

1 NEW YORK STATE SENATE

2
3
4 THE STENOGRAPHIC RECORD

5
6
7
8 ALBANY, NEW YORK

9
10 March 12, 2015

11 11:27 a.m.

12
13
14 REGULAR SESSION

15
16
17
18 SENATOR JOSEPH GRIFFO, Acting President

19 FRANCIS W. PATIENCE, Secretary

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

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

4 I ask all present to please rise
5 and 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 to please bow
11 your heads in a moment of silent reflection and
12 prayer.

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

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

17 THE SECRETARY: In Senate,
18 Wednesday, March 11th, the Senate met pursuant
19 to adjournment. The Journal of Tuesday,
20 March 10th, was read and approved. On motion,
21 Senate adjourned.

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

24 Presentation of petitions.

25 Messages from the Assembly.

1 Messages from the Governor.
2 Reports of standing committees.
3 Reports of select committees.
4 Communications and reports of state
5 officers.
6 Motions and resolutions.
7 Senator LaValle.
8 SENATOR LaVALLE: Mr. President,
9 would you call on Senator Gianaris for a motion.
10 ACTING PRESIDENT GRIFFO: Senator
11 Gianaris.
12 SENATOR GIANARIS: Mr. President,
13 on behalf of Senator Parker, I move that the
14 following bill be discharged from its respective
15 committee and be recommitted with instructions to
16 strike the enacting clause: Senate Bill 2731.
17 ACTING PRESIDENT GRIFFO: It is so
18 ordered.
19 Senator LaValle.
20 SENATOR LaVALLE: Mr. President, I
21 believe there is a privileged resolution by
22 Senators Skelos and Klein at the desk. I ask
23 that the title be read and move for its immediate
24 adoption.
25 ACTING PRESIDENT GRIFFO: The

1 resolution is before the desk, and the Secretary
2 will read.

3 THE SECRETARY: Resolution by
4 Senators Skelos and Klein, in response to the
5 2015-2016 Executive Budget submission, to be
6 adopted as legislation expressing the position of
7 the New York State Senate relating to the
8 2015-2016 New York State Budget.

9 ACTING PRESIDENT GRIFFO: Senator
10 LaValle.

11 SENATOR LaVALLE: Mr. President,
12 would you please call on Senator Skelos for
13 opening remarks.

14 ACTING PRESIDENT GRIFFO: I'd ask
15 that we have some silence in the chamber. I know
16 there's a lot of movement. So if we can take
17 conversations outside the chamber, I'd appreciate
18 that, and keep order in the house.

19 Senator Skelos.

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

22 Today the State Senate will act on
23 its "Brighter Future" budget plan.

24 I want to start off by thanking our
25 Finance chair, Senator DeFrancisco, for his weeks

1 upon weeks of attending budget hearings. I know
2 how exciting they all were, Senator DeFrancisco,
3 and we thank you for that. And of course our
4 Finance staff and our Counsel's office for all
5 the work that they've accomplished to get us to
6 this point.

7 This should serve as a blueprint for
8 a final budget that cuts taxes, creates jobs, and
9 invests in New York's infrastructure. Our plan
10 builds a brighter future for overburdened
11 taxpayers by creating a new property tax rebate
12 program.

13 Under this rebate plan, the average
14 New York homeowner will receive a check for \$458.
15 When combined with the existing freeze credit and
16 the STAR exemption, it is the most property tax
17 relief ever proposed in the state's history. And
18 it's my understanding that the total value is
19 approximately \$5 billion statewide. And this is
20 something we should all be very proud of.

21 Our plan also builds a brighter
22 future for job creators and job seekers. We
23 advance \$200 million in a small business package
24 to help create new jobs and grow our economy. We
25 eliminate the 18-a energy tax surcharge that was

1 imposed several years ago, to save taxpayers and
2 businesses \$285 million over two years.

3 Rather than create winners and
4 losers and force competition for economic
5 development funds, the Senate plan provides
6 assistance to every region that needs it. We
7 provide \$1.5 billion for upstate revitalization
8 and another billion and a half for highway and
9 bridge capital projects as part of a five-year
10 road and bridge plan.

11 Our budget proposes \$700 million for
12 regionally significant economic development
13 projects and a \$50 million, \$50 million increase
14 in CHIPS funding to rebuild our roads after
15 another severe winter.

16 Our plan also builds a brighter
17 future for students by providing them with
18 historic new opportunities. We increase school
19 aid by \$1.9 billion dollars, including
20 elimination of the \$1 billion that remains of the
21 GEA that was imposed several years ago.

22 To provide even more opportunities
23 for school-age children, this budget includes the
24 Education Investment Tax Credit. We dramatically
25 increase per-pupil charter school aid and accept

1 the Governor's recommendation to raise the
2 charter school cap.

3 To make college more affordable for
4 New York families, the Senate increases community
5 college base aid and raises the TAP ceiling to
6 benefit an additional almost 16,000 students. We
7 double the tuition tax credit, which hasn't been
8 increased in 15 years, while college costs have
9 steadily increased.

10 Our plan also builds a brighter
11 future for the next generation by making major
12 new investments in New York's environment,
13 including a \$38 million increase in EPF funding.

14 The Senate supports enhanced
15 disclosure to ensure transparency and
16 accountability, and will work within the
17 Governor's ethics proposals so that we can
18 restore the public's trust in government. And
19 that includes both the Legislature and the
20 Executive Branch.

21 As part of our budget, we are once
22 again advancing a constitutional amendment to cap
23 state spending at 2 percent so we can build on
24 the gains we have made and secure a brighter
25 future for New Yorkers.

1 Passage of the State Senate's budget
2 today is an important first step in our effort to
3 deliver a fifth -- a fifth consecutive on-time
4 budget. So I thank you for your hard work on
5 both sides of the aisle, and we're getting there.
6 We will have an on-time budget.

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

9 Senator LaValle.

10 SENATOR LaVALLE: Mr. President,
11 would you recognize Senator Klein for remarks.

12 ACTING PRESIDENT GRIFFO: Senator
13 Klein.

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

16 Thank you, Senator Skelos. This
17 will be the third year that we're coming together
18 to craft what I think will be another on-time
19 budget that reflects the interests of all
20 New Yorkers.

21 Over the past several years I think
22 we've done a lot to recognize that we need to
23 help our hardworking New Yorkers all over our
24 state. We've made New York more affordable
25 through commonsense solutions and worked in a

1 productive bipartisan fashion to deliver for
2 hardworking New Yorkers.

3 Well, this year, at the start of the
4 year, the Independent Democratic Conference put
5 forth a bold plan which we called Invest
6 New York. Invest New York has many layers, but
7 most importantly, it invests in hardworking
8 New Yorkers -- investing in our children to make
9 sure they have an education that's second to
10 none, helping college students with spiraling
11 student loan debt. We're also investing in
12 housing, low-income housing, middle-income
13 housing, to ensure that people can afford to live
14 in this great state.

15 But first and foremost, what I want
16 to discuss is something that we put forth in the
17 beginning of the year, and it's a New Deal for
18 New York. I think everyone knows that there's
19 \$5 billion in settlement money that was part of a
20 settlement with financial institutions. That
21 money was money that was taken from hardworking
22 New Yorkers, so I think it's only right that we
23 use that money to put back in the pockets of
24 New Yorkers. So our \$5 billion plan, called a
25 New Deal for New York, would do just that.

1 This is a combination of being able
2 to invest in our infrastructure. We have
3 infrastructure needs all over the State of
4 New York. Unfortunately, they've been ignored
5 for too long. We can accomplish our goal of
6 making those repairs and at the same time create
7 good-paying jobs.

8 We have two layers to the program.
9 The first layer is the Empire Works program.
10 This is aimed at creating jobs through large
11 infrastructure projects like roads, bridges,
12 rail, transit, water and sewer and parks
13 projects, and will build, repair, and upgrade
14 New York's infrastructure to a 21st-century
15 standard in the process.

16 The investment is structured as a
17 revolving loan fund, meaning that instead of just
18 spending this money once, the state will be able
19 to invest the money multiple times over. This is
20 something that is extremely important, because as
21 I said earlier, this is going to create jobs, but
22 create good-paying jobs. As you know, most of
23 this work will be covered by prevailing wage,
24 guaranteeing hardworking New Yorkers a very, very
25 good wage.

1 The second part of the program is
2 the Community Jobs Program. While the first part
3 of our program would create over 97,000 jobs,
4 this goes a long way towards creating additional
5 jobs. The Community Jobs Program goes right to
6 the heart of unemployment and will make a
7 difference in our own backyards by reconnecting
8 marginalized workers with good-paying jobs.

