us to spend in political campaigns.
10 And they call that -- how they call that? They
11 call that campaign finance, public financing.
12 And we call it great thing that we're going to do
13 for the State of New York. There is no money.

14 Ladies and gentlemen, that is a
15 travesty. That is wrong. That is evil. That is
16 ugly. And God hates ugly. If we have any
17 decency, if we have any decency we should all
18 vote against this and anything that has to do
19 with using money for our political campaigns.

20 We should be ashamed of that,
21 ashamed to stand here saying, Oh, we've got to
22 give money to a politician and to every person in
23 the New York State that wishes to run for a state
24 office, we should give money to them so they
25 could run their campaign. And then we go to our

1 community: Oh, I'm fighting for you, I'm
2 fighting for you. You're fighting for whom?

3 It is incredible what we are asking
4 here. I ask all of you, all of you, Democrat,
5 Republican, all of you, come on, stop this
6 nonsense. This be for real. There is no money,
7 there's no money to help our communities. In my
8 district there are many community organizations
9 closing their doors because there is no money to
10 help them keep their doors open so they could
11 give help to the needy. And then we're going to
12 say there, there's no money for that but there's
13 money for us to run for political campaigns.

14 Whoever wants to run for a political
15 campaign, go over there also. Go over there and
16 find your money, all money. Go over there and
17 ask for it. But stop asking the government, stop
18 asking the people of State of New York to pay for
19 your campaign. This is wrong. It's evil. Stop.
20 For God's sake, stop. Vote no. Send a message
21 to all those lobbyists, all those unions, all the
22 people who say, Oh, you got to do this, you got
23 to do this. Show them that you have some kind of
24 decency. Stop this nonsense already.

25 Thank you, Mr. President. I'm

1 voting no.

2 (Laughter.)

3 ACTING PRESIDENT GRIFFO: Senator
4 Rivera.

5 SENATOR RIVERA: Thank you,
6 Mr. President. If the sponsor would yield for a
7 few questions.

8 SENATOR DeFRANCISCO: Yes.

9 ACTING PRESIDENT GRIFFO: Senator
10 DeFrancisco yields.

11 SENATOR RIVERA: Thank you,
12 Mr. President.

13 I have a couple of questions about a
14 couple of aspects that we haven't spoken about
15 yet, but I found them and I wondered if you'd
16 explain them to me.

17 One is a section in this bill that
18 creates -- that expands Start-Up NY for Butler
19 Correctional Facility, Chateaugay Correctional
20 Facility, Monterey Shock Incarceration
21 Correctional Facility, and Mt. McGregor
22 Correctional Facility. Could you explain that
23 piece of the budget to me, please? Through you,
24 Mr. President.

25 SENATOR DeFRANCISCO: It's in

1 Public Protection. It actually deals with prison
2 closures. And there's a program associated with
3 it so that when a prison closes, that there are
4 certain dollars allocated for economic
5 development.

6 In this case I think it's \$8 million
7 per prison, areas where the prisons are closed,
8 in order to help redevelopment of that area.

9 SENATOR RIVERA: Through you,
10 Mr. President, if the sponsor would continue to
11 yield.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

14 SENATOR DeFRANCISCO: Yes. And on
15 the Start-Up -- I'm sorry, go ahead.

16 SENATOR RIVERA: Thank you,
17 Mr. President. I haven't asked a question yet.

18 SENATOR DeFRANCISCO: I didn't
19 realize Start-Up was involved with it. But it's
20 making these areas a Start-Up area to make it
21 easier to attract new businesses coming in.

22 SENATOR RIVERA: Through you,
23 Mr. President, that's precisely why I wanted to
24 ask about the program. What you're referring to
25 is something that we voted on -- I believe

1 something we voted on in years past as it relates
2 to correctional facilities that are closing.

3 In this case the reason I'm asking
4 about Start-Up NY is, through you, Mr. President,
5 it was my understanding when we voted for it last
6 year -- and I voted against it last year for a
7 few different reasons. But it was my
8 understanding that the program was tied to -- was
9 to do CUNY and SUNY campuses and properties of
10 CUNY and SUNY campuses precisely because of the
11 type of businesses, Mr. President, that they
12 wanted to attract would be businesses that would
13 be tied to the educational mission of the
14 institution.

15 If that being the case, was there
16 any particular reason -- what was the reason that
17 that particular program, as opposed to another
18 one, was expanded to correctional facilities when
19 obviously they don't necessarily have an
20 educational mission?

21 SENATOR DeFRANCISCO: First of all,
22 I too -- yes, Mr. President, excuse me. I too
23 voted against Start-Up NY, for probably the same
24 reasons you did.

25 But the thinking is that with prison

1 closures and the devastation it has to
2 communities and jobs that are lost to those
3 communities, tying a Start-Up NY program with
4 that area that has to be done in affiliation with
5 a university makes it more likely that there's a
6 chance of getting more jobs there quicker because
7 of the tax benefits.

8 SENATOR RIVERA: Through you,
9 Mr. President, if the sponsor would continue to
10 yield.

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

14 SENATOR RIVERA: Thank you,
15 Mr. President.

16 So you're saying that what this
17 would do is extend Start-Up NY to correctional
18 facilities and then connect it to an educational
19 institution's property? I still don't
20 understand, I'm sorry.

21 SENATOR DeFRANCISCO: Mr.
22 President, the Start-Up NY proposal was really
23 initially limited to certain properties that were
24 either on university grounds or adjacent to them
25 or whatever.

1 This does not apply to all
2 correctional facilities, it applies to those that
3 are subject to closure so that it gives a better
4 opportunity as long as they affiliate whatever
5 their business is through a university. It's
6 kind of a -- it's a stretch, but you can see the
7 logic behind it, that if the Start-Up NY program
8 is good, then under those circumstances it's
9 going to help those areas of prison closure --
10 not all correctional facilities -- to try to
11 rebound.

12 SENATOR RIVERA: Through you,
13 Mr. President, if the sponsor would continue to
14 yield.

15 SENATOR DeFRANCISCO: Yes.

16 ACTING PRESIDENT GRIFFO: The
17 sponsor yields.

18 SENATOR RIVERA: Thank you,
19 Mr. President.

20 So, Senator DeFrancisco, I know that
21 last year we had conversations about Start-Up NY.
22 And you just reminded me that you voted against
23 it, as I did. Could you remind what were your
24 objections to the program last year?

25 SENATOR DeFRANCISCO: Well, the

1 objections to the program last year were the same
2 reasons why we had hearings all over the state,
3 to get broad-based tax cuts so government doesn't
4 pick the winners and losers and so that companies
5 that are already in the State of New York trying
6 to make a living don't fear -- don't have undue
7 competition not only for the product that they
8 sell but, more importantly, for the people that
9 they have working for them.

10 Because those people, when offered a
11 job, if they're -- let's say it's an IT person
12 who's the greatest IT person at a company that's
13 in existence, and you tell them: You can go to
14 our factory here in Start-Up NY and don't have to
15 pay taxes for 10 years. That's sort of an unfair
16 advantage.

17 So you can't do anything about the
18 fact that the program is in existence. It's in
19 existence. It's just another opportunity to try
20 to help those areas that are devastated by prison
21 closures to try to get employees there earlier.

22 SENATOR RIVERA: Through you,
23 Mr. President, if the sponsor would continue to
24 yield.

25 SENATOR DeFRANCISCO: Yes.

1 ACTING PRESIDENT GRIFFO: The
2 sponsor yields.

3 SENATOR RIVERA: Thank you,
4 Mr. President.

5 So am I to understand that you are
6 an opponent and a supporter of the program now?

7 SENATOR DeFRANCISCO: No, I'm not
8 saying that at all.

9 You can oppose a bill and hope that
10 it doesn't become law, but once it does and it's
11 available to people from out of this state to
12 develop certain areas, and you have a real
13 problem where correctional facility closures are
14 resulting in areas being devastated by lack of
15 employment, you should be able to use what is in
16 existence.

17 And I don't say -- when I vote no on
18 a law, I don't selectively decide which ones I'm
19 going to abide by.

20 SENATOR RIVERA: Through you,
21 Mr. President, if the sponsor would continue to
22 yield.

23 SENATOR DeFRANCISCO: Yes.

24 ACTING PRESIDENT GRIFFO: The
25 sponsor yields.

1 SENATOR RIVERA: Fair enough on all
2 of those.

3 Moving on to another issue, also in
4 this bill there is an exemption of three-family
5 buildings in part of the Bronx from 421A
6 requirements. There's a couple of lots that are
7 named specifically. Could you tell me what
8 exactly does that mean and why it was included?

9 SENATOR DeFRANCISCO: At this
10 moment I have no clue. But I will get the answer
11 for you momentarily because I'm not familiar with
12 that aspect.

13 Repeat the question, please.

14 SENATOR RIVERA: Through you,
15 Mr. President, absolutely. There is a part of
16 this bill that includes an exemption for
17 three-family buildings in part of the Bronx from
18 421A requirements. There are a couple of
19 buildings that are named specifically.

20 So I wanted to find out why they're
21 in there, because I just didn't have clarity on
22 that.

23 SENATOR DeFRANCISCO: Oh, we have
24 an expert in this area, Senator Klein. And he
25 would be more than happy to answer your question.

1 SENATOR KLEIN: I'm sorry,
2 Mr. President, I didn't hear the question.

3 ACTING PRESIDENT GRIFFO: Senator
4 DeFrancisco defers to Senator Klein. Without
5 objection, Senator Klein can be heard.

6 SENATOR RIVERA: Yes,
7 Mr. President, I will repeat the question.

8 ACTING PRESIDENT GRIFFO: Senator
9 Klein, do you yield to the question?

10 SENATOR KLEIN: Yes, Mr. President.

11 ACTING PRESIDENT GRIFFO: Senator
12 Rivera, you may ask the question.

13 SENATOR RIVERA: Thank you,
14 Mr. President.

15 There is a part of this bill which
16 includes apparently an exemption for three-family
17 buildings in Bronx County from 421A requirements.
18 So I wanted to find out what those buildings
19 were, what that referred, and why it's in here.

20 SENATOR KLEIN: I'll be happy to
21 answer the question, again, with my colleague
22 from the Bronx on behalf of hardworking
23 Bronxites.

24 This is a piece of legislation which
25 really corrects a very grave error. The purpose

1 of the bill is to provide certain excluded
2 homeowners --

3 ACTING PRESIDENT GRIFFO: Can I
4 have some order in the chamber, please.

5 Senator Klein.

6 SENATOR KLEIN: Through you,
7 Mr. President, the purpose of the bill is to
8 provide certain excluded homeowners with the
9 ability to apply for and obtain a real property
10 tax exception pursuant to the Real Property Law
11 Section 421-a.

12 This is a development known as
13 Shorehaven Condominiums at Harbour Pointe. It's
14 a development in my district in the Bronx, which
15 I share with Assemblymember Marcos Crespo. The
16 bill applies to these developments which were
17 inadvertently, due to the operation of the law at
18 the time and the period in which such dwellings
19 were constructed, were excluded from
20 participating in a tax-abatement program.

21 We tried to deal with this directly
22 with the City department of Finance, the City
23 Department of Real Property. They told us last
24 year that we needed to have an amendment to be
25 able to include them so -- these are individuals

1 who actually bought into this development later.
2 These are homeowners. They're sort of like -- I
3 can't describe it, sort of small two-family, some
4 of them are one-family homes in the Bronx. And
5 being that they bought later, the more recent
6 developments of the project, they were excluded
7 from the tax abatement that was enjoyed by people
8 who bought previously.