9 These are the smaller projects --
10 the town halls, the housing authority
11 developments, small and not-for-profit projects,
12 which certainly need help. And the way we would
13 structure this program is that the money would be
14 available at a minimum of \$15 an hour. And if it
15 is not a prevailing wage job, we would create a
16 wage board all over areas in the state to ensure
17 that we have good wages in those specific areas.

18 I think this is a plan that provides
19 a way for municipalities across the state to
20 repair, rebuild or modernize facilities that are
21 really in need of repair.

22 I think also the next part of our
23 program is something that is just as important,
24 our housing program. I think we're clearly in a
25 housing crisis in New York State at all levels.

1 When it comes to middle-class
2 housing, we've got to make financing available
3 and attractive to developers. That's why we're
4 proposing a middle-income tax credit, which would
5 provide for a tax credit for developers,
6 financing the construction of middle-class units.
7 This will ensure that housing remains affordable
8 for all New Yorkers at all income levels for many
9 years to come.

10 Through the moderate-income loan
11 program, we put the focus on new construction.
12 It can be used for both rental and condo and
13 co-op construction. These funds could be used in
14 a building that contains market-rate development
15 to create a portion of units affordable for
16 middle-income households. This is something
17 that's critical.

18 But just as critical is the poor
19 condition of our New York City Housing Authority
20 stock. I'm sure all of us, especially in the
21 City of New York, recognize that the dilapidated
22 condition of our New York City Housing Authority
23 needs to be dealt with right away. It's been
24 ignored for too long.

25 And most recently the Independent

1 Democratic Conference put forth a study where we
2 did a real investigation and took a look at the
3 conditions of Housing Authority developments all
4 across New York City. And we found,
5 unfortunately, that the New York City Housing
6 Authority can very well be considered the worst
7 landlord in the City of New York.

8 We want to change that. We're
9 proposing a \$500 million combined state and city
10 investment. The state would provide \$250 million
11 in capital funding to NYCHA, with the requirement
12 that New York City provide another \$250 million
13 in matching funds. These funds would be
14 available immediately for repairs, reconstruction
15 and upgrades.

16 Money is not the only answer. We
17 have to make sure that these repairs are made and
18 repairs are made in a timely fashion. So we have
19 all types of accountability measures. We want to
20 have the stakeholders, including NYCHA tenants,
21 on board to monitor these repairs. If the
22 repairs are not made, the money doesn't come.
23 It's as simple as that.

24 I also want to put forth a NYCHA
25 repair certificate program which would allow

1 private developers to obtain a zoning bonus in
2 areas being upzoned, in exchange for conducting
3 expeditious repairs in NYCHA buildings.

4 I thank my members of the
5 Independent Democratic Conference. I do want to
6 thank them, because we worked long and hard to
7 develop this plan. I also want to thank Senator
8 Savino, who sat through all of the budget
9 hearings and made sure that our voices were heard
10 loud and clear during these hearings.

11 I know my other colleagues are going
12 to be talking about the other aspects of Invest
13 New York, which is job creation, expanding
14 educational opportunities, providing debt relief
15 for our college students, and giving our senior
16 citizens the financial support they need to live
17 out their golden years in comfort and dignity.

18 I look forward to moving forth with
19 an on-time budget, and once again working very
20 closely with Senator Skelos. And once again
21 showing that we can come together as one and
22 serve the residents of New York State.

23 Thank you, Senator.

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

1 Senator LaValle.

2 SENATOR LaVALLE: Mr. President,
3 would you recognize Senator Stewart-Cousins,
4 please.

5 ACTING PRESIDENT GRIFFO: Senator
6 Stewart-Cousins.

7 SENATOR STEWART-COUSINS: Thank
8 you, Mr. President.

9 Of course I want to thank my
10 colleagues for all of their hard work. And I
11 especially want to thank my ranker on Finance,
12 Senator Liz Krueger, because she too sat through
13 the budget hearings and, you know, helped us to
14 really craft our priorities in our letter that I
15 know the body received earlier.

16 We just have three weeks to deliver
17 a budget that works for all New Yorkers. And I'm
18 looking at the resolution that my colleagues have
19 put together, and clearly there are some positive
20 things. And I think you've heard those from both
21 Senator Skelos and Senator Klein. And of course
22 there are things that we in the Democratic
23 Conference would have liked to see and will
24 continue to work hard to make sure that we see in
25 the resolution.

1 I'm glad that we understand the
2 importance of adequately funding our public
3 education system and eliminating GEA and
4 increasing somewhat Foundation Aid. But we still
5 haven't dealt with CFE, and we haven't broadened
6 the conversation to stop the rhetoric and
7 policies that solely target our teachers while
8 ignoring the broader issues.

9 For example, in one of my school
10 districts, Yonkers, the superintendent came up,
11 he needs \$89 million to get them to status quo
12 because there's one psychologist to 600 children.
13 There's no music. There's no art. There's no
14 JV.

15 We have to address the issues that
16 are impacting our children's success. We know
17 that education is the great equalizer. And if we
18 don't do this right, we won't be able to do the
19 things that we need to do to so that our kids can
20 be lifted, many of them, out of poverty.

21 And when we talk about lifting
22 people out of poverty, what's missing here is
23 addressing the minimum wage. We already know
24 that raising the minimum wage will not only make
25 a difference within the families, but it will

1 spill over in terms of economic development for
2 communities. Because people who are our
3 lowest-wage workers are not saving money, they
4 are putting it right back into the needs that
5 they have, their immediate needs for their
6 family.

7 Just last week I met a woman in
8 Yonkers who walks to her job at a fast food
9 restaurant in Harlem four days a week, because
10 she cannot afford a MetroCard. She's at minimum
11 wage. So we've got to address minimum wage and
12 lifting people out of poverty.

13 I'm pleased that we've found common
14 ground in providing needed aid to our upstate
15 communities to spur economic growth, and without
16 competitive strings attached. However, we have
17 to include meaningful property-tax relief for our
18 hardworking families across our state, those who
19 need it most, not siphoning funds to households
20 making a half-million dollars, like our Senate
21 Majority Coalition has proposed.

22 We need to ensure we provide tax
23 relief to working families and small business
24 owners and not just corporations in the top
25 1 percent. We need to ensure that we fund and

1 provide critical services for our seniors, our
2 veterans and our children. And we are greatly
3 disturbed that the Senate cut funding for
4 research to end the AIDS epidemic.

5 It's also disappointing that my
6 Senate Republican colleagues, just a year
7 after announcing a heroin addiction scourge and a
8 task force, has cut funding to combat this deadly
9 addiction.

10 We need to help all students realize
11 the dream of going to college by increasing
12 Tuition Assistance Program programs for all
13 New Yorkers. And that includes passing the
14 DREAM Act, so we are no longer closing the door
15 on young people who are here, no fault of their
16 own, who want to contribute and want to build
17 their communities, their families, and our
18 society.

19 And again, we have to increase aid
20 to our college students in general and people who
21 want to attend college. Again, education is the
22 great equalizer.

23 We need to provide more aid to our
24 struggling municipalities. I know some villages
25 and towns got aid. Again, my mayor came and

1 asked for at least a 2 percent increase in AIM,
2 and we have not managed to provide any of those
3 municipalities relief.

4 Lastly, we can and must do
5 meaningful ethics reform. My conference has
6 introduced substantial ethics reform packages for
7 four years now. We do have the ability to pass
8 policies that work for all of our government,
9 apart from this budget and apart from this
10 appropriations bill, and we should really get it
11 done now.

12 The budget simply doesn't go far
13 enough to help all of New Yorkers in the myriad
14 of ways that we can. But we have three weeks to
15 fix that. As Winston Churchill said: This is
16 not the end, it is not even the beginning of the
17 end, but it is perhaps the end of the beginning.

18 So I'm looking forward to working
19 with all of my colleagues to make sure we have an
20 on-time budget and a good budget for all
21 New Yorkers.

22 ACTING PRESIDENT GRIFFO: Thank
23 you, Senator Stewart-Cousins.

24 On the resolution, Senator Krueger.

25 SENATOR KRUEGER: Thank you,

1 Mr. President.

2 A variety of us are going to raise
3 different issues, but I have been asked to be the
4 starter.

5 I appreciate all the leaders'
6 opening remarks. Senator Skelos talked about
7 \$5 billion for homeowner rebates, but what he
8 didn't talk about is what we will have to cut out
9 of the budget in future years because we lost now
10 perhaps \$3 billion more in revenue based on the
11 resolution before us today.

12 Senator Klein talked about a number
13 of programs, but it's not clear there are
14 appropriation dollars in the budget to cover
15 those costs, so I'm very concerned about that.
16 But I'm going to be, I assume, asking the sponsor
17 to yield, who might be the Finance chair; is that
18 correct?

19 ACTING PRESIDENT GRIFFO: Correct.

20 Senator DeFrancisco, do you yield?

21 SENATOR DeFRANCISCO: Already?

22 (Laughter.)

23 SENATOR KRUEGER: Already.

24 SENATOR DeFRANCISCO: Already,
25 okay.

1 ACTING PRESIDENT GRIFFO: The
2 Senator yields.

3 SENATOR DeFRANCISCO: Yes.

4 SENATOR KRUEGER: Thank you.

5 We received, just as we came into
6 the chamber, the fiscal financial plan for this
7 year based on the Senate Republican proposal
8 versus the Executive's. But when we went through
9 the actual resolution, the vast majority of
10 changes in money -- increased tax reductions,
11 increased costs -- were actually in the outyears,
12 in Year 2 and Year 3. Could you tell me what
13 the --

14 (Cellphone tone.)

15 SENATOR KRUEGER: Sorry. There's a
16 strange noise. Oh, is that you?

17 (Laughter.)

18 SENATOR KRUEGER: Turn that phone
19 off.

20 SENATOR DeFRANCISCO: It was the
21 Governor, but I turned it off.

22 (Laughter.)

23 SENATOR KRUEGER: Mr. President,
24 pardon me. I was being thrown off by an odd
25 noise.

1 ACTING PRESIDENT GRIFFO: That's
2 your ring tone for Senator DeFrancisco.

3 You may continue, Senator Krueger.

4 SENATOR KRUEGER: Thank you.

5 Can you tell me, for the outyear of
6 2016-2017, what your proposed budget would do
7 compared to the Governor's Executive Budget?
8 What would be the increased capital cost, what
9 would be the increased program cost, and what
10 would be the lost revenue compared to this
11 Executive Budget?

12 SENATOR DeFRANCISCO: I'll have to
13 get it for you. This summary deals with this
14 year, it's this year's budget. And it's
15 consistent with other budgets we've had in the
16 recent years where we've stayed under the
17 2 percent cap that we put on ourselves
18 voluntarily, and that's on operating funds.

19 So it does that this year for sure.
20 I don't have the information about outyears. I
21 can provide it to you.

22 SENATOR KRUEGER: Well, through
23 you, Mr. President, I'd be happy to take a look
24 at that after today. Of course we'll have to
25 vote today. But just for the record, when you go

1 through and you add up, even just from the
2 revenue bill changes, you're looking at probably
3 \$2.5 billion to \$3 billion in lost revenue just
4 from this one set of changes in the outyears.

5 So I do think it's critical for us
6 to understand, when we're taking a vote on
7 anything, it has an impact on the state for
8 many years and it has a growing impact over the
9 years the way many of these proposals have been
10 designed.

11 Turning specifically to the revenue
12 sections of the budget, Part E is the recoupment
13 of improperly granted STAR exemptions, and STAR
14 is a program that applies to homeowners. And yet
15 the actual language for Part E is all about
16 whether or not rent-regulated tenants -- who are
17 not owners, they're renters -- have filed tax
18 returns, which they are not always legally
19 obligated to do. And if they have not, it
20 requires that they be immediately evicted from
21 their homes.

22 Why would a tenant eviction proposal
23 be within the revenue section of the budget on a
24 topic that is called "STAR rebate exemptions"?
25 What do they possibly have to do with each other?

1 SENATOR DeFRANCISCO: Well, just
2 like in homes, it was determined in many
3 instances that the STAR rebate was incorrectly or
4 wrongfully received. And just like with homes,
5 that you weren't supposed to receive it because
6 you either falsified documents or in some way
7 mistakenly put in documents that showed that you
8 were entitled to it, the same thing holds true
9 with respect to the tenant situation as well.

10 SENATOR KRUEGER: Through you,
11 Mr. President. For the record, this has actually
12 been a proposal of the Senate Republicans for
13 quite a few years. It actually has been
14 overruled in case law in a variety of different
15 way because it's based on the premise that if you
16 are a tenant, you must be filing a tax return
17 from that address. And of course the case law in
18 tax policy is that those do not match.

19 So for the record, this is a
20 terrible proposal. The good news, it couldn't
21 really go into effect. But I do object to it
22 being thrown into a revenue bill in a budget
23 proposal.

24 SENATOR DeFRANCISCO: It's in as a
25 revenue bill because it's going to result in

1 additional revenue coming -- by getting back
2 those rebates that were wrongly provided.

3 SENATOR KRUEGER: There are two
4 sections. So the rebate is one issue, which has
5 nothing to do with the renters; the rebate would
6 only apply to homeowners. Thank you.

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

9 ACTING PRESIDENT GRIFFO: The
10 sponsor yields.

11 SENATOR KRUEGER: Thank you.

12 Part G creates the real property tax
13 relief credit. That, again, is the expansion of
14 STAR. And just to highlight, can the Senator
15 confirm for me that even though it is an
16 estimated \$300 million this year, it's projected
17 to grow to \$1.66 billion in the outyears? Is
18 that correct?

19 SENATOR DeFRANCISCO: I agree.

20 SENATOR KRUEGER: Thank you.

21 SENATOR DeFRANCISCO: The more
22 property tax relief we can get to our
23 constituents, the better.

24 SENATOR KRUEGER: Through you,
25 Mr. President, does the sponsor think -- oh, I'm

1 sorry, through you, Mr. President, will the
2 sponsor --

3 ACTING PRESIDENT GRIFFO: I'm going
4 to exercise and allow some flexibility today,
5 Senator Krueger.

6 SENATOR KRUEGER: Thank you.

7 ACTING PRESIDENT GRIFFO: But
8 Senator DeFrancisco will yield. Go ahead.

9 SENATOR KRUEGER: Does the Senator
10 think rebate formulas should have anything to do
11 with income or cost of taxes or the concept of
12 progressive taxation for progressive rebates? Or
13 should everybody who lives in a house just get
14 that same rebate?

15 SENATOR DeFRANCISCO: No, it's
16 progressive in the sense that you're getting a
17 rebate. The amount of the rebate is based upon
18 how much taxes -- how many taxes you pay. And
19 that's the progressive nature of it. If you pay
20 little taxes, you shouldn't get as much rebate as
21 the higher taxpayer because they're paying more
22 in taxes.

23 SENATOR KRUEGER: And through you,
24 Mr. President, should the higher-income person
25 get the same high rebate as a lower-income

1 person?

2 SENATOR DeFRANCISCO: It depends
3 upon what the taxes are being paid on the
4 property that's getting the break. And it
5 doesn't -- it's not based on income, it's based
6 upon property taxes of what you've paid, to give
7 relief from what you're paying. Not necessarily
8 relief from what other people may be getting.

9 SENATOR KRUEGER: We disagree,
10 Mr. President. Will the sponsor continue to
11 yield?

12 SENATOR DeFRANCISCO: Yes.

13 SENATOR KRUEGER: Thank you.

14 On Part R, it is a change in the
15 Governor's proposed reform of the Brownfield
16 Cleanup Program, and it rejects the Governor's
17 reforms, which include having to ensure that the
18 property is going to be used in certain ways,
19 that it would not be remediated and used without
20 tax credits, et cetera. And it also leaves
21 New York City out of the program.

22 Could the sponsor explain why we
23 rejected the Governor's proposals and we threw
24 New York City out of the program completely?

25 SENATOR DeFRANCISCO: Well, number

1 one, the advocates that I speak with that live
2 outside of New York City thought the program
3 worked great.

4 And from my understanding, some of
5 the problems with the program which gave it a bad
6 name were some abuses that occurred south of
7 Poughkeepsie.

8 And what we're saying is not that
9 New York shouldn't get a brownfield -- be
10 involved in the brownfield program, we're saying
11 there should be -- it should be discussed so
12 there's separate rules and that the rules change
13 only in those areas where there's something to
14 change because of problems that were experienced.

15 SENATOR KRUEGER: Through you,
16 Mr. President. I thought some of the scandals
17 associated with the brownfields legislation
18 happened right there in Syracuse where Senator
19 DeFrancisco represents. Wouldn't you agree?

20 SENATOR DeFRANCISCO: Well, I agree
21 that someone took advantage of it. I believe
22 that the result was because of a favorable faulty
23 court ruling under that situation. I'm not
24 practicing law anymore, so I don't have to worry
25 about seeing that judge again, and so I can

1 confidently say it was a real bad decision.