9 So this affects probably anywhere
10 from 100 to 120 of the newest homeowners in this
11 development. And this is really correcting an
12 inequity which we tried to do last year, but
13 unfortunately it passed the Senate and never
14 passed the Assembly. So we decided this year to
15 include it in the budget.

16 SENATOR RIVERA: Thank you,
17 Mr. President. On the bill.

18 ACTING PRESIDENT GRIFFO: Senator
19 Rivera on the bill.

20 SENATOR RIVERA: Thank you,
21 Mr. President.

22 And thank you both, Senator
23 DeFrancisco and Senator Klein, for the answers on
24 both those questions. These are two issues that
25 were outstanding and I didn't have much clarity

1 on, so I wanted to get some clarity.

2 But I wanted to speak on a couple of
3 different aspects of the bill. First of all, on
4 Start-Up NY, since we were already speaking about
5 it. As I share with Senator DeFrancisco and a
6 couple of my colleagues, I voted against it last
7 year for very similar reasons. It seems that
8 what you're creating is a situation where you
9 create an unfair advantage for the inside a
10 tagged zone and outside a tagged zone.

11 And while I certainly understand the
12 situation of many correctional facilities closing
13 and some of the economic hardships that it
14 creates there, I think that the concerns that we
15 brought last year are still concerns that I have
16 to this day.

17 There are businesses that might be
18 located right outside of the area where
19 Start-Up NY is determining to exist, and these
20 folks have been giving back to the community, may
21 have been based there for generations and have
22 all sorts of employees and employee taxes and
23 property taxes that they have to pay. And once
24 you figure out that you can establish yourself as
25 a new business inside the area, inside the zone,

1 that all of a sudden gives you an unfair
2 advantage.

3 And on top of that, there was at
4 least the fact that last year the program was
5 tied to an educational institution and a mission
6 of the educational institution. The argument was
7 made, certainly was made directly to me and a lot
8 of our colleagues that ultimately the point was
9 to bring the type of businesses that would be
10 connected to the educational mission of the
11 institution and therefore would not compete
12 directly with businesses that would be outside of
13 the zone. That's not necessarily what we have
14 here, which is one of the reasons why I also
15 think it's problematic.

16 But as far as the rest of the bill,
17 it's one of those situations where you have a
18 complex bill that has a lot of things in it and
19 then you have to decide how you're going to vote.
20 There are certainly some positives in here, there
21 is a program that we have been fighting for for
22 for many years in the Bronx to make sure that we
23 get SNUG funding. And I know that there's been a
24 lot of fight that has been done certainly by
25 Senator Ruth Hassell-Thompson as well as Senator

1 Klein to make sure that we get it in the Bronx.
2 And it is included in here, which I think is a
3 positive thing and will have a positive impact on
4 communities all across the Bronx and certainly
5 some of the ones that I represent.

6 And there's a few other things that
7 are in here which are positives. But I have to
8 say that taken overall, this is not a bill that
9 I'd be able to support, Mr. President. I think
10 that the biggest poison pill is certainly the
11 attempt at campaign finance reform.

12 I believe in campaign finance. And
13 I believe in it -- and we can certainly have a
14 debate about it, but I believe in it because I
15 believe that when done right, it is a way to
16 extract special interest money from the process.

17 I think that it is a little obscene
18 that if somebody is running for President, an
19 individual can give him or her \$2500, and yet
20 that same individual can turn around and give me
21 somewhere in the neighborhood of \$17,000.

22 I've seen plenty of evidence which
23 tells me that when a system is designed
24 correctly, a public financing system can actually
25 encourage more participation from people that are

1 local and in the district, since there are
2 requirements that would be set so that you would
3 have to talk more to your constituents. And with
4 smaller contributions, these would be multiplied.

5 There's a lot of reasons why I'm
6 supportive of a campaign finance system. And
7 while I've been, certainly since I was elected
8 have been fighting to make sure that we have a
9 true campaign finance reform done at the state
10 level, this is not it. And I think that both my
11 colleagues Senator Gianaris and Senator Squadron
12 really got to the heart of a lot of this.
13 Ultimately it is a pilot program that seems on
14 its face to be destined to fail.

15 I certainly am one who believes that
16 government is a good thing, as my good colleague
17 Senator Robach, who's not here, he always walks
18 over and calls me his favorite communist,
19 sometimes he calls me, because I talk about
20 government all the time and how government is a
21 force for good and can do good things. So I
22 certainly think that government can operate well.

23 But what we're asking the Board of
24 Elections here to do in such a short period of
25 time -- it is one race. Senator Valesky is not

1 here. It is one race, but it is a very
2 complicated system that we're trying to establish
3 here. And to ask the Board of Elections, that
4 has not done this before, to be able to in a
5 couple of months, where just in a month or a
6 month and a half our the petition process is
7 starting -- so the campaign is just right around
8 the corner, and we're asking them to do a series
9 of tasks which are not really practicable for the
10 Board of Elections to be able to do.

11 So ultimately it is -- what we're
12 talking about is setting up a system which seems
13 to be designed from its inception to fail. And
14 that is exactly the opposite of what we want to
15 do. We want to be thoughtful about how we
16 establish this. We want to make sure that we
17 establish a system which truly serves the
18 interests of what we're trying to do here.
19 Certainly for us who believe in campaign finance,
20 to support a system like this would be to support
21 something that is bound to fail.

22 So as a good colleague of mine said,
23 basically we're saying this pilot is really
24 doomed to crash. The pilot just going in that
25 direction.

1 I would say that there's a lot of
2 other aspects that my colleagues have spoken
3 about, and I could go on for a long time. But I
4 will only say that when you're considering budget
5 bills, there's certainly a lot of things that are
6 in it. Sometimes there's good things and bad
7 things. And in this case I have to say that even
8 with the couple of positive things that are in
9 it, there is enough in there that makes it a bill
10 that I cannot support.

11 So, Mr. President, I will be voting
12 in the negative. Thank you.

13 ACTING PRESIDENT GRIFFO: Senator
14 Serrano.

15 SENATOR SERRANO: Thank you,
16 Mr. President. On the bill.

17 ACTING PRESIDENT GRIFFO: Senator
18 Serrano on the bill.

19 SENATOR SERRANO: I was listening
20 to the debate amongst my colleagues about the
21 campaign finance portion of this bill. And
22 really I believe that this doesn't need to be a
23 contentious issue.

24 And I'm speaking from the point of
25 view of an elected official who participated in a

1 very robust campaign finance system when I was a
2 member of the New York City Council. So coming
3 out of that system for three years, one that I
4 had a very good experience with, one that I
5 believe that without it I would not have been as
6 competitive in my first council race in 2001.

7 And I think it also provided a
8 situation where smaller contributions in that
9 system, smaller contributions meant so much more.
10 Thereby people in my district -- where I was
11 representing was not a wealthy place. We didn't
12 have any high-dollar donors in my community.
13 But, you know, Doña Juana could contribute a
14 small amount and still feel very vested in the
15 campaign of a candidate. They could feel sort of
16 on an even playing field with some of the
17 wealthier donors because of that match.

18 So I really, really believe that a
19 robust campaign finance system or public matching
20 funds system would make all of our lives easier.
21 I truly believe that. Because it would require
22 less time for us spending raising money, and we
23 can focus more time on governing. We can focus
24 more time on connecting with our constituents.
25 We can focus more time on smaller events and not

1 having to think about, oh, I have to raise so
2 much money because I have an election coming up.

3 So I really do believe that a robust
4 campaign finance system -- and again, I had a
5 very good experience with the New York City
6 campaign finance system, of which I was a member
7 throughout my years in the New York City Council.
8 I believe that it provided an opportunity for,
9 you know, the not-such-well-heeled candidates out
10 there to be competitive with those wealthier
11 candidates out there. It allowed us to focus on
12 getting our message out there and having a debate
13 based on those issues rather than about how much
14 money you can raise.

15 And by doing so, increasing public
16 participation is really the ultimate goal here.
17 I think that the investment in something like
18 campaign finance and public financing, if it
19 creates ultimately a more engaged society, a more
20 in-tuned and more vested public, then we've all
21 won. And it doesn't matter what ideology you're
22 from or what political persuasion you're from. I
23 think that this runs across all political
24 spectrums, and there really is no Democrat or no
25 Republican ideology, or there should not be, when

1 it comes to this issue.

2 So I believe -- and again, I am
3 speaking from a position of authority in that I
4 participated in a campaign finance system. And
5 yes, it was difficult. Yes, there was a lot of
6 reporting to do. And yes, there was a lot of
7 requirements. But ultimately it freed me up to
8 be able to focus on my message.

9 And I do wish that we could explore
10 that. And I do believe that there is a good
11 amount of political will here, in this chamber
12 and the Assembly and on the second floor, to make
13 that a reality. And I think we should lower the
14 temperature in this debate, not really engage in
15 a large amount of finger-pointing, because I
16 really, truly believe that this is something that
17 will benefit everyone when you get down to it and
18 you come up a good system.

19 Thank you.

20 ACTING PRESIDENT GRIFFO: Senator
21 Hoylman.

22 SENATOR HOYLMAN: Thank you,
23 Mr. President. On the bill.

24 ACTING PRESIDENT GRIFFO: Senator
25 Hoylman on the bill.

1 SENATOR HOYLMAN: You know, I do
2 want to acknowledge that there have been efforts
3 made to move this issue forward, and we have made
4 progress.

5 But the bill before us I think
6 misses an important point, Mr. President, which
7 is we don't need a test case. We already have
8 one. And we've had one for about 20 years in
9 New York City. And we've had one in New York
10 City that was actually put forward by a
11 Republican, Rudy Giuliani. And we've had
12 Republicans, including the last Republican mayor,
13 participate in the system, and the candidate for
14 mayor participated in the system, and I believe
15 we'll have future candidates.

16 So I hope that my friends on the
17 other side of the aisle will begin to see this
18 less as a partisan issue and more as one that the
19 public as a whole can benefit from.

20 This bill, unfortunately, doesn't
21 take into consideration all the problems that we
22 have in the current system in New York that would
23 lead voters to be cynical. There aren't real
24 campaign limits. There isn't the elimination of
25 loopholes and party housekeeping accounts. There

1 isn't a robust system of matching funds for all
2 candidates, obviously, that will help level the
3 playing field. And there isn't an independent
4 agency to monitor and administer the program like
5 we have in New York City, the Campaign Finance
6 Board.

7 Now, the people at the State Board
8 of Elections are hardworking and I think a lot of
9 us have a lot of respect for them. But the word
10 "competence" is not one I would necessarily use
11 at all times to describe their endeavors. And I
12 would argue, Mr. President, that we need an
13 independent body set up as part of this bill.

14 I also think that we won't get a
15 better bill because of a very basic fact that I
16 alluded to earlier, which is there's a belief
17 among some of our colleagues that this won't help
18 them, that this will in fact hurt them. And some
19 of those colleagues are the biggest beneficiaries
20 of the dark money in Albany, whether it's the
21 real estate lobby or LLPs. And we need to make
22 certain that they see, as my colleague Senator
23 Serrano has said, that campaign finance reform
24 can actually be a system that works on behalf of
25 everyone, Republican and Democrat alike.

1 You know, as we move forward I'm
2 hopeful that we'll see a new bill hit the floor
3 that encompasses all state bodies, all candidates
4 for office. Since we've eviscerated the Moreland
5 Commission today, I think we have the
6 responsibility, Mr. President, to come back to
7 the people of New York with a full-throated
8 proposal for campaign finance reform that takes
9 money out of politics, that levels the playing
10 field, and that restores public confidence in our
11 Legislature.