2 SENATOR KRUEGER: Too bad we can't
3 agree on how to fix that at this point in
4 history.

5 On section -- excuse me. One
6 moment. Section Part WW, you -- the Senate
7 Republicans reject or repeal the existing stock
8 transfer tax. Is it not true we're not
9 collecting the stock transfer tax now? Why do we
10 need to repeal it?

11 SENATOR DeFRANCISCO: It's silly to
12 have a -- yes, we're not collecting it now. It's
13 silly to have a law on the books that says that
14 there's a tax in effect when there's no such tax
15 being collected. So we would like reality to
16 have some relationship to the law.

17 SENATOR KRUEGER: Part XX. It's
18 lovely to see a new tax revenue stream,
19 \$1 million from mixed martial arts. What a shame
20 we'll see such an increase in brain injury in
21 order to get that million dollars.

22 SENATOR DeFRANCISCO: You know --
23 may I respond?

24 ACTING PRESIDENT GRIFFO: Senator
25 DeFrancisco.

1 SENATOR DeFRANCISCO: You know,
2 there's all kinds of things in this resolution
3 that I guarantee you that at least one person
4 doesn't like. But I'd really like to have a
5 civil discussion about this budget rather than
6 snarky remarks, because it's not going to help
7 anyone here make a decision on how they're going
8 to vote.

9 SENATOR KRUEGER: You know what, I
10 apologize for the snarkiness of my comment.

11 I do, though, for the record want to
12 reiterate mixed martial arts legalization will
13 increase traumatic brain injury among the
14 fighters if they are participating in our state.

15 Part --

16 ACTING PRESIDENT GRIFFO: Senator
17 Krueger, are you continuing to ask the sponsor to
18 yield?

19 SENATOR KRUEGER: I am continuing
20 to ask questions of the sponsor. Yes, would the
21 sponsor continue to yield?

22 ACTING PRESIDENT GRIFFO: The
23 sponsor will continue to yield.

24 As I've indicated, I will exercise
25 some flexibility, but also will caution the

1 members to be mindful of the discourse.

2 SENATOR KRUEGER: Thank you.

3 Part RR amends the Tax Law to
4 benefit a particular taxpayer under the state's
5 Empire Zone program. Could you please tell me
6 the name of that taxpayer?

7 SENATOR DeFRANCISCO: I'm sorry,
8 could you tell me --

9 SENATOR KRUEGER: It's Part RRR,
10 excuse me, triple R, of the revenue section of
11 the budget proposal.

12 SENATOR DeFRANCISCO: I'm not
13 familiar with that. I'll get an answer for you
14 right now. And the question was?

15 SENATOR KRUEGER: The name of the
16 taxpayers. Because it's particular to a taxpayer
17 under the sunseting Empire Zone program.

18 SENATOR DeFRANCISCO: It's an
19 Empire Zone project dealing with vending
20 machines.

21 SENATOR KRUEGER: Through you,
22 Mr. President. So the vending machine company is
23 moving locations to be eligible for the
24 Empire Zone program at this time?

25 SENATOR DeFRANCISCO: I'm being

1 advised no, but we'll find out why that's not
2 true.

3 Well, apparently there was a Tax and
4 Finance ruling that this company, which owned all
5 the machines, were not given credit, Empire Zone
6 credit. So this would fix that ruling in order
7 to provide the Empire Zone benefits that the
8 Senate leadership and Senate Republicans believe
9 was inconsistent -- the interpretation
10 inconsistent with the intent of the Empire Zones.

11 SENATOR KRUEGER: And the name of
12 the vending machine company?

13 SENATOR DeFRANCISCO: I don't know
14 the name of the company.

15 SENATOR KRUEGER: Your staff don't
16 know? You don't know? Well, I would love that
17 name later. Thank you.

18 Part VVV establishes a New York
19 City-based property tax cap with a 2 percent
20 limit on the rate of inflation. I suppose not
21 unlike the cap on other localities in the state,
22 except when the cap was created by this
23 Legislature it was understood that because
24 New York City does not pay for its schools
25 through its property tax system, that it was

1 under a different situation.

2 What has changed that makes people
3 think this is now a reasonable proposal when it
4 was not acceptable prior?

5 SENATOR DeFRANCISCO: What has
6 changed is several years of experience with an
7 extremely successful program that has cut the
8 cost of government in localities in the State of
9 New York substantially, government and schools,
10 to a substantial extent.

11 And we thought it makes sense to be
12 consistent throughout the State of New York so
13 that the taxpayers in the State of New York,
14 property taxpayers, get the same benefits. I'm
15 always concerned about New York City, as you
16 know, and I wanted to make sure we were fair to
17 New York City.

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

21 ACTING PRESIDENT GRIFFO: The
22 sponsor will continue to yield.

23 SENATOR DeFRANCISCO: Yes. Yes.

24 SENATOR KRUEGER: It's actually I
25 don't believe part of the revenue bill, it's part

1 of expenditures.

2 The Senate Republicans say they
3 reject the competition for the \$1.5 billion in
4 upstate infrastructure, but they leave it in the
5 budget. In the Governor's plan it also appeared
6 that it was primarily to be used in a competition
7 for private companies through what I call
8 expanded corporate welfare.

9 In the Senate Republicans' plan, is
10 that \$1.5 billion intended for infrastructure
11 needs by the cities, towns, counties for actual
12 government infrastructure projects? Is that what
13 the \$1.5 billion is for?

14 SENATOR DeFRANCISCO: It's very
15 loose. And I've been involved in this
16 discussion. I believe, as one person, that it
17 should be primarily used for infrastructure and
18 it shouldn't be a competition about whose
19 infrastructure is worse than the others in
20 upstate New York State, but everybody should
21 participate.

22 The Governor believes very strongly
23 that it should be part of an economic development
24 competition, much the same as the REDC
25 competition, where you bring good economic

1 development projects to a community and use these
2 funds for the best projects and the areas that
3 get the best projects will get some extra money
4 for it.

5 I don't think that's the way to go.
6 But the Governor is obviously very strong on
7 that. We hope that it can be melded to the
8 extent that we get good projects -- not depending
9 upon who wins a competition, we get the best
10 projects and we can use the money to enhance the
11 infrastructure of those areas where the good
12 projects are coming into.

13 So it's in a state of flux. In
14 fact, this is one of the big issues that is yet
15 to be resolved.

16 SENATOR KRUEGER: But -- I
17 appreciate that. But in your actual budget bills
18 and resolution, what do you, the Senate
19 Republicans, define that \$1.5 billion to be for?

20 SENATOR DeFRANCISCO: It's simply a
21 revitalization fund, a capital fund, in order to
22 provide infrastructure and economic development
23 for upstate cities and upstate regions because of
24 the -- how far behind upstate is from downstate
25 as far as economic recovery.

1 SENATOR KRUEGER: Through you,
2 Mr. President. So you are concurring with the
3 Governor's proposal or changing the Governor's
4 proposal?

5 SENATOR DeFRANCISCO: We're
6 changing the Governor's proposal, but we
7 understand full well that he's very intent on
8 this.

9 We would hope that we would be able
10 to end the competition and provide a pot of
11 money, \$1.5 billion, for upstate to choose the
12 best projects and also use some of the money for
13 infrastructure -- not just give a region extra
14 money because at that point in time they found a
15 good project while the other areas maybe didn't
16 find a good project but are just as much in need
17 of infrastructure.

18 So it's really a very flexible fund
19 that we hope to define more carefully, and I
20 would hope that it would be defined more
21 carefully giving infrastructure the priority.

22 But there's infrastructure money in
23 this budget as well; I think there's \$1.5 billion
24 of infrastructure over and above this.

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: I want to thank
7 him so far for the answers. I feel very strongly
8 that \$1.5 billion for the upstate communities
9 should absolutely be distributed based on need
10 for local government needs. We are -- we are
11 creating a crisis in many of our upstate
12 communities because government does not fund them
13 adequately and has been reducing its funding to
14 them.

15 Part -- now we're into the
16 quadruples. Part BBBB actually extends a program
17 called SCRIE and DRIE to include non-elderly and
18 disabled households whose rent is over 50 percent
19 of their income and their income is below \$50,000
20 and they live in rent-regulated housing. It is a
21 new cost for the City of New York and perhaps a
22 few other localities in the state.

23 For the record, I like the proposal.
24 But in each and every other time we have changed
25 the law in property tax formulas and exemptions,

1 it has been at local option. Is this at local
2 option or a new unfunded mandate?

3 SENATOR DeFRANCISCO: It's a local
4 option, and it's a mandate so that senior
5 citizens can live comfortably in their homes and
6 be provided vouchers to be able to afford the
7 high cost of housing in the city.