12 Thank you.

13 ACTING PRESIDENT GRIFFO: Senator
14 Parker.

15 SENATOR PARKER: Thank you,
16 Mr. President. On the bill.

17 ACTING PRESIDENT GRIFFO: Senator
18 Parker on the bill.

19 SENATOR PARKER: Ladies and
20 gentlemen of the Senate, I know the hour is
21 getting a little late, but this is a really
22 critical issue that we have to deal with when we
23 talk about campaign finance reform.

24 And let's be really honest. We have
25 a bad perception about the work that we do here

1 and how in fact that it happens. People think
2 that it's just about the money up here, and
3 that's what it appears to be. And clearly the
4 state system of finance for campaigns needs a
5 significant overhaul.

6 The bottom line is that this bill
7 that's before us does nothing to curb Albany's
8 pay-to-play mentality or its culture of
9 corruption.

10 So during our one-house budget
11 debate we had in this chamber about a month ago,
12 we were told that, you know, something
13 significant would happen and we just needed to
14 get through the resolution and, as we got through
15 that resolution process, that there would be more
16 significant conversations around campaign
17 finance.

18 However, the very next day when the
19 bill's released, the entire Part HH was
20 intentionally omitted. It was clear then, as
21 it's clear now, based on this watered-down
22 proposal, that, you know, the coalition wasn't
23 really committed to true reform.

24 I don't know why we would accept --
25 some people say this is a half a loaf. This is

1 not even a half a loaf. This is a slice of
2 reform. It doesn't -- this bill does nothing to
3 address --

4 ACTING PRESIDENT GRIFFO: Senator
5 DeFrancisco, why do you rise?

6 SENATOR DeFRANCISCO: Would the
7 sponsor yield to a question?

8 SENATOR PARKER: Senator
9 DeFrancisco, I would love to yield for a question
10 after I finish. I'm not the sponsor, though.

11 SENATOR DeFRANCISCO: Yeah, but
12 you're speaking.

13 SENATOR PARKER: Yes. After I'm
14 finished, I would love to respond to a question.

15 ACTING PRESIDENT GRIFFO: Senator
16 Parker has the floor. He may continue.

17 SENATOR PARKER: Thank you very
18 much, Mr. President.

19 This bill in front of us today does
20 nothing to address the New York's sky-high
21 contribution limits. Senator Squadron spoke to
22 this very eloquently about how much money, I mean
23 just staggering amounts of money that individuals
24 and limited liability corporations can give to
25 individual candidates.

1 So this LLC loophole must be closed.
2 It does nothing to lower or ban unlimited
3 contributions to soft-money campaign accounts.
4 And really all we do at this point by passing
5 this legislation is kicking the can down the
6 road. And we can wind up in a hole before we
7 actually catch up with the can again.

8 On this issue of campaign finance we
9 have been, in this chamber, all talk and no
10 action. We haven't done anything. We've been
11 talking about this for three or four or five or
12 six years and we have not put forward a bill that
13 really in any kind of significant way addresses
14 the issue of campaign finance reform.

15 And contrary to what people may say,
16 and with all due respect to my good friend and my
17 neighbor in the LOB Reverend Díaz, this is not
18 about directing money towards political
19 campaigns. This really is about fixing a problem
20 about access. This is opening up a system for
21 way too long in this state that has been
22 accessible only to a few special interests with
23 loads of money.

24 Ultimately this bill -- you know,
25 what we ought to be doing about campaign finance

1 is improving access to the political system to
2 ensure that we can accomplish a true progressive
3 agenda, which we know that the majority of
4 New Yorkers want. Just like when we talked about
5 the revenue bill, what we typically do in this
6 body and in this Legislature is really cater to a
7 few select, well-financed, mobilized individuals
8 instead of the large masses of the people that we
9 really represent in the State of New York.

10 Now, the Governor believes that the
11 way to address this is to take money out of
12 politics by tightening the state's campaign
13 finance laws. And frankly, the Senate Democrats
14 agree with him. We need to reduce the
15 contribution limits, close the loopholes that
16 will neutralize the army of special interests
17 that currently control Albany.

18 We also obviously have to do better
19 at disclosure. And I really appreciate the
20 chairman of the Finance Committee's report about
21 all the changes that were going on, and I think
22 that those are actually some great starts. But
23 it really doesn't get to the heart of what the
24 real problem is.

25 This conference, the Senate

1 Democratic Conference, has consistently
2 introduced legislation not only to be blocked by
3 the Majority Coalition that would lower campaign
4 finance limits, fix the corporate LLC donation
5 loopholes, require better disclosure of campaign
6 bundlers, and would lower the contribution limits
7 to housekeeping accounts. And this is just a few
8 of the things that we would like to do.

9 And as Senator Squadron also
10 indicated, you know, every time we brought up a
11 hostile amendment, we haven't been able to
12 discuss the amendment. We have been, over the
13 last three to four years, been relegated just to
14 debate the germaneness of the bill and not really
15 get into the meat of the issues.

16 This is not any way to run a
17 Legislature right now. And I know that we're
18 better than this. And I hope that as we go
19 forward that we will show the New Yorkers who
20 really are counting on us and who sent us here to
21 represent their interests that we are better than
22 this, that we really care about them and not
23 about large-dollar campaign contributors.

24 Thank you, Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 DeFrancisco.

2 SENATOR DeFRANCISCO: Senator
3 Parker indicated that after he was done I could
4 ask him a question.

5 ACTING PRESIDENT GRIFFO: Senator
6 Parker, would you yield to a question?

7 SENATOR PARKER: Through you,
8 Mr. Chair, yes.

9 ACTING PRESIDENT GRIFFO: Senator
10 DeFrancisco.

11 SENATOR DeFRANCISCO: Senator
12 Parker, how long have you been a State Senator?

13 SENATOR PARKER: Mr. Chair, about
14 11 years.

15 SENATOR DeFRANCISCO: I just have a
16 question. You had indicated that you can't stand
17 this all talk and no action, there's too much of
18 that around here, and that this bill is not half
19 a loaf, it's not even a slice.

20 Could you tell me, when you were in
21 the majority in 2009 and 2010, what morsel of
22 campaign reform did you pass during that two-year
23 period?

24 SENATOR PARKER: Through you,
25 Mr. Chair. Senator DeFrancisco, in 2010 we

1 actually did some campaign finance reform through
2 the ethics reform that we did, including that
3 would make us disclose bundlers, as well as some
4 of the other pieces that I mentioned today.

5 SENATOR DeFRANCISCO: Well, I think
6 that -- let me just mention -- just speak on the
7 bill just for a second. I have one other
8 question, one other question.

9 I just believe that he may be
10 mistaken on real finance reform that he's talking
11 about that was in any kind of ethics bill.
12 Otherwise, we wouldn't have to do it now.

13 Last question. Can you tell me the
14 bills that you talked about that the Senate
15 Republicans blocked, and we blocked consistently,
16 who blocked legislation during the two years that
17 you had the majority? Did the minority
18 Republicans do that?

19 SENATOR PARKER: Actually, the bill
20 I had spoken to, we actually did do it and it was
21 vetoed by the Governor.

22 SENATOR DeFRANCISCO: Was it public
23 financing?

24 SENATOR PARKER: No, it was not
25 public financing. But it did close some of

1 the -- many of the loopholes that we're talking
2 about now, including the LLC loophole.

3 SENATOR DeFRANCISCO: Thank you.
4 Thank you.

5 ACTING PRESIDENT GRIFFO: Thank
6 you, Senator Parker, Senator DeFrancisco.

7 SENATOR PARKER: Thank you.

8 ACTING PRESIDENT GRIFFO: Senator
9 Stavisky.

10 SENATOR STAVISKY: Thank you,
11 Mr. President.

12 It's been said here this evening
13 that the public financing of the race for
14 Comptroller will be a pilot project. We had one
15 since 2001. In New York City we've had the
16 campaign finance going on and working -- with
17 some problems, but nevertheless it has enabled
18 candidates who otherwise would never have run
19 much less been elected. It works.

20 Yes, some of the requirements of the
21 Campaign Finance Board can be annoying, tedious,
22 difficult to enforce. But overall the proof is
23 you take a look at the New York City Council
24 today, and those are candidates who would never
25 have been able to run.

1 Secondly, it's been said this
2 evening that the role of money in elections has
3 had a terrible impact, an insidious attack upon
4 integrity and upon, even more significantly, the
5 integrity of this legislative body and any
6 legislative body.

7 This has been a problem, and the
8 Brennan Center has had repeated reports on the
9 role of money and how it has led to all sorts of
10 misappropriations and illegal acts. We have no
11 way of curbing individual contributions, and that
12 is a problem due to the Supreme Court in the
13 Buckley decision.

14 So these are problems. And to
15 reduce the impact of money we have a
16 half-hearted, watered-down proposal.

17 People have said that money is not
18 everything, but the absence of money is. And
19 public financing will help in that respect. It
20 will enable people who have support in the
21 community but the community may not be able to
22 make contributions, the community may be a poor
23 community, and they will help somebody get
24 elected.

25 Having said that, there are good

1 things in this bill, particularly the
2 strengthening of the ethics provisions. To me,
3 legislative ethics should no longer be considered
4 an oxymoron. We shudder when people talk about
5 ethics reform, and yet that's what's needed in
6 this body. We need an ethical legislature, and
7 hopefully strengthening some of the penalties
8 here, making misdemeanors a Class E felony,
9 strengthening the current laws I think will have
10 a salutary effect.

11 And really I'm very disappointed in
12 the lack of public financing in this bill, but
13 there are good parts to it. And it's very
14 difficult for me to vote no because there are so
15 many other points that I think will be helpful.

16 Thank you, Mr. President.

17 ACTING PRESIDENT GRIFFO: Senator
18 Savino.

19 SENATOR SAVINO: Thank you,
20 Mr. President.

21 You know, I wasn't actually planning
22 on speaking because the hour is late. But as I
23 sat here and I listened, I felt compelled to get
24 up because some of my colleagues in their
25 rhetoric seemed to be rewriting history, a

1 history that I have been part of for the better
2 part of nine and a half years here in this
3 Legislature.

4 When I arrived here, I was a member
5 of the Senate Democratic Conference, along with
6 the other members -- except for the two younger
7 ones -- of the IDC. We were members of the
8 Senate Democratic Conference engaged in an effort
9 to take the majority away from the Republicans.

10 Part of our efforts, of course,
11 involved raising lots of money. We were all
12 engaged in lots of fundraising towards that end,
13 and we all talked about the issue of campaign
14 finance reform as one of the platform issues that
15 would make us different when we took the
16 majority.

17 Lo and behold, we managed to secure
18 enough money, we won enough seats, we won a
19 majority. And during the period of time that we
20 held the majority, we never once brought a
21 campaign bill to this floor through committee or
22 even for discussion. Why? Because we didn't
23 have the votes. We didn't have the votes then,
24 they don't have the votes now, you heard it right
25 here.

1 I heard some comments like this is a
2 half-baked loaf or a slice of bread. Well, my
3 suggestion to my colleagues is bake your own
4 bread. When you can pull together sufficient
5 votes to get campaign finance reform done the way
6 you want, maybe we'll get it done in this house.

7 Last year the IDC embarked on a
8 campaign across the state of hearings to solicit
9 the input of good-government groups, of
10 constituents and people all over the state to
11 help develop a comprehensive campaign finance
12 reform proposal. We put forward a bill that the
13 advocates themselves -- many of them are here --
14 said was the best bill that was being offered.
15 And yet and still, we got no support. Not from
16 this side of the aisle, not from that. But they
17 never claimed to support campaign finance reform;
18 we did.

19 So no, what we're getting here
20 tonight, this Comptroller pilot project, is not
21 what any of us have wanted who've talked about
22 campaign finance reform. But it was what we were
23 able to get by the deadline of the budget because
24 the state budget is more important than achieving
25 this issue tonight.

1 But we are as committed to getting
2 this done as we have been. And unlike some
3 people who talk the talk, we've been walking the
4 walk. And so my suggestions to those of you who
5 don't think this is good enough or don't think
6 we've done enough, we haven't reduced limits, try
7 practicing what you preach. Raise limits under
8 the proposal that you think we should adopt.
9 Don't take money from LLCs. Don't take money
10 from unions, don't take money from corporations,
11 don't take money from the dark money that I've
12 heard thrown about here, the dark money that
13 helped win the majority for the Democrats, the
14 dark money that they hope to depend on to regain
15 the majority.

16 Let's not be hypocrites on this
17 issue. Let's admit that this is not where we
18 want to end up with campaign finance reform.
19 Some of us believe we must do better, we have to
20 do all of those things about reducing
21 contribution limits and engaging small-dollar
22 donors, we have to do that. But let's stop
23 pretending we believe in stuff that we don't
24 believe in, and let's stop pretending we can do
25 it when we know we can't.

1 Thank you, Mr. President.

2 ACTING PRESIDENT GRIFFO: Senator
3 Latimer.

4 SENATOR LATIMER: Thank you,
5 Mr. President. On the bill, on a completely
6 different part of the bill.

7 (Laughter.)

8 ACTING PRESIDENT GRIFFO: Senator
9 Latimer on the bill.

10 SENATOR LATIMER: This is a very
11 relatively small element of the bill, but I think
12 it bears thought by leadership and I would
13 encourage them to take a look at what I'm about
14 to highlight, because it does affect folks in
15 Rockland County, in Nassau County, and in
16 Westchester County.

17 Page 81 and 82 of this bill, Part U,
18 refers to an expansion of the SCRIE program, the
19 Senior Citizen Rent Increase Exemption program.
20 Everyone knows what the program does, it helps
21 freeze rent and it provides a tax reduction to
22 the owner of a building where the rent is frozen
23 for those individual tenants.

24 And they're raising the threshold of
25 eligibility from adjusted gross income of \$29,000

1 to \$50,000, which is an expansion of the program
2 and I think we would all say a good thing to do.

3 What it also does in Section 3 of
4 Part U on the next page, 82, it says the state
5 shall reimburse the City of New York for the
6 differential costs of this expansion. Which is
7 also a good thing to do. It holds the city
8 harmless.

9 Now, you have to opt into this
10 program. And so to opt into it, there's an
11 incentive to opt into it, which is you're held
12 harmless.

13 However, this program also applies
14 to those communities in Westchester County, in
15 Rockland County and in Nassau County that have
16 deposited ETPA. So that means that if you live
17 in, in Rockland County, the Town of Haverstraw,
18 the village of Spring Valley, if in Nassau County
19 you live in the cities of Glen Cove, Long
20 Beach -- I know I sound like an LIRR conductor --

21 (Laughter.)

22 SENATOR LATIMER: -- North
23 Hempstead, Cedarhurst, Floral Park, Flower Hill,
24 Freeport, Great Neck, yadda, yadda, up to Baxter
25 Estates, or in my home county of Westchester

1 County, which includes communities I represent,
2 there is an expansion of the program, an
3 expansion of the program costs, but no relief of
4 the additional costs on the municipalities.

5 I don't know how large a cost this
6 will be for these villages and towns and small
7 cities if they adopt into it, and they will have
8 to adopt into it. But I think fairness mandates
9 that as we look at making an expansion, it should
10 be uniform for everybody.

11 And I would say if there's a chapter
12 amendment that could expand that coverage to
13 include -- because it's only these communities in
14 these three suburban counties that are subject to
15 ETPA -- that would be a fair thing to do, and I
16 would assume that my colleagues in Nassau and my
17 colleagues in Rockland and my other colleagues in
18 Westchester would favor that.

19 Thank you, Mr. President.

20 ACTING PRESIDENT GRIFFO: Senator
21 Sanders.

22 SENATOR SANDERS: Thank you,
23 Mr. President. On the bill.

24 ACTING PRESIDENT GRIFFO: Senator
25 Sanders on the bill.

1 SENATOR SANDERS: All my life,
2 Mr. President, I've heard of a golden rule, a
3 political golden rule. No, not the biblical one,
4 I'm talking about a political golden rule, the
5 one that says "He who has the gold, rules." And
6 that's the rule that I think that we need to
7 attack in this house tonight.

8 I think that we have to make sure
9 that Mr. Smith can go to Albany or to Washington
10 or to wherever we need him or her to go to. We
11 need to make sure that there is an even playing
12 field where people can have a chance at speaking
13 for the voice of the people.

14 Now, I'm no idealistic romantic when
15 it comes to campaign finances. I've had the
16 pleasure of being in New York City under that
17 process. But I'm here to say that I support
18 campaign finance. I think that we really need to
19 find a way to even the playing field and return
20 to a type of idealism that we read about that we
21 once believed and, God willing, we will believe
22 again.

23 I however alert you that I wasn't
24 here in the days of yesterday, so I can't really
25 speak of what this fine body did in days before I

1 got here. I can only speak -- and I'm sure
2 there's a couple of my colleagues who may have
3 the same conversation. We can only speak of the
4 here and now. We can only speak of from this
5 moment forth.

6 I am concerned that this pilot that
7 we're coming out with, that this pilot is doomed
8 to crash. That if you design a program that
9 anyone in their right mind is going to say "No,
10 I'm not going to opt into it," then you've
11 already made sure that it is going to crash.

12 Now, I will take Senator Savino's
13 suggestion to heart where she did say design and
14 put forward something. Because I don't believe
15 in just talking it, I think that she's right,
16 that we do need to reach out and do something.

17 So I'm going to do something
18 different. I'm going to reach out to my
19 colleagues in the days to come and speak about
20 what can we do to design a program that is
21 acceptable and yet has the idea of being a
22 genuine program. And I will -- I'll take it upon
23 myself to start working, and anyone who has
24 ideas, please, I've got a couple myself.

25 But I'm scared of getting on this

1 plane with this pilot, because I think it's going
2 up in flames in just a few minutes.

3 Thank you very much.

4 ACTING PRESIDENT GRIFFO: Senator
5 Bonacic.

6 SENATOR BONACIC: Thank you,
7 Mr. President.

8 I'd like to talk about this subject
9 from a different point of view. I think every
10 Senator here works very hard. And for you to get
11 here, you have to have intelligence, you have to
12 have passion of what you believe in, and the
13 community knows you. They trust you to be their
14 voice.

15 And I think the people in this
16 chamber and in the other chamber get a bad rap
17 from the media how they stain -- when they stain
18 one, they stain all of us. That somehow we're
19 not what we should be. And I know it's not true.
20 Because I know how hard I work, I know how hard
21 my colleagues work. And, you know, I know how
22 some of the members on the other side work. But
23 the media, again, defines and paints a picture.

24 Now, let's talk about money. Is
25 money in itself intrinsically evil? That's the

1 question I ask. The media is saying that money
2 by itself is somehow evil, and therefore maybe
3 rich people are evil or rich organizations are
4 evil. This is the spin that's out there.

5 When the SAFE Act got passed, guns
6 in themselves were evil. Money is not evil.
7 Guns are not evil. It's the abuse of those
8 things that make them evil: the people that
9 abuse money, the people that abuse guns. That's
10 what makes it wrong.

11 Now, for me, this is not a
12 complicated issue. I don't support campaign
13 finance reform, and I'm going to just tell you
14 some common-sense reasons.

15 Number one, I think it's a form of
16 free speech. I think if someone wants to give me
17 money or to give you money, they believe in you.
18 They think your philosophies and values and
19 influencing public policy is something worth
20 investing in. So that's reason number one, for
21 good public policy.

22 The second thing is what happens if
23 I don't like an opponent because I think they're
24 a racist or I think they're radically opposed to
25 my public philosophy and where I want to promote

1 this state? Why should taxpayer money be
2 invested, my taxpayer money be invested in that
3 kind of person? I don't think we should ask a
4 taxpayer to do that.

5 And to Senator Díaz's argument, we
6 have much better priorities than political
7 campaigns. You want to put more teachers into
8 classrooms, you want to talk about your DREAM
9 Act? There's a million other priorities rather
10 than invest in political campaigns.

11 And the other thing that bothers me
12 is when government controls the money, they're
13 going to control the profile of the candidate.
14 Because they're going to set up these rules,
15 okay? And maybe a Soros or the Working Families
16 will not like the profile of a particular
17 candidate. But the rules of campaign financing,
18 they will find a technicality and they will do an
19 interpretation and they will say, You know what,
20 you're not getting government campaign money,
21 matching funds.

22 So in a way, through manipulation
23 and interpretation, they can start defining of
24 the profile of a particular candidate that they
25 want to run, if it's abused that way. But these

1 are potential pitfalls.

2 So this is a simple issue for me.

3 And I enjoyed the dialogue between Senator
4 Valesky and Senator Gianaris. But up in my
5 district and upstate, they don't believe in
6 campaign finance because they believe that it
7 should go to higher priorities.

8 So for that reason, I'm voting yes.

9 And I see this as a spin by the media and by the
10 Working Families and the Soroses of the world.
11 You're complaining about where the Republicans
12 get their dark money, but there's just as much
13 dark money on the other side. So let's not be
14 hypocritical about, you know, who's getting the
15 money and who's not getting the money.

16 But again, money in itself is not
17 evil, it's the right of free speech. People have
18 the right to invest in anybody they want for good
19 public policy. And that's on campaign finance
20 reform.

21 And I want to talk a little bit
22 about ethics, because this is a slippery slope
23 we're getting into. I've been in public service
24 for 40 years. I think the people in my community
25 and who I represent, they know me, they know my

1 family, they know my kids, they know how I have
2 acted throughout my political and public life.
3 And they know how you have acted, how each of us
4 have acted. Some have been in public life longer
5 than others. But the people are not dumb, they
6 know who's ethical or who could be corrupt.

7 And when government starts defining
8 what's ethical and what's interpretation, good
9 people, good people are going to get in trouble.
10 This is a slippery slope. Don't know where it's
11 going to end, but it's a slippery slope and it's
12 going to deter good people from getting into
13 public service because they don't want their name
14 stained, who needs all the crap. That's the
15 direction this state is going. It's dangerous
16 for every elected official in this chamber.

17 Thank you, Mr. President. I vote
18 yes.

19 ACTING PRESIDENT GRIFFO: Senator
20 Krueger.

21 SENATOR KRUEGER: Through you,
22 Mr. President, if the sponsor would yield.
23 Either one from Onondaga County will work for me.

24 (Laughter.)

25 ACTING PRESIDENT GRIFFO: Senator

1 DeFrancisco.

2 SENATOR DeFRANCISCO: Yes.

3 SENATOR KRUEGER: Thank you. Do
4 you know what months of the year DEC approves
5 snipe hunting in Onondaga County?

6 SENATOR DeFRANCISCO: If you tell
7 me what a snipe is, I might be able to answer the
8 question.

9 (Laughter.)

10 SENATOR KRUEGER: It's a small --
11 excuse me, Mr. President, through you. It's a
12 small water bird. I believe they're actually
13 found on Lake Oneida and Onondaga lake.

14 SENATOR DeFRANCISCO: I have to
15 confess I do not know that. It's not one of my
16 normal pastimes.

17 SENATOR KRUEGER: Through you,
18 Mr. President, on the bill.

19 ACTING PRESIDENT GRIFFO: Senator
20 Krueger on the bill.

21 (Laughter.)