8 And I can't imagine the mayor, based
9 on his position on housing and other things in
10 the City of New York, that he wouldn't welcome
11 10 percent of the cost of that to be borne by the
12 state.

13 SENATOR KRUEGER: Through you,
14 Mr. President. I appreciate, yes, it does allow
15 10 percent to be borne by the state. It's not
16 actually for seniors; we already have the program
17 for seniors. So it would be an expansion to
18 non-seniors. But I actually don't disagree with
19 the sponsor on why it's a successful model.

20 It's also not a voucher,
21 technically, it's a property tax reduction to the
22 owner of the building equal to what they would
23 otherwise be increasing the rent by.

24 So it's been a very successful model
25 for the elderly and disabled. I'm just concerned

1 about not putting unfunded mandates on any
2 locality.

3 Part CCCC is specific to Suffolk
4 County local property tax exemptions. Again,
5 it's for seniors. It's within manufactured
6 housing. But it transfers the cost of that tax
7 not paid by seniors to the state.

8 Can someone tell me what that new
9 cost to the state will be?

10 SENATOR DeFRANCISCO: What the cost
11 will be for that program?

12 SENATOR KRUEGER: Yes, sir.

13 SENATOR DeFRANCISCO: It's under a
14 million dollars. Chump change. Chump change.

15 (Laughter.)

16 SENATOR KRUEGER: And that
17 continues beyond one year?

18 SENATOR DeFRANCISCO: Yes.

19 SENATOR KRUEGER: And does -- going
20 back to the expansion of the SCRIE/DRIE, the
21 10 percent that the state picks up for the city
22 instead of 100 percent, does that go on beyond
23 one year?

24 SENATOR DeFRANCISCO: Yes, it does.

25 SENATOR KRUEGER: It does, thank

1 you.

2 And Part GGGG is specific to a
3 public housing revitalization fund, and it puts
4 new restrictions on how the New York City Housing
5 Authority can spend money. But I don't see any
6 appropriation giving them any money.

7 Can you just clarify? We have new
8 rules for money if they got it somewhere else,
9 but we're not giving them money that we're
10 putting restrictions on?

11 SENATOR DeFRANCISCO: This money is
12 coming out of the large settlement, the
13 \$5.4 billion settlement. So I guess you could
14 say it would be appropriated out of that fund.

15 SENATOR KRUEGER: So, I'm sorry, I
16 must have missed the section of the budget
17 resolution or the bills where you were giving
18 settlement money for public housing. What amount
19 is that, and where can I find that?

20 SENATOR DeFRANCISCO: It's not
21 lined out in the budget -- in the resolution.

22 SENATOR KRUEGER: Is it in a budget
23 bill?

24 SENATOR DeFRANCISCO: No.

25 SENATOR KRUEGER: So how do we know

1 there's any money?

2 SENATOR DeFRANCISCO: Because I told
3 you.

4 (Laughter.)

5 SENATOR KRUEGER: Mr. President,
6 does my esteemed colleague think that works?

7 SENATOR DeFRANCISCO: No, I don't.
8 I was --

9 SENATOR KRUEGER: Do we do budget
10 by "I told you" as opposed to we have it lined
11 out in the budget?

12 SENATOR DeFRANCISCO: No, it
13 doesn't --

14 ACTING PRESIDENT GRIFFO: Order in
15 the chamber, please.

16 SENATOR DeFRANCISCO: It doesn't
17 work that way.

18 ACTING PRESIDENT GRIFFO: Senator
19 DeFrancisco.

20 SENATOR DeFRANCISCO: I apologize
21 for trying to add a little humor.

22 There is a line in the reso that
23 we're looking for as we speak.

24 SENATOR KRUEGER: Good. Because
25 I'd be very concerned that we would actually put

1 new mandates on divisions of government saying
2 thou shalt not do this or must do this or must do
3 this in order to get the money, when it's sort of
4 like pulling the rug out from under them, we
5 don't have any money that we're giving them,
6 we're just giving them new requirements.

7 And for the record, New York City
8 Housing Authority has pointed out that they have
9 a minimum of \$13 billion and a maximum of
10 \$16 billion in capital needs. So if there were a
11 few billion in this budget resolution for NYCHA,
12 I personally would be delighted. But I could not
13 find it.

14 I want to thank the sponsor for his
15 answers to my questions.

16 I wish that we were able to work
17 together more closely when we're actually
18 developing our budget proposals in comparison to
19 the Governor, because I actually think we do
20 agree on many things. We don't agree on many
21 things. But our failure to actually go line by
22 line through the Executive's budget together, as
23 one functioning house, results in issues just
24 like I was attempting to raise today.

25 I have run out of time, because

1 we're on a tight schedule, but I simply attempted
2 to highlight some of the significant problems on
3 the revenue side of the budget resolution, and
4 the fact that they were putting policy into the
5 tax bill, when I think we actually both agree
6 that we are concerned when the Governor attempts
7 to put policy and language sections of a budget
8 into his appropriations bill. So I wish that we
9 could actually agree to follow the same rules for
10 ourself and not to do that.

11 Thank you, Mr. President.

12 ACTING PRESIDENT GRIFFO: Senator
13 Squadron.

14 SENATOR SQUADRON: Thank you,
15 Mr. President. And if the sponsor would continue
16 to yield.

17 ACTING PRESIDENT GRIFFO: The
18 sponsor yields.

19 SENATOR DeFRANCISCO: Yes.

20 SENATOR SQUADRON: Thank you.

21 I note that Part E of Public
22 Protection/General Government from the Governor's
23 proposal is omitted in the bill put forward in
24 the Senate, and I wanted to ask what was included
25 in that omitted portion.

1 SENATOR DeFRANCISCO: The part
2 number again, please?

3 SENATOR SQUADRON: Sure. Part E of
4 Public Protection and General Government.

5 SENATOR DeFRANCISCO: Campaign
6 finance.

7 SENATOR SQUADRON: Thank you.
8 If the sponsor would continue to
9 yield.

10 SENATOR DeFRANCISCO: And I believe
11 it includes the public financing of elections.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

14 SENATOR SQUADRON: In addition to
15 the portion that the sponsor just talked about,
16 that omitted portion, is the sponsor aware that
17 omitted portion also includes a closing of the
18 so-called LLC or limited liability corporation
19 loophole?

20 SENATOR DeFRANCISCO: Correct.

21 SENATOR SQUADRON: If the sponsor
22 would continue to yield.

23 SENATOR DeFRANCISCO: Yes.

24 SENATOR SQUADRON: Can the sponsor
25 describe the LLC loophole, please.

1 SENATOR DeFRANCISCO: It's not a
2 loophole.

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

5 ACTING PRESIDENT GRIFFO: The
6 sponsor yields.

7 SENATOR DeFRANCISCO: Yes.

8 SENATOR SQUADRON: Can the sponsor
9 describe the practice in the state based on a
10 decision that is commonly referred to as the LLC
11 loophole?

12 SENATOR DeFRANCISCO: Well, you may
13 refer to it as that. I don't think it's a
14 loophole. It's a way to raise money in a
15 campaign. I think every party in existence in
16 the State of New York has used that vehicle. And
17 if it's in use by everyone, then it's not a
18 loophole.

19 SENATOR SQUADRON: If the sponsor
20 would continue to yield.

21 ACTING PRESIDENT GRIFFO: The
22 sponsor yields.

23 SENATOR SQUADRON: Does the sponsor
24 agree that whatever we call it, LLC loophole or
25 anything else, it essentially treats limited

1 liability corporations as individuals rather than
2 as corporations for purposes of campaign
3 contributions?

4 SENATOR DeFRANCISCO: That is
5 correct. That is correct. And your campaign
6 committee could have clearly explained that to
7 you, because they use it frequently. As does
8 ours.

9 SENATOR SQUADRON: If the sponsor
10 would continue to yield.

11 Point of fact, my campaign committee
12 doesn't. I don't raise contributions from LLCs.

13 But it is true that much of the
14 information available on the floor when we debate
15 a budget is available elsewhere as well, but I
16 think it's important to go through critical,
17 fundamental pieces of our democracy that are
18 included or omitted from a budget.

19 To continue, since under the
20 so-called LLC loophole LLCs are treated as
21 individuals and not corporations, is it true that
22 LLCs have a higher contribution limit than
23 corporations do today?

24 SENATOR DeFRANCISCO: I'm sorry, I
25 didn't hear the question. Can you repeat it?

1 SENATOR SQUADRON: Since under the
2 so-called LLC loophole, LLCs are treated as
3 individuals and not corporations, is it true that
4 LLCs have a higher contribution limit than
5 corporations do?