22 SENATOR KRUEGER: For the record,
23 it is not snipe hunting season. That is not till
24 September, except right here on the floor of the
25 Senate. Because in fact this entire bill, this

1 entire attempt to argue is it campaign finance
2 reform, couldn't we do better, what does it
3 really mean, is actually the other definition of
4 snipe hunting, when you send naive people off in
5 search of impossible tasks.

6 And that is exactly what this bill
7 is tonight, Mr. President. This is a bill that
8 claims to be as far as we could get, and yet it's
9 absurd in its design. As my colleague very early
10 on pointed out, there is no way to actually
11 operationalize this pilot for one election, the
12 State Comptroller, to be implemented in all ways
13 in 77 days and then a pilot that will only be
14 through the November election.

15 And so it will probably be a model
16 no one will participate in, so then can we
17 declare, aha, we tried it, it was a failure
18 because no one would sign up or participate.
19 It's an unfair test. But again, it's a snipe
20 hunt.

21 We've listened to a series of
22 questions about does it close any loopholes, no.
23 Does it reduce any maximums in donations, no.
24 Does it provide actual limits on being able to
25 use the money to send your children to school or

1 buy yourself a fancy car? No. Does it even
2 require better disclosure? No.

3 There's many things campaign finance
4 reform are and there are many of us who agree
5 with it or don't agree with it. But I hope we
6 can all agree in this exercise tonight, an
7 out-of-season snipe hunt, you're not getting any
8 kind of campaign finance reform.

9 So for those of you who think you
10 don't like campaign finance reform, don't worry,
11 you're not getting it here. And for those of who
12 us who think we do like campaign finance reform,
13 worry, because we're not getting it here.

14 And I've heard many people wax
15 poetic about the religious basis of why they're
16 against or the philosophical basis for why
17 they're against or even the concept of the
18 philosophy of what the role of money is in our
19 society. We're not naive. Even if we're all on
20 the snipe hunt, we're not supposed to be this
21 naive. Who in this room doesn't know about
22 pay-to-play politics? Who in this room doesn't
23 know the influence of money on decisions that are
24 made here every day we're in session and
25 particularly at budget time?

1 So some people say how could we
2 spend public money on elections when we aren't
3 funding schools and education and our children.
4 Well, guess what? The reason we don't have the
5 money to spend on schools and our children and
6 healthcare and affordable housing and fair tax
7 policy is because special interests have bought
8 us to give them everything they want.

9 Again, earlier today I referenced
10 the \$7 billion in special-interest tax subsidies
11 that are within our tax code. Did they magically
12 occur, Mr. President? Did no one ask us for
13 those, Mr. President? Did no one who asked us
14 for this make large contributions to the campaign
15 committees of people sitting in this room, and
16 party committees? Hell, yes, they did,
17 Mr. President.

18 So in fact if you care about having
19 the money for the important issues in all
20 63 districts, you'd better understand and the
21 public better understand they're not getting the
22 government they deserve because we are a
23 pay-to-play culture up here.

24 The fact that we are doing away with
25 the Moreland Commission within the budget bills

1 today, without their following through on any of
2 the investigations, any of the commitments they
3 made, any of the statements they made in their
4 reports -- it's all going to quietly disappear.

5 And apparently a real effort for
6 campaign finance reform is going to remain simply
7 a snipe hunt.

8 And my colleagues who ask, well, who
9 blocked bills when the Democrats were in charge,
10 guess what? It was the head of the working Rules
11 Committee, who's now one of the two Temporary
12 Presidents of the State Senate. So let's find
13 out about that.

14 And if another one of my colleagues
15 says, If you don't think you have enough votes
16 here on the floor to get real campaign finance
17 reform, as the Democrats and the IDC says they
18 want, what are we going to do to get more votes,
19 well, I certainly hope they're going to work to
20 make sure we replace Senators who are opposed to
21 campaign finance reform with Senators who support
22 campaign finance reform. Because that's how you
23 get the votes to get this in done on the floor of
24 the Senate, Mr. President.

25 So I am appalled at how everyone --

1 ACTING PRESIDENT GRIFFO: Senator
2 Ball, why do you rise?

3 SENATOR BALL: Will the Senator
4 yield?

5 SENATOR KRUEGER: As soon as I
6 finish.

7 ACTING PRESIDENT GRIFFO: She will
8 yield when she finishes, Senator Ball.

9 Senator Krueger, you may continue.

10 SENATOR KRUEGER: Thank you very
11 much.

12 So I'm actually appalled that we're
13 playing this game. And again, we can do better,
14 we must do better. It is inexcusable that this
15 is what we're being offered tonight. That we're
16 going to some of us go home and tell our
17 constituents, Oh, no, we got half a loaf -- this
18 is not half a loaf. This is actually the
19 destruction of any real campaign finance reform
20 going forward.

21 And there will be some of us who
22 will be challenged for voting against a bill that
23 had public trust language in it and had
24 anti-corruption language in it. I will remind so
25 many of my colleagues, we thought we all did that

1 in a bill we passed to create JCOPE, also known
2 now in public and press as JJOKE.

3 So I think the people of New York
4 State are figuring out when you do fake pretend
5 legislation to address problems, you don't
6 address them. You actually put yourself further
7 behind in what should be the commitment and
8 agenda of this Legislature to clean up government
9 to represent the interests of the 19.5 million
10 people, not the handful of people who are the
11 political donor base.

12 The City of New York, several other
13 states have successfully shown that you increase
14 diversity, you increase the debate about what a
15 government is supposed to do, and you decrease
16 the rate of corruption when you get money out of
17 politics and into a small-donor matching fund.

18 And to argue maybe we'll do it
19 someday after this pretend pilot fails, in fact,
20 I can guarantee you that a pretend pilot that
21 will fail is not going to be any pilot for moving
22 forward.

23 I am now happy to answer Senator
24 Ball's question. Thank you.

25 SENATOR BALL: Mr. President, it

1 was mentioned as a matter of fact that the
2 Senator, who also is the ranking Democratic
3 member of the Senate Finance Committee, suggested
4 that she is part of a pay-to-play culture, which
5 suggests quid pro quo. And it's my understanding
6 that if you see any activity like that, it's your
7 responsibility to report it.

8 So my question is this. Is the
9 ranking Democratic member of the Senate Finance
10 Committee stating as fact, that you know as
11 fact -- because I'm going to tell you, on this
12 side I have never seen anything like that, and I
13 would never want to be part of a culture that did
14 anything like that.

15 So is the ranking Democratic member
16 of the Senate Finance Committee suggesting that
17 on her side she has a culture of quid pro quo?
18 And if so, have you reported it?

19 Thank you.

20 ACTING PRESIDENT GRIFFO: Senator
21 Krueger.

22 SENATOR KRUEGER: Mr. President,
23 through you, I don't actually believe the culture
24 of pay-to-play is unique to either party or
25 either house. And those cases that I have in

1 fact been able to document, I have reported.

2 Thank you, Senator Ball. Thank you.

3 ACTING PRESIDENT GRIFFO: Thank
4 you, Senator Krueger.

5 Senator DeFrancisco, why do you
6 rise?

7 SENATOR DeFRANCISCO: Would Senator
8 Krueger yield to one question?

9 SENATOR KRUEGER: Certainly.

10 SENATOR DeFRANCISCO: It has
11 nothing to do with snipes.

12 Did you vote for JJOKE? JCOPE, I
13 mean.

14 SENATOR KRUEGER: I have to
15 double-check. I actually don't remember. I know
16 we preferred --

17 SENATOR DeFRANCISCO: He told you
18 you did.

19 SENATOR KRUEGER: He said he thinks
20 so.

21 SENATOR DeFRANCISCO: Okay.

22 SENATOR KRUEGER: Yes, I think I
23 did. I know I spoke out about it not being as
24 strong a bill as the earlier version that should
25 have, I believe, been the correct version of the

1 ethics reform.

2 So I did speak on the floor at the
3 time. But I will accept either your evidence or
4 my chief of staff's memory that I did vote for
5 it.

6 SENATOR DeFRANCISCO: Thank you.
7 On the bill.

8 ACTING PRESIDENT GRIFFO: Senator
9 DeFrancisco on the bill.

10 SENATOR DeFRANCISCO: The point I
11 was trying to make is that there are incremental
12 changes and at the time we vote on things, we
13 believe it's the right thing to do. If when it's
14 implemented it doesn't work as well as we
15 thought, I really don't think it amounts to a
16 joke, I think it just means that maybe more has
17 to be done.

18 And as far as reform here, one that
19 thing that wasn't mentioned -- and by the way,
20 John Bonacic did a wonderful job in stating most
21 of our positions, definitely my position on
22 campaign financing so-called reform. And so did
23 Senator Díaz -- who, by the way, is a Democrat,
24 even though all the Republicans have been blamed
25 for stupidity on this issue.

1 The fact of the matter is that
2 there's another piece in there. In my judgment,
3 the best solution to uprooting fraud is
4 disclosure. Not disclosure as to how much assets
5 you have, which means nothing, or how little
6 assets you have, which means less. Because if
7 it's little assets, does that mean that you're
8 somehow more subject to corruption or graft? And
9 if you've got so many more assets than somebody,
10 does that mean that you've been a crook and
11 you've taken advantage of your position or you've
12 made it in an honest way?

13 Some of the disclosure is asinine,
14 to put it mildly. But disclosure of who gives
15 you campaign donations is extremely important.
16 And in this bill which hasn't been mentioned yet,
17 the expenditures, the independent expenditures
18 have funded tons of ads for people who want
19 public financing and who win close races. And
20 the ads say some committee that means nothing to
21 anybody, and you try to go back --

22 SENATOR GIANARIS: Mr. President.

23 ACTING PRESIDENT GRIFFO: Senator
24 Gianaris, why do you rise?

25 SENATOR GIANARIS: Would Senator

1 DeFrancisco yield for a question?

2 SENATOR DeFRANCISCO: Can I just
3 finish this thought?

4 SENATOR GIANARIS: Of course.

5 ACTING PRESIDENT GRIFFO: Senator
6 DeFrancisco, you may continue.

7 SENATOR DeFRANCISCO: And then to
8 find out who actually financed that, you'll never
9 find out till after the election.

10 But by independent expenditures now,
11 when that commercial is out there demanding that
12 the candidate who wins be supporting public
13 finance reform, and it shows the name, you can
14 now go back to the Board of Elections. And those
15 expenditures for the company or the organization
16 that's listed on that ad, you can -- you have to,
17 in the last several weeks of the campaign, every
18 48 hours, any contribution more than \$5,000 has
19 to be reported.

20 And similarly, it's less as you're
21 further away from the election, over specific
22 periods of time they have to be disclosed.

23 So you're opening the daylight. So
24 someone who will runs for an office and gets
25 \$500,000 in the last two weeks of the campaign

1 from some unknown source that you can't find out
2 till after, is now going to be disclosable. Now
3 the voters have something to base their vote on.
4 They base their vote on who is actually
5 supporting this person.

6 You know, there was a situation in
7 New York -- I learn so much from New York City,
8 because some of the things that goes on there I
9 never seen when I grew up. And I'm not grown up
10 yet. But there was really one of these
11 organizations, independent expenditure
12 organizations, Save the Horses in Central Park or
13 some nonsensical -- I mean, it was unbelievable.

14 And actually, if you -- later on,
15 well after the election, later on it turns out
16 that this organization was funded by someone
17 related to another one of the mayoral candidates.
18 Had no interest whatsoever in horses or saving
19 anything other than making sure that that
20 candidate, that that candidate -- that money
21 could be used to defeat and to humiliate another
22 candidate who's trying to become the candidate
23 for mayor of the City of New York. And there's
24 the model, New York City public financing.

25 Well, disclose everything. If you

1 don't like where I'm getting my money and I
2 should be defeated because I'm getting my money
3 from a bad source, you'll know. That's what this
4 bill does. That's more important than any
5 artificial limits that can be manipulated any way
6 you want to manipulate it. If the maximum
7 contribution is X dollars, you divide a \$10,000
8 check amongst 16 employees. It's just so
9 ridiculous.

10 So I happen to disagree with some of
11 the public financing from some of the so-called
12 limit situations. But there is a valuable way to
13 really get behind everything so people can
14 intelligently vote, and one of them is right in
15 here, an excellent proposal that's going to open
16 the sunlight on some of these organizations that
17 want to save the horses in New York City and
18 also, by the way, defeat one of the primary
19 opponents of the person who's funding the Save
20 the Horses.

21 I'd be happy to answer any
22 questions.

23 ACTING PRESIDENT GRIFFO: Senator
24 Gianaris.

25 SENATOR GIANARIS: Thank you,

1 Senator DeFrancisco.

2 Actually, I'm in agreement with you
3 about the disclosure rules for independent
4 expenditures, and I'm glad to hear you say that.
5 And you are very good about pointing out a number
6 of examples of horse advocacy groups or people
7 that support public financing spending money.

8 But I would ask the Senator if he's
9 familiar with the group known as Common Sense
10 Principles.

11 SENATOR DeFRANCISCO: I have no
12 clue who they are. And I have a question of
13 Senator Gianaris.

14 SENATOR GIANARIS: I'm not finished
15 with my question --

16 SENATOR DeFRANCISCO: Okay, go
17 ahead.

18 SENATOR GIANARIS: -- if Senator
19 DeFrancisco would continue to yield.

20 ACTING PRESIDENT GRIFFO: Senator
21 DeFrancisco, do you continue to yield?

22 SENATOR DeFRANCISCO: But I do know
23 that under this bill, Mr. President, I do know
24 under this bill that we will find out who those
25 people are and who donated to those particular

1 organizations.

2 SENATOR GIANARIS: Exactly.

3 Exactly my point. If I can just finish up on the
4 bill. Thank you, Senator DeFrancisco.

5 Which is why I agree it's an
6 important part of this bill, but I did need to
7 correct the record that Senator DeFrancisco may
8 have us believe that it was all certain types of
9 advocacy groups that were conducting this kind of
10 expenditures in the last election.

11 But there's a huge difference. The
12 groups he was talking about, at least insofar as
13 it pertained to the state Senate elections, were
14 disclosed publicly. Maybe not in filings till
15 after the election, but certainly publicly in
16 news accounts. However, there was a group what
17 dwarfed the spending of all the groups he
18 mentioned that not only didn't disclose who they
19 were, made it impossible to find out who they
20 were because they are registered through multiple
21 LLCs in other states, and were condemned in the
22 Moreland Commission report -- which we're
23 shutting down, by the way, as part of this. It
24 should not go unmentioned.

25 So let's be clear. To the extent

1 there is money that shouldn't be in elections, it
2 tilts a lot more one way than the other in this
3 state, and it's not on our side.

4 So I am glad, I am glad that the
5 disclosure rules are in here, but we should have
6 gone a lot further and we still can.

7 Thank you.

8 ACTING PRESIDENT GRIFFO: Is there
9 any other Senator wishing to be heard?

10 Seeing none and hearing none, the
11 debate is closed and the Secretary will ring the
12 bell.

13 Can I have some order in the
14 chamber, please. The Secretary will read the
15 substitution.

16 THE SECRETARY: In relation to
17 Calendar Number 372, Senator DeFrancisco moves to
18 discharge, from the Committee on Finance,
19 Assembly Bill Number 8555D and substitute it for
20 the identical Senate Bill Number 6355D, Third
21 Reading Calendar 372.

22 ACTING PRESIDENT GRIFFO: The
23 substitution is so ordered.

24 The Secretary will read the last
25 section.

1 THE SECRETARY: Section 2. This
2 act shall take effect immediately.

3 ACTING PRESIDENT GRIFFO: Call the
4 roll.

5 (The Secretary called the roll.)

6 ACTING PRESIDENT GRIFFO: Senator
7 Stewart-Cousins to explain her vote.

8 SENATOR STEWART-COUSINS: Yes,
9 thank you, Mr. President.

10 I rise to explain my vote because,
11 like everyone else, there are many things in this
12 particular section that I would prefer to have
13 different. Certainly the campaign finance
14 reform, which we worked so hard to see some
15 change and to have a result where it's only one
16 race for one year, really not only is not worthy
17 of being a pilot, but frankly I think will prove
18 nothing.

19 But I will be voting for this
20 because part of this bill does also include some
21 assistance for the City of Yonkers. And I want
22 to really take this moment to thank the Governor
23 for working with the city in the crisis that they
24 had. About a month and a half ago, a \$55 million
25 error was discovered, a bookkeeping error, which

1 put the district in over a \$100 million deficit.

2 And I know the Governor and my
3 colleagues in the Majority Coalition worked to
4 try and put together a package that would make
5 sense for the city. The package includes being
6 able to borrow. It also --

7 ACTING PRESIDENT GRIFFO: Senator
8 Stewart-Cousins, excuse me.

9 Can we have some order in the house,
10 please.

11 SENATOR STEWART-COUSINS: The city
12 has the option to borrow up to \$45 million, the
13 city will receive some additional funding, and
14 certainly the school aid has been increased
15 significantly.

16 These are difficult times for the
17 city, and I know that without, again, the
18 collaboration between the mayor and the Governor
19 and my colleagues here, that would not have
20 happened. So again, I will be voting for this
21 bill, and I do hope that the city will be able to
22 see through its issues.

23 Thank you.

24 ACTING PRESIDENT GRIFFO: Senator
25 Stewart-Cousins to be recorded in the

1 affirmative.

2 Senator Krueger to explain her vote.

3 SENATOR KRUEGER: Thank you,
4 Mr. President.

5 I rise -- I feel I've been explicit
6 about my major concerns about the bill, but I did
7 rise to say, while voting no, I absolutely
8 appreciate Senator DeFrancisco's final analysis
9 on the section of the bill on independent
10 expenditures. Because it is actually critical,
11 as part of changing the culture up here and the
12 problems we all do know exist, that we rein in
13 non-transparency in spending. And that is an
14 important section. And wouldn't it be lovely if
15 the rest of the bill was also something that
16 would accomplish the goals.

17 So I vote no, with being on record
18 for strongly supporting the sections on
19 independent expenditure reporting.

20 Thank you, Mr. President.

21 ACTING PRESIDENT GRIFFO: Senator
22 Krueger to be recorded in the negative.

23 Senator Tkaczyk to explain her vote.

24 SENATOR TKACZYK: Thank you,
25 Mr. President.

1 I'll be joining with my Republican
2 colleagues today on the floor in support of this
3 legislation.

4 There are some changes that I like.
5 I like that there are new robust disclosure and
6 reporting requirements for independent
7 expenditure campaigns and ethics reform.

8 I am dismayed, though, that we
9 haven't included more things like lowering
10 campaign contributions, closing the LLC loophole,
11 making sure our campaign contributions are used
12 for campaigns. Clearly I think the people of
13 this state want us to take seriously the issues
14 around decreasing the influence of money in
15 politics.

16 Despite the fact that I see this as
17 a missed opportunity that we didn't do more to
18 get the influence of money out of politics, I
19 will be voting in the affirmative.

20 Thank you.

21 ACTING PRESIDENT GRIFFO: Senator
22 Tkaczyk to be recorded in the affirmative.

23 Senator Smith to explain his vote.

24 SENATOR SMITH: Thank you,
25 Mr. President.

1 Notwithstanding all of the
2 discussion that's been on this bill, I rise to
3 support the bill, in particular because of my
4 area, which was ground zero for mortgage
5 foreclosure challenges. In this particular bill
6 there is the mortgage settlement language in here
7 that will allow the proceeds of that trust fund
8 to be distributed throughout the community,
9 \$613 million.

10 Recognizing how hard hit Southeast
11 Queens was, this is very important to my area, as
12 I'm sure my colleagues understand very well.

13 Thank you, Mr. President.

14 ACTING PRESIDENT GRIFFO: Senator
15 Smith to be recorded in the affirmative.

16 Senator Marcellino to explain his
17 vote.

18 SENATOR MARCELLINO: Thank you,
19 Mr. President.

20 I rise simply to say
21 congratulations. I think we've done a good job.
22 Four years in a row, an on-time budget. Four
23 years in a row we've produced a spending plan for
24 the State of New York that has moved the state in
25 the right direction, from indebtedness to

1 solvency, from job loss to job creation. We're
2 doing the right thing.

3 We're functioning, which is what we
4 were sent here to do. The people didn't send us
5 here to fight. They didn't send us here to
6 bicker. They didn't send us here to point
7 fingers and wave our hands in the air and espouse
8 theories and philosophies. They sent us here to
9 get it done.

10 We've done that. And you should be
11 proud of yourselves. We should be proud of
12 ourselves because we produced the product, an
13 on-time, balanced budget.

14 Is it perfect? No. I don't know
15 anything that's perfect except perhaps one being,
16 and it certainly isn't me. But I do know we've
17 done our job, and that's to create to this budget
18 in a bipartisan manner, working together.
19 Sometimes not agreeing, sometimes getting a
20 little testy, but we did it.

21 I thank the leaders, both sides of
22 the aisle, for their efforts, because they worked
23 hard to get this done. I thank the Governor for
24 stepping in when he had to. I thank all the
25 staff that have done the greatest job that I can

1 of, because they work the hardest of all of us.

2 But we've done it, and we should be
3 proud of it, and we should go back to our
4 districts and say "Ladies and gentlemen, we did
5 your business." And then in a couple of months
6 they'll let us know if they approve.

7 Mr. Chairman, I vote aye.

8 ACTING PRESIDENT GRIFFO: Senator
9 Marcellino to be recorded in the affirmative.

10 Senator Rivera to explain his vote.

11 SENATOR RIVERA: Thank you,
12 Mr. President.

13 As I stated clearly earlier, I do
14 believe that there is a big aspect of this bill
15 which is a poison pill that will not allow me to
16 vote in the affirmative.

17 But I do think that there's a couple
18 of positive things in it, as I pointed out
19 earlier. One aspect that I forgot to point out
20 is something that is very akin to a bill that I
21 introduced last year that relates to making sure
22 that if somebody is convicted of a public
23 corruption crime, they cannot lobby this body or
24 government.

25 I believe that that is an important

1 piece of business that we have to do. It is one
2 of the good pieces of this particular piece of
3 legislation. It is unfortunate that it does not
4 outweigh the bad parts of it. I will be voting
5 in the negative, but I wanted to point that out.

6 Thank you, Mr. President.

7 ACTING PRESIDENT GRIFFO: Senator
8 Rivera to be recorded in the negative.

9 Senator Díaz to explain his vote.

10 SENATOR DÍAZ: As I said before,
11 Mr. President, I don't believe in campaign
12 finance. I don't think, Senator, that the people
13 sent me here to put more burden on them to use
14 their money to pay for campaigns. I don't think
15 they sent me here for that.

16 And by giving money to people, that
17 doesn't mean that people are going to be more
18 honest. Whoever is corrupt in their heart,
19 they're going to be corrupt no matter how much
20 money you give them. So by giving money to
21 politicians or to us or to candidates so they
22 could supply or fulfill or run for campaigns,
23 that doesn't mean that they're going to be honest
24 and the corruption is going to end.