6 SENATOR DeFRANCISCO: That is
7 correct.

8 SENATOR SQUADRON: If the sponsor
9 would continue to yield.

10 ACTING PRESIDENT GRIFFO: The
11 sponsor yields.

12 SENATOR SQUADRON: And is it also
13 the case that individuals do not have their
14 contributions allocated to themselves if they own
15 LLCs that make contributions? Unlike the way
16 partnerships are treated where, through a
17 formula, contributions are allocated to the
18 partners.

19 SENATOR DeFRANCISCO: Yes.

20 SENATOR SQUADRON: If the sponsor
21 would continue to yield.

22 SENATOR DeFRANCISCO: Yes. But
23 when you --

24 ACTING PRESIDENT GRIFFO: The
25 sponsor yields.

1 SENATOR DeFRANCISCO: But LLCs are
2 a vehicle that they're treated the same way in
3 all aspects of the law. Their LLC is a separate
4 entity, and they're treated under the campaign
5 finance law as they are treated in any other
6 aspect of being an LLC.

7 The income, for example, is taxed to
8 the individuals who are part of the LLC.

9 SENATOR SQUADRON: If the sponsor
10 would continue to yield.

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

14 SENATOR SQUADRON: As the sponsor
15 points out, LLCs are treated in some ways the way
16 partnerships are, and in some ways the way
17 corporations are. And in very, very limited
18 ways, actually, outside of this issue, the way
19 individuals are. The description of the tax
20 pass-through is also true of partnerships, for
21 example, which are treated very differently under
22 current election practice than LLCs are.

23 And is the sponsor aware of any way
24 to know who the funding source is -- who the
25 owner is, I should say, behind an LLC that makes

1 a contribution to a New York State party or
2 official?

3 SENATOR DeFRANCISCO: I don't think
4 that the Department of State requires the names
5 of the individuals who are the partners to be
6 recorded anywhere, so I don't think so.

7 But that doesn't prevent this
8 Legislature from providing a law that would
9 require disclosure of members of an LLC.

10 SENATOR SQUADRON: If the sponsor
11 would continue to yield.

12 SENATOR DeFRANCISCO: Yes.

13 SENATOR SQUADRON: Is such a law
14 included in the Senate's budget proposal?

15 SENATOR DeFRANCISCO: No, it's --
16 no.

17 SENATOR SQUADRON: Might it be?

18 SENATOR DeFRANCISCO: No.

19 SENATOR SQUADRON: If the sponsor
20 would continue to yield.

21 ACTING PRESIDENT GRIFFO: The
22 sponsor yields.

23 SENATOR DeFRANCISCO: Yes.

24 SENATOR SQUADRON: That's
25 disappointing. I love cosponsoring Senator

1 DeFrancisco bills, and I was looking forward to
2 the opportunity. Perhaps Senator DeFrancisco
3 will cosponsor a Senator Squadron bill.

4 SENATOR DeFRANCISCO: If I find
5 one, yes.

6 SENATOR SQUADRON: Thank you.

7 Is there any limit on the number of
8 LLCs, limited liability corporations, that an
9 individual in New York State can create and have
10 ownership or control over?

11 SENATOR DeFRANCISCO: I don't think
12 so. No, I don't think so.

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

15 So in essence, doesn't that create a
16 circumstance where, unlike corporations and
17 owners of corporations, and unlike partnerships
18 and members of a partnership, and unlike
19 individuals, LLC contributions are nearly
20 impossible to track down to the source of their
21 funding, (a); have no practical limit on
22 contribution amount in terms of the source of
23 that funder, because individuals or entities can
24 own an unlimited number, (b); and (c) therefore
25 fall into kind of a nether region where they're

1 not corporations, which are fairly well-regulated
2 under state law, and not partnerships, which are
3 fairly well-regulated, and not individuals,
4 which, while not well-regulated, have a great
5 deal of disclosure requirements?

6 SENATOR DeFRANCISCO: I lost the
7 question.

8 But I guess the answer generally is
9 that this budget has certain things in it,
10 certain things out of it. The things that are in
11 and out have been determined by a majority of the
12 Republicans and the Independent Conference. And
13 this is what it is.

14 You can ask me questions about any
15 topic -- for example, reform of campaign finances
16 dealing with unions, or any other aspect of
17 campaign financing. The fact is it's not in
18 there because the consensus felt that it should
19 not be in here.

20 SENATOR SQUADRON: If the sponsor
21 would continue to yield.

22 SENATOR DeFRANCISCO: Yes.

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR SQUADRON: Does the sponsor

1 know either the scale, the amount of money
2 contributed by LLCs in any recent election cycle
3 or the percentage of all contributions into state
4 elections made by LLCs?

5 SENATOR DeFRANCISCO: I have no
6 idea.

7 SENATOR SQUADRON: Thank you.

8 I have, well, one other topic to
9 discuss, but on this portion of the bill briefly
10 in the meantime, if I can --

11 ACTING PRESIDENT GRIFFO: So you're
12 going to speak on the resolution?

13 SENATOR SQUADRON: I'll speak on
14 the resolution and then ask the sponsor to yield
15 again in a moment.

16 ACTING PRESIDENT GRIFFO: Senator
17 Squadron on the resolution.

18 SENATOR SQUADRON: Thank you very
19 much.

20 Fourteen percent of all money raised
21 by state-level candidates and party committees is
22 given by LLCs. That is three times the amount
23 given by contributors making contributions of
24 less than a thousand dollars.

25 In other words, LLCs, as the sponsor

1 and I just discussed, LLCs whose ownership
2 needn't be disclosed, whose ownership can be
3 directed from the same individual infinitely,
4 have a three times greater contribution level
5 into the state than individuals making
6 contributions of under a thousand dollars --
7 which is a scale that most people couldn't even
8 make, but certainly a generous scale when we
9 think about individuals who just want to be
10 involved in the political process and support
11 candidates they believe in.

12 The total contribution amount is a
13 total of over \$450 million from limited liability
14 companies to candidates and state parties.
15 That's means \$40 million coming in from anonymous
16 sources. In fact, that \$40 million could
17 potentially, under the law, come in from a single
18 source. We know it's not quite a single source,
19 but we do know that there are sources
20 contributing to individual parties and committees
21 at a million dollars or greater.

22 The Governor proposed closing the
23 LLC loophole -- and I think we've determined that
24 it is certainly a loophole -- as part of his
25 ethics reform package.

1 And when we talk about all of the
2 changes needed in Albany -- and I think we all
3 agree they're a great deal -- when we talk about
4 disclosure and transparency, when we talk about
5 accountability, when we talk about empowering
6 individuals, all of the people, actual people
7 that we represent, as opposed to a narrow band of
8 heavily invested interests, the LLC loophole and
9 closing it gets at the heart of all of those.

10 Look, I'm a supporter of campaign
11 finance reform that vastly lowers contribution
12 limits and creates a matching system like we have
13 in New York City. Not everyone supports that.
14 That is a divide that we see in this house and
15 elsewhere, based on any number of factors,
16 including folks' political and ideological
17 backgrounds.

18 Closing the LLC loophole is not like
19 that. Closing the LLC loophole is simply about
20 taking a whole system of campaign finance laws
21 that I thought we had unanimity around and
22 applying them to one area, a relatively new
23 corporate form, that is left out of transparency
24 requirements, disclosure requirements, any limits
25 of any sort.

1 And that shouldn't be a partisan
2 issue. That should be an issue that we can all
3 come behind universally. It's not an issue
4 targeted at local officials or statewide
5 officials, at Democrats or Republicans, at the
6 Executive or the Legislature or local government.
7 It is targeted at creating transparency,
8 accountability, fairness, and some level of
9 limits in government.

10 And a lot was omitted in Part E that
11 I'm a strong supporter of, to tell you the truth,
12 but the LLC loophole in particular would help get
13 to the core of what's wrong here in the
14 legislative process.

15 To move on to the next issue, if the
16 sponsor would continue to yield.

17 SENATOR DeFRANCISCO: Yes.

18 ACTING PRESIDENT GRIFFO: The
19 sponsor yields.

20 SENATOR SQUADRON: I note that the
21 Senate omitted the Executive's criminal justice
22 reform proposals, both the independent monitor
23 for certain grand jury or subsequent to certain
24 grand jury no-bills and summons reporting.

25 SENATOR DeFRANCISCO: Correct.

1 SENATOR SQUADRON: I share the
2 Majority's concern about a number of components
3 of the independent monitor. I think there's any
4 number of questions on the independent monitor,
5 including how it would get its information, with
6 whom it would share it.

7 Does the Senate have a
8 counterproposal or another proposal relative to
9 special prosecutors in these kinds of cases to
10 replace the independent monitor proposal?

11 SENATOR DeFRANCISCO: We do not.

12 SENATOR SQUADRON: If the sponsor
13 would continue to yield.

14 SENATOR DeFRANCISCO: Yes. Yes.

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR SQUADRON: Is that because
18 of the sponsor's view that the Governor's current
19 power to appoint a special prosecutor, in the
20 person of the Attorney General, in any instance
21 including these, is a sufficient tool that
22 already exists under the law?

23 SENATOR DeFRANCISCO: No, I think
24 we have a criminal justice system that doesn't
25 need a -- I'm talking from my own experience and

1 my own opinion, that there are -- the criminal
2 justice system doesn't need independent monitors
3 appointed by one person that could add to the
4 political problems that have been experienced
5 from some of these cases.

6 And I think the system itself can be
7 monitored in many different ways rather than have
8 a monitor come in in a specific type of case all
9 the time.

10 SENATOR SQUADRON: If the sponsor
11 would continue to yield.

12 SENATOR DeFRANCISCO: Yes.

13 ACTING PRESIDENT GRIFFO: The
14 sponsor yields.

15 SENATOR SQUADRON: Might one of
16 those proposals be to have broader access to the
17 information from grand jury proceedings?

18 SENATOR DeFRANCISCO: I don't
19 believe that, because grand jury proceedings are
20 transcribed. And when they're transcribed, if
21 something untoward happens in that proceeding,
22 there's already a supervising judge that could
23 receive a motion from the defense counsel that
24 says: I want the indictment dismissed for some
25 type of irregularity in the grand jury process.

1 So there's already someone that can
2 oversee abuses in the grand jury. And it
3 happens -- the request for dismissal out of the
4 grand jury minutes happens all the time. Whether
5 they get granted or not, that's another story.

6 As far as a judge sitting in the
7 grand jury proceeding, to me that's the most
8 foolish thing that could be done, because he's
9 going to have the minutes of those meetings or
10 she's going to have the minutes of the grand jury
11 meeting and can review it rather than sit there
12 like a potted plant watching a proceeding that
13 they really have little to do with because the
14 prosecutor runs the grand jury.

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

17 SENATOR DeFRANCISCO: Yes.

18 ACTING PRESIDENT GRIFFO: The
19 sponsor yields.

20 SENATOR SQUADRON: And I note that
21 the court proposal is also not included in the
22 Senate one-house, and now I see why.

23 On the question of the summons
24 reporting --

25 SENATOR DeFRANCISCO: That's

1 correct. Judges aren't always right.

2 SENATOR SQUADRON: On the question
3 of the summons reporting, the Department of
4 criminal justice services today gets a great deal
5 of reporting from local law enforcement. It's a
6 very effective tool for legislators and the
7 public to track much of what's happening. In
8 fact, we saw some of the serious racial
9 disparities around marijuana enforcement in
10 New York City that, again, we've had bipartisan
11 agreement needed to be fixed and is starting to
12 be fixed through that data.

13 The Governor's proposal to include
14 non-fingerprintable offenses and summonses in
15 that reporting to DCJS is omitted. And I just
16 was trying to kind of get at, since I know an
17 entire sort of portion of policy was omitted
18 here, as to whether that portion is one that the
19 Majority does support and we'll see again. Just
20 that simple reporting piece.

21 SENATOR DeFRANCISCO: It does not
22 support it as of today in this particular budget.
23 Whether it resurrects itself at another time, I
24 can't tell you.

25 SENATOR SQUADRON: And if the

1 sponsor would yield, I just wonder why that
2 piece, the simple reporting by local law
3 enforcement of non-fingerprintable offenses,
4 which have been a core of a lot of the major
5 issues we've seen over the last year, and
6 certainly over the last five years, doesn't make
7 sense to DCJS.

8 SENATOR DeFRANCISCO: Well, I
9 believe strongly that we should have budgets that
10 have some type of a cap on them, like the
11 2 percent cap that we have here. And we can do a
12 lot of things, we can report anything and
13 everything.

14 But you say it's simply a matter of
15 reporting. Every time you create more reporting
16 for law enforcement officials, there's less law
17 enforcement, there's more clerical work, there's
18 bigger budgets. And the question is does the
19 value of the reporting, does the value of the
20 reporting outweigh the cost, additional cost of
21 the reporting?

22 This budget proposal by the
23 Republican Majority and the IDC basically has
24 balanced that on the side of we don't need the
25 additional expense. We'd rather them being on

1 the street.

2 SENATOR SQUADRON: Look, as I said,
3 while I think that the independent monitor has
4 some real outstanding concerns and am in
5 agreement that more work needs to be done on
6 that, I do think that both when we talk about
7 grand jury proceedings and when we talk about
8 this kind of data -- which, you know, by any
9 measure, however you feel about the issue of
10 police-community relations that we've seen,
11 whatever side of it you're on, it has been a
12 major issue. More data, more transparency and
13 clarity is of great value and is appropriate for
14 the budget because it's low-cost but does have
15 some cost associated with it, and it's certainly
16 a worthwhile one.

17 In the same context of criminal
18 justice reform --

19 ACTING PRESIDENT GRIFFO: Senator
20 Squadron, are you posing a question?

21 SENATOR SQUADRON: Yes, I am.

22 ACTING PRESIDENT GRIFFO: Okay.

23 The sponsor will continue to yield. Pose the
24 question.

25 SENATOR SQUADRON: Thank you.

1 In the same context of criminal
2 justice reform and reducing the burden on our
3 state and families and the cost of criminal
4 justice, is the sponsor familiar with the
5 Nurse-Family Partnership program?

6 SENATOR DeFRANCISCO: Not
7 intimately. Maybe if you could explain what it
8 is, it may ring a bell.

9 SENATOR SQUADRON: If the sponsor
10 would continue to yield, the Nurse-Family
11 Partnership program --

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

14 SENATOR DeFRANCISCO: Yes.

15 SENATOR SQUADRON: Thank you.

16 The Nurse-Family Partnership
17 program, which is on the Aid to Localities
18 budget, page 419, is a home visiting program from
19 a child is born until their second birthday for
20 high-risk first-time moms. It has decades of
21 research behind it showing, among other things,
22 increased behavioral and intellectual performance
23 at age 6, increased test scores in school in
24 sixth grade, more than 50 percent reduced
25 participation in the criminal justice system for

1 kids and their moms 15 years later -- when the
2 kids are 15, 16, 17 years old.

3 It has been shown by independent
4 studies to save multiples of what it costs the
5 state. And as I pointed out, it has that
6 criminal justice cost.

7 Three million dollars was proposed
8 by the Governor. The Senate accepted that, which
9 I appreciate greatly. A bipartisan group of
10 Senators is pushing for even more money because
11 today there are 46,000 eligible births a year,
12 first-time Medicaid moms, and only 2800 families
13 are served.

14 So as we talk about criminal justice
15 reform, the question is doesn't this make sense,
16 even if we can't agree on some of the other
17 criminal justice reforms, as a bipartisan vast
18 expansion so that families aren't left out of
19 this life-saving, life-changing program?

20 SENATOR DeFRANCISCO: So you like
21 that.

22 SENATOR SQUADRON: I was asking if
23 you did.

24 ACTING PRESIDENT GRIFFO: What is
25 your question, Senator Squadron?

1 SENATOR DeFRANCISCO: I like it. I
2 think it's a great idea.

3 SENATOR SQUADRON: Thank you very
4 much.

5 On the bill briefly.

6 ACTING PRESIDENT GRIFFO: On the
7 resolution briefly.

8 SENATOR SQUADRON: On the
9 resolution. Thank you for the clarification.

10 Look, when we talk about criminal
11 justice, it's critical that we do make changes.
12 There are outstanding questions. I think there's
13 a lot of bipartisan room to find here. No
14 question that we need greater transparency.
15 That's true when grand juries return no-bills on
16 high-profile cases where it just doesn't make
17 sense to the public. It's certainly true when we
18 look at what's happening with summonses.

19 Also the truth is, to get to the
20 core of this, the bipartisan, bicameral group of
21 Senators and Assemblymembers pushing for the
22 Nurse-Family Partnership would fundamentally
23 change the entire picture on criminal justice.

24 And so I look forward to continuing
25 to work together, every member of the house, on

1 this.

2 There's a lot else in this budget,
3 some of which is missing. I wish we'd had
4 funding for settlement houses, community services
5 for the elderly. I wish we had the DREAM Act in
6 here. I wish the minimum wage was in here.