25 Look at the City of New York. Look

1 at the City of New York, the campaign finance,
2 all the problems they have with all the people.
3 Look at John Liu. They stopped him from getting
4 the money.

5 So, ladies and gentlemen, I know
6 there's good things in this bill. Some things
7 that I wish it was not together with this bill.
8 But because I don't like campaign finance,
9 because I don't want to use the money, public
10 money for political campaigns, I am voting no.

11 ACTING PRESIDENT GRIFFO: Senator
12 Díaz to be recorded in the negative.

13 Senator Hassell-Thompson to explain
14 her vote.

15 SENATOR HASSELL-THOMPSON: Thank
16 you, Mr. President.

17 A lot of time has been spent
18 discussing what is or is not campaign finance.
19 But there's a great deal more to this bill, and
20 those parts of the bill that I worked on with
21 other members of this body I am greatly
22 appreciative of.

23 In this bill there are going to be
24 more Family Court judges. In this bill there are
25 going to be some court reforms, which I think, to

1 me, are extremely important. And maybe not more
2 important. I don't believe that any bill that we
3 do here, based on the impact that it has on the
4 people of the State of New York, should be
5 measured by one greater or lesser than another.

6 I think that particularly as we look
7 at our prison reform, as we look at our juvenile
8 justice reform, that those are things that need
9 to be lauded at the same time that we discuss
10 some of the weaknesses that occur in humanity.

11 So, Mr. President, I want to thank
12 those who continued to listen when I spoke during
13 the resolution that I thought the OCA budget
14 should be intact, and it is. For those who heard
15 the concerns that we had about making sure that
16 people are properly represented with our civil
17 legal services, our indigent services, our
18 domestic violence, please don't forget that there
19 are some marvelous things that we've done in this
20 budget, and we ought to all be commended for how
21 we have changed the justice system in the State
22 of New York.

23 Thank you, Mr. President.

24 ACTING PRESIDENT GRIFFO: Senator
25 Hassell-Thompson, how do you vote?

1 SENATOR HASSELL-THOMPSON: Yes.

2 ACTING PRESIDENT GRIFFO: Senator
3 Hassell-Thompson to be recorded in the
4 affirmative.

5 Is there any other Senator wishing
6 to explain their vote?

7 Announce the results.

8 THE SECRETARY: In relation to
9 Calendar Number 372, those recorded in the
10 negative are Senators Díaz, Grisanti, Hoylman,
11 Krueger, Rivera, Sanders, Serrano and Squadron.

12 Ayes, 53. Nays, 8.

13 ACTING PRESIDENT GRIFFO: The bill
14 is passed.

15 Senator Libous, that completes the
16 reading of the controversial calendar.

17 SENATOR LIBOUS: Thank you,
18 Mr. President.

19 Congratulations. At least we have
20 done our job, and the budget is complete.

21 At this time if you would call on
22 Leader Andrea Stewart-Cousins for some remarks,
23 please.

24 ACTING PRESIDENT GRIFFO: I would
25 ask, please, for some quiet in the chamber as we

1 give the leaders an opportunity to address the
2 assembled body.

3 Senator Stewart-Cousins.

4 SENATOR STEWART-COUSINS: Thank
5 you, Mr. President.

6 And I know the hour is -- it's not
7 as late as it has been, but certainly this will
8 be brief.

9 And again, I think all of us are to
10 be commended. I want to thank the co-leaders,
11 Senator Skelos and Senator Klein. And certainly
12 kudos to the Governor for, you know, again
13 another on-time budget, fourth year in a row.

14 I also wanted to take a moment and
15 thank the staffs. Because I think, as Senator
16 Marcellino said, clearly all of the work that
17 goes into a process like this is really, really
18 done by such an incredible, competent and
19 hardworking staff. And I really want to thank
20 staff on both sides of the aisle for all that you
21 do.

22 About two weeks ago, I guess in the
23 middle of the night, it was around 2 o'clock, I
24 got up and spoke about the Senate one-house
25 budget resolution. And I talked about turning

1 wish lists into reality and a flawed process that
2 we were working under. I talked about my hope in
3 this budget, and I hoped that it would work
4 better and that the final product would do more
5 for everyday New Yorkers.

6 And as with every budget, and we
7 heard about it tonight, there are good parts and
8 there are bad parts. There are places where we
9 deal with problems, and unfortunately there are
10 places where we ignore problems.

11 We provide, for example, much-needed
12 tax relief to thousands of New Yorkers, but we
13 could still target it better and ensure that more
14 middle- and working-class families get the relief
15 they deserve.

16 We have increased school aid and
17 provided unprecedented money for crucial programs
18 like UPK. But we failed to pass the New York
19 State DREAM Act and open up real opportunities
20 for education and jobs for children who have only
21 known New York as their home.

22 We're passing the Governor's Public
23 Trust Act, which helps address the ethics
24 problems that have unfortunately overshadowed the
25 good work that the majority of legislators do.

1 And yet we've failed to enact meaningful campaign
2 finance reform, paying lip service to the idea by
3 publicly financing just one race for just one
4 year without taking the comprehensive approach
5 our broken campaign system so desperately needs.

6 And we are not passing other
7 common-sense ethics reforms like clawing back the
8 pensions of corrupt lawmakers, enacting lower
9 limits on campaign contributions, and closing
10 loopholes that allow for outsized donations.

11 We are providing more money for many
12 of our most vulnerable citizens, like our
13 seniors, yet failed to provide adequate resources
14 and compensation to some of the workers that take
15 care of those populations.

16 Again, there are good things in this
17 budget, and there are things that could be
18 better.

19 In the time of the year right about
20 now where we pat ourselves on the back for what
21 we've accomplished, talk about the importance of
22 on-time budgets, which I agree are important,
23 let's not forget we still have a lot of work to
24 do.

25 Let's continue to grow businesses,

1 create jobs, ease the tax burden on hardworking
2 families throughout the state while also
3 providing real mandate relief for our local
4 governments. Let's ensure that we fund our
5 education system fairly. Let's stand up for
6 women's rights and pass the 10-point Women's
7 Equality Agenda. Let's pass even stronger ethics
8 reforms and create a real public financing system
9 for campaigns. Let's do a real raise in the
10 minimum wage. And if we can't or if we won't,
11 let's give our local governments the ability to
12 do it for themselves.

13 And let's remember, as I'm sure we
14 all do, we've done good work, but there's much
15 more to do.

16 Thank you.

17 (Applause.)

18 ACTING PRESIDENT GRIFFO: Thank
19 you, Senator Stewart-Cousins.

20 Senator Klein.

21 SENATOR KLEIN: Thank you,
22 Mr. President.

23 I want to thank my fellow leaders,
24 Senator Skelos, Senator Cousins, Speaker Silver
25 during this process for their spirit of

1 cooperation. This is a budget that delivers real
2 relief for working families across the state.

3 Earlier this year myself and my
4 colleagues of the Independent Democratic
5 Conference proposed an "Affordable New York"
6 plan, and I'm happy to say that this budget
7 includes many of those common-sense proposals. I
8 believe there's something in this budget for
9 families from Montauk to Monroe County, and these
10 plans truly close the gap between New Yorkers'
11 paychecks and the reality check of what it costs
12 to live in this state.

13 Universal pre-K. Early on, I made a
14 commitment that we were going to meet Mayor of
15 New York Bill de Blasio's promise to
16 54,000 4-year-olds in the City of New York to
17 make sure they have full-time universal pre-K.
18 Well, this budget goes one step better, because
19 it recognizes that not only do New York City
20 4-year-olds need the benefits of UPK, but we need
21 it statewide as well.

22 This is something that I think is
23 going to be a game-changer. I think everyone
24 understands very clearly the importance of a
25 meaningful universal pre-K program. Studies have

1 shown time and time again if we can make sure
2 young people experience universal pre-K, it
3 really follows through with benefits their entire
4 life. They do better in school, get better jobs,
5 are less likely to have trouble with law
6 enforcement, drugs, alcohol. This is a
7 game-changer, and I think all of us should be
8 very, very proud that we're finally funding it
9 the way it should have been many years ago.

10 Education. This is a budget that
11 increases education by over a billion dollars.
12 This is something that is very, very important
13 because I think we create dozens of new types of
14 programs which will benefit millions of our
15 students across the state.

16 One of the things I'm particularly
17 proud of is I made sure that this budget
18 contained dozens more community schools in
19 underserved neighborhoods in the coming years.

20 The community school concept is
21 something that I advocated last year and continue
22 to advocate for this year. It's a common-sense
23 approach, but it makes sure that our schools
24 become the focal point of their community,
25 working with businesses, working with local

1 nonprofits, really making sure that schools are
2 utilized after school for parents and kids,
3 making sure we have school-based health centers,
4 school-based mental health centers, dental
5 centers, making sure that the community school is
6 something special and needed in our communities.

7 Over the years I think it's
8 important to recognize that we never kept our
9 commitment, our promise to many in our city and
10 state who utilize childcare services. Over the
11 last six years, the budget was slashed as far as
12 daycare subsidies and enrollment programs. And
13 I'm very proud to say that in this budget we
14 restored \$55 million, making sure that 5,000 more
15 working families will finally get the childcare
16 subsidies they need so they can afford to work
17 and raise a family.

18 This is something that's crucial.
19 We cannot expect families across our great state
20 to be able to go out into the workforce unless
21 they can rely on safe and affordable childcare.
22 So not only is this making sure that our young
23 people in this state have the childcare that they
24 need, but we're also making sure that working
25 families can go out and work at the same time and

1 not have to worry about childcare needs.

2 One of the commitments we made,
3 again, in the Independent Democratic Conference
4 is we were going to put forth a full-blown
5 housing program for the State of New York. I'm
6 proud to report there is going to be such a
7 program that's actually going to make sure that
8 we deal with homeless families, making sure they
9 have housing, making sure we deal with victims of
10 the foreclosure crisis. And something that was
11 very near and dear to my heart, because we talked
12 about it for many years, the re-creation of the
13 Mitchell-Lama program.

14 The Mitchell-Lama program, many of
15 you may know, is I believe the greatest housing
16 program ever in the State of New York. It was a
17 very simple concept, that we were going to supply
18 middle-class housing for a whole range of
19 New Yorkers. I'm proud to report that we're
20 going to reestablish the Mitchell-Lama 2020
21 program and finally provide housing for
22 New Yorkers around our great state.

23 The seniors. You know, one of the
24 things we find time and time again, whether it's
25 in my district in Bronx County or wherever we go

1 in this state, that it's becoming increasingly
2 unaffordable for senior citizens to be able to
3 retire here.

4 Well, one of the things that I hear
5 all the time as well, and I'm sure my colleagues
6 hear the same, is the high price of prescription
7 drugs. Time and time again I hear from seniors
8 that they would like to be part of our EPIC
9 program, our prescription drug benefit program,
10 but their income level is just a little bit too
11 high, that their Social Security or maybe their
12 pension -- certainly not wealthy individuals --
13 puts them above the threshold and they can't
14 enjoy savings from this program.

15 Well, we expanded the EPIC program
16 to really make sure that middle-income seniors as
17 well can take part in this program. We raised
18 the income level to \$70,000 for an individual,
19 \$100,000 for a married couple. Because I want to
20 tell you something. If you're taking many
21 prescription drugs and you're paying five, six
22 copays -- which many of our seniors do -- that
23 money is dried up very, very quickly. So I'm
24 glad that we're able to do that.

25 One of the other things that we did,

1 we made sure especially for the City of New York,
2 and I hope we can expand this statewide, we have
3 a program in the city called SCRIE, Senior
4 Citizen Rent Increase Exemption. It freezes
5 rents for senior citizens, seniors who don't know
6 what they would do if they get a sudden increase
7 in their rent that continues to grow and grow and
8 grow.

9 Well, again, we expanded the program
10 in the City of New York to a threshold for any
11 senior citizen who makes under \$50,000, thus
12 making sure that thousands and thousands of
13 seniors in the City of New York get the help they
14 need and not have to worry about an increase in
15 their rent.

16 I know we talked about our renters
17 tax credit. We talked about our circuit breaker.
18 I think this is a very important program because
19 over the next two years we're going to spend
20 \$170 million just in New York City to make sure
21 that our renters and our homeowners get the
22 relief.

23 Outside of New York City, I think we
24 put together a property tax relief plan that's
25 second to none, making sure that local

1 governments and school districts do their part to
2 live within the cap and show that they can even
3 take it one step further, making sure that they
4 can be more efficient, make sure they can make
5 sure their taxpayer dollars are spent wisely and,
6 in return, making sure that taxpayers get a
7 little money back.

8 Again, I want to thank each and
9 every one of you for your part in this budget.
10 But as I said before, it's a great budget, but I
11 think there's certain things that we can move
12 further on.

13 You know, I heard a lot tonight from
14 my colleagues about campaign finance reform.
15 It's very easy to talk a good game and not
16 getting anything done. I know I heard from two
17 of our self-proclaimed good-government reformers
18 who never miss an opportunity to demonize the
19 other side, who never missed an opportunity to
20 use every single good-government issue as a
21 political wedge issue.

22 That's probably why we never got
23 anything done when the Democrats controlled the
24 majority. Because instead of finger pointing --
25 instead of reaching across the other side of the

1 aisle to find common ground, negotiate,
2 everything becomes a campaign. That happens
3 seven days a week, each and every day.

4 Well, I make a commitment today that
5 we can do better. I believe what we voted on
6 today is a good first step, but only a first
7 step. I think what we need to do is make sure we
8 have a robust public campaign finance system, and
9 I think it's something we still can do before the
10 end of session.

11 While I think it's important to have
12 the pilot program for State Comptroller, I think
13 it's even more important that everyone is covered
14 through a campaign finance reform system with a
15 public match. I think a public finance system
16 will pave the way for that to happen, and I think
17 as an added bonus it will draw a bigger pool of
18 candidates and encourage candidate diversity that
19 truly reflects our state's ever-changing
20 population. In a democracy such as ours, anyone
21 with good ideas and a fighting spirit should have
22 the ability to run for office.

23 I know it was said before, but I
24 personally want to thank my staff. This is the
25 time of year where you don't know how these

1 people do it. They run around on a lot of
2 caffeine, a lot of pizza, not many hours of
3 sleep, and they really did a fantastic job.

4 I want to thank specifically the IDC
5 staff, my chief of staff, our chief of staff,
6 John Emrick; our policy director, Dana
7 Carotenuto; our budget director, Francesc Marti;
8 our counsel, Shelley Andrews; as well as
9 Sarah Bangs, David Frazier, and the entire staff.
10 I mean, the dedication and commitment to public
11 service that you exhibit each and every day I
12 think makes all of us in the Independent
13 Democratic Conference and the Coalition look
14 really good.

15 I just want to end by saying that I
16 think one of the most important things we did
17 here today is recognize that we have a middle
18 class that we have to continue to protect and
19 nurture. And I think, in closing, I think the
20 middle class, the people who make this state,
21 they are the foundation that supports our
22 communities and sustains our neighborhoods. And
23 I think today we did right by the middle class in
24 New York.

25 Thank you, Mr. President.

1 (Applause.)

2 ACTING PRESIDENT GRIFFO: Thank
3 you, Senator Klein.

4 Senator Skelos.

5 SENATOR SKELOS: Thank you,
6 Mr. President.

7 Before I make my comments, I just
8 received a call from the Governor. He says thank
9 you to everybody for good work, and invites
10 everybody over to his home the Mansion, if you
11 would care to go over I think maybe for a slice
12 of pizza or something.

13 (Laughter.)

14 SENATOR SKELOS: Not that we
15 haven't had too much pizza over here in this
16 chamber.

17 But let me just say that, you know,
18 as all of us discuss things with our constituents
19 and other individuals that we come in contact,
20 the most important thing in their minds is that
21 government functions and you get results. They
22 expect lively debate between Republicans and
23 Democrats, they expect lively debate between
24 people that may be a little bit more conservative
25 and people that may be a little bit more liberal,

1 but in the end they want us to put party labels
2 aside, work together, and deliver real results
3 that make a positive difference in the lives of
4 the people we represent.

5 Working with Governor Cuomo, my
6 Co-Leader Jeff Klein, our Assembly colleagues, we
7 have really replaced the dysfunction of the past
8 with a new spirit of bipartisan cooperation.
9 Let's look at the results.

10 Today we are passing the state's
11 fourth consecutive on-time budget. And I thank
12 all my colleagues for that, and I thank Governor
13 Cuomo for his leadership.

14 We've enacted a new property tax
15 rebate program that gives hardworking taxpayers
16 more of the relief they need and deserve.

17 We have provided businesses with the
18 savings they need to create new jobs, like a
19 faster phaseout of the energy tax surcharge and
20 elimination of the tax on manufacturers, which
21 will be a real shot in the arm for the upstate
22 economy.

23 I know that, listening to the debate
24 today, many of my friends on the other side of
25 the aisle railed again credits. Well, let's look

1 at probably what's one of the largest credits in
2 New York State. It's the Earned Income Tax
3 Credit. And what that does is it affords a
4 bonus, in a sense, to individuals that are
5 working, not paying taxes, but we're investing a
6 billion dollars a year in these individuals so
7 that they be can be successful and care for their
8 families.

9 That's a great credit. And what
10 they're looking for is a hand up, not a hand
11 down, and that's why this Earned Income Tax
12 Credit is so critical in this state.

13 And by reforming the estate tax,
14 we've given farmers the ability to hand down 2800
15 family farms from one generation to the next.
16 And we'll save money for small businesses who are
17 the backbone of our economy.

18 Today, again listening to the
19 debate, I heard many individuals vilify the "tax
20 the rich" mantra we hear so often, unfortunately.
21 But when somebody's sick and they have to get
22 world-class medical treatment, I'm glad
23 Ken Langone was successful and we have the
24 Langone Medical Center. And I'm glad that
25 Sandy Weill was successful in his life so we have

1 Weill Cornell Medical Center.

2 And if you want world-class cancer
3 treatment, world-class cancer treatment, you go
4 to Sloan-Kettering, where the Koch brothers have
5 contributed a hundred million dollars to that
6 hospital so there can be world-class treatment
7 and there can be world-class research, not just
8 there but in all the institutions that I
9 mentioned.

10 Listening to my colleagues on the
11 other side, they indicated nobody leaves the
12 state because they're taxed. Well, go to Florida
13 and see where the Golisano Children's Hospital is
14 now. It's not here. It's in Naples. Because he
15 got to the point where he said: No more taxes.
16 I've worked hard, I want to spend my money, I
17 want to contribute to charity, and that's how I
18 want to do.

19 So he's now in Florida, and Florida
20 is benefiting from his contributions to
21 charities. No estate tax, no income tax.

22 We know that there's more to do to
23 revitalize the economy in this state, and we're
24 not going to stop until everyone who wants a good
25 job can find one.

1 This budget also gives our children
2 a strong future. Every student now has the tools
3 that they need to get a first class education.

4 And Reverend Díaz, you're right
5 about charter schools. They provide opportunity
6 and choice in a public school system so that kids
7 can succeed. And one of the charter schools that
8 was going to be closed, over 90 percent of the
9 children in that school are minorities and
10 76 percent below the poverty rate, yet those
11 youngsters, with the fifth-grade math exam,
12 fifth-grade math exam, achieved higher than any
13 other school district in the State of New York.
14 So why would you want to ruin that.

15 Thanks to Senate Republicans, we've
16 taken a major step forward in doing away with the
17 Gap Elimination Adjustment. Every Senate
18 Republican voted no when the Gap Elimination
19 Adjustment was first approved by the Democrat
20 Legislature here -- the Assembly, I think Senator
21 Malcolm Smith was the majority leader at the
22 time -- and Governor Paterson.

23 This year we're righting a wrong by
24 reducing the GEA by \$602 million. That's seven
25 times more than the Assembly proposed and

1 86 percent higher than what the Governor
2 proposed. We listened, and we're giving our
3 school districts the help they asked for.

4 Our budget takes meaningful steps to
5 strengthen New York's finances. We've held
6 spending under 2 percent. It's the fourth year
7 in a row we've enacted a low- or no-growth
8 budget. And we're to be congratulated for that,
9 and the Governor for his leadership.

10 A \$10 billion deficit we inherited
11 from the Senate Democrats has been eliminated,
12 and now a surplus exists. You won't read about
13 this budget being balanced with 124 taxes and
14 fees, like the MTA payroll tax or the energy tax.

15 And I heard some of my good friends
16 indicated about things being discussed behind
17 closed doors. Those are the taxes that were
18 negotiated behind closed doors when you were in
19 the majority, when Speaker Silver was the speaker
20 and David Paterson was the governor.

21 There's more to do, but our New York
22 has come a long way in four short years. This
23 bipartisan budget will keep New York State moving
24 in the right direction, building and shaping a
25 brighter future for everyone.

1 I want to start off by thanking
2 Senator DeFrancisco, chair of the Finance
3 Committee, who sat through all those hearings.
4 John, you have the patience of a saint. I'm not
5 going to call you a saint, but you do have the
6 patience of a saint.

7 I want to thank Beth Garvey, our
8 counsel. She's done a great job her first year.
9 Congratulations, Beth, a great job.

10 And in particular, I want to thank
11 Robert Mujica. Because Robert Mujica is
12 secretary of the Finance Committee, chief of the
13 of staff, but he takes his responsibility so
14 seriously not just for the Republican Conference,
15 but for every single one of us in this room.

16 There has never been one person who
17 has come to me and said Robert Mujica has not
18 treated me with respect and has not given me the
19 right information. And that includes Governor
20 Cuomo, who I believe has the utmost respect for
21 Robert.

22 So, Robert, we thank you for your
23 good work.

24 (Applause.)

25 SENATOR SKELOS: Now, they get the

1 applause. Where's everybody else?

2 (Laughter.)

3 SENATOR SKELOS: Our Finance staff,
4 our counsel staff, all of our individual staffs
5 do just a great job. So I thank you all.

6 (Applause.)

7 SENATOR SKELOS: We're going to
8 give everyone a short break, and then we'll be
9 back to work on some of our unfinished business,
10 including teacher evaluation, the education
11 investment tax credit, and initiatives to create
12 new jobs across the state.

13 Have a blessed holiday season, a
14 great break, and be safe.

15 Thank you, everybody.

16 (Applause.)

17 ACTING PRESIDENT GRIFFO: Senator
18 Libous.

19 SENATOR LIBOUS: Mr. President, is
20 there any further business before the Senate this
21 evening?

22 ACTING PRESIDENT GRIFFO: There is
23 no further business before the Senate.

24 SENATOR LIBOUS: There being no
25 further business, I move that the Senate adjourn

1 until Wednesday, April 23rd, at 3:00 p.m.,
2 intervening days being legislative days.

3 ACTING PRESIDENT GRIFFO: On
4 motion, the Senate stands adjourned until
5 Wednesday, April 23rd, at 3:00 p.m., intervening
6 days being legislative days.

7 The Senate stands adjourned.

8 (Whereupon, at 10:49 p.m., the
9 Senate adjourned.)

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