7 I appreciate that NYCHA funding was
8 mentioned, but we have to make sure it's
9 guaranteed and for real.

10 And whatever happens with education,
11 I think we need to continue to stay together.
12 That funding should not be held hostage to policy
13 disagreements. The education funding is based on
14 the need of our kids.

15 Thank you, Mr. President.

16 ACTING PRESIDENT GRIFFO: Senator
17 Rivera.

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

20 Just first, before I start asking
21 questions, I will say for the record that while I
22 agree with the President and certainly our
23 colleagues that we should keep this as a
24 collegial and sensible debate, I would be
25 terribly disappointed if snark did not make its

1 way into this conversation, Senator DeFrancisco,
2 since you are kind of the best at it.

3 But if the sponsor would yield for a
4 few questions.

5 ACTING PRESIDENT GRIFFO: Senator
6 DeFrancisco yields.

7 And again, I'm going to caution you,
8 Senator Rivera.

9 SENATOR DeFRANCISCO: Yes. And I
10 thank you for your comments.

11 SENATOR RIVERA: Thank you, sir.

12 So I have a few questions on the
13 health part of the resolution. So certainly if
14 Senator Hannon would like to --

15 SENATOR DeFRANCISCO: He's more
16 prepared for that.

17 SENATOR RIVERA: Certainly. And
18 while Senator Hannon is more --

19 ACTING PRESIDENT GRIFFO: So
20 without objection, I will call upon Senator
21 Hannon.

22 Senator Hannon, do you yield?

23 SENATOR HANNON: Yes.

24 ACTING PRESIDENT GRIFFO: Senator
25 Hannon yields.

1 Senator Rivera, pose your question.

2 SENATOR RIVERA: Thank you,
3 Mr. President. I have a few.

4 First of all, let's start with the
5 Basic Health Plan. If I'm not mistaken, the
6 proposal that -- the resolution that we have in
7 front of us, the one-house, takes that out. The
8 Executive put the extension in there, and the
9 Senate one-house took it out. What was the
10 purpose of taking that money out of the budget?

11 SENATOR HANNON: Several purposes
12 for taking out the Basic Health Plan.
13 Notwithstanding its appealing-sounding name, it's
14 really very misleading because it does not add
15 any coverage to individuals who don't already
16 have it or are already eligible. So there's
17 nothing that people are denied by not having
18 this.

19 The second part, you start to look
20 at the analysis of the money that comes and flows
21 from the federal government. In the first year
22 there's over \$600 million that comes into the
23 state coffers. But that is not a repeating sum
24 of money, it's a one-shot. And it does not give
25 rise to a sustainable way that the state would be

1 able to carry this in future years.

2 Senator Krueger was really asking
3 all about future years, Year 3 and Year 4 out.
4 Well, this is a perfect example where the money
5 just won't be there.

6 The next part of it is it would seek
7 to take people into a Basic Health Plan who are
8 already now covered under the exchange.
9 Notwithstanding some of the big numbers used for
10 the exchange, it has not been a success in
11 getting people into qualified health plans. It's
12 been a great success in getting people into
13 Medicaid. We have now one and a half million
14 more New Yorkers in Medicaid because of the
15 exchange and the system of enrolling, but we only
16 have -- numbers yesterday -- 408,000 new people
17 in qualified health plans. That's the private
18 insurance.

19 Half of those people in the
20 qualified health plans would be moved into the
21 Basic Health Plan. Now, I know this is a lot of
22 stuff that's going on, but these are the numbers.
23 Half of those people move, how do you sustain the
24 exchange if you adopt the Basic Health Plan? My
25 response is I don't think you can. So I don't

1 think it's a good idea to adopt the Basic Health
2 Plan.

3 SENATOR RIVERA: Mr. President, if
4 the sponsor -- he's obviously -- since I have
5 limited time, Mr. President, if the sponsor would
6 yield for a few other questions.

7 SENATOR HANNON: Yes.

8 ACTING PRESIDENT GRIFFO: Senator
9 Hannon yields.

10 SENATOR RIVERA: Thank you.

11 Because I am sure that you could
12 speak about this for a while, and we have spoken
13 about it in the past. But I want to get a couple
14 of things on the record that are on this
15 resolution, and then we can obviously speak at
16 length about it during the Health Committees or
17 what have you.

18 Regarding the New York State of
19 Health that you admitted, at least in part, was
20 successful in getting people into Medicaid but
21 ultimately getting more people covered, this
22 resolution also takes out an assessment that the
23 Executive had established to be able to fund it
24 in the coming years. Is there -- you took that
25 out.

1 Is that something that you are
2 going -- where would it be funded? How would it
3 be funded in coming years?

4 SENATOR HANNON: Well, first of
5 all, we haven't seen a budget for the exchange,
6 the New York State of Health. We have not seen a
7 budget. We don't know where it's getting its
8 money. We don't know where it's spending its
9 money. It's not in their reports.

10 Second, when the exchange was
11 established by this Governor, in that very
12 Executive Order it said "This exchange will not
13 cost the taxpayers of this state any money." So
14 we are simply taking that proposed tax out of the
15 budget and letting the administration stick to
16 its word.

17 SENATOR RIVERA: Thank you.

18 If the sponsor would continue to
19 yield.

20 ACTING PRESIDENT GRIFFO: The
21 sponsor yields.

22 SENATOR HANNON: Yes.

23 SENATOR RIVERA: A very important
24 aspect of the Executive proposal that many of my
25 colleagues that have their districts in Brooklyn

1 are particularly paying attention to is the
2 capital funding part that refers to the
3 healthcare delivery system in Brooklyn but across
4 the state.

5 There are a lot of changes that the
6 Republican one-house does to that proposal.
7 Among other things, that it takes it and it
8 spreads it over seven years. And ultimately what
9 it does is it lessens the amount on a
10 year-to-year basis that the capital money would
11 be available.

12 So my question is why -- where does
13 the \$3.1 billion come from?

14 SENATOR HANNON: First of all, it
15 doesn't change the years. And second, when
16 you're doing construction, it always takes quite
17 a long time on a historical basis in this state
18 to let all the money. So the years are not
19 really changed.

20 Second, the numbers are not really
21 changed, but what we have done is tried to live
22 up to the spirit of the federal waiver that is
23 saying we want to fundamentally change healthcare
24 in this state, we want to have a better delivery
25 system, we want to involve not just hospitals but

1 we want to involve all providers in the
2 community, be they small behavioral health or
3 drug abuse or FQHCs, and we want to make sure
4 that every one of them is prepared to move
5 forward in terms of their service delivery, in
6 terms of their computer hookup to the regional
7 exchanges.

8 But we also want to make sure of
9 something else. This state has had a terrible
10 record, bipartisanly, under giving grants to
11 hospitals and other places that need capital,
12 because we have not done it in a systematic way.
13 We have not done it geographically
14 systematically, we have not done it
15 programmatically systematically. We've had HEAL
16 grants for -- that started in the Pataki
17 administration; they did not improve measurably
18 the system.

19 Now, if we're starting to take an
20 \$8 billion waiver and add to that \$8 billion this
21 \$3 billion in construction money -- which we'll
22 call it capital money, because it's not
23 constructing bricks and mortar. Much of it will
24 have to go to IT.

25 SENATOR RIVERA: Yes.

1 SENATOR HANNON: We need to have a
2 process that people know how it's going to work,
3 it's open to all, it has standards that are
4 public, it has applications that are public, it
5 has awards that are public.

6 SENATOR RIVERA: Mr. President,
7 through you --

8 SENATOR HANNON: So we're not
9 negating anything. And I think we are improving
10 the process and making sure we're not going to
11 repeat mistakes that we've made in the past.

12 SENATOR RIVERA: Thank you,
13 Senator Hannon.

14 Mr. President, through you, if the
15 sponsor will continue to yield.

16 ACTING PRESIDENT GRIFFO: The
17 sponsor will yield.

18 SENATOR RIVERA: On that issue, are
19 you then saying that you did not change the
20 amount that would go -- that is specifically
21 targeted towards Brooklyn? In particular we're
22 talking about, if I'm not mistaken, the Executive
23 proposal, that \$700 million specifically for
24 Brooklyn --

25 SENATOR HANNON: Where certain

1 things make sure that so much goes to New York
2 City -- for instance, a billion dollars -- so
3 much goes to upstate, and the rest can be shared
4 around the state.

5 So I think in essence, if you look
6 at it, we've increased the pot. We haven't
7 decreased it.

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

11 ACTING PRESIDENT GRIFFO: The
12 sponsor yields.

13 SENATOR RIVERA: I don't
14 necessarily -- I don't agree on the math, but
15 we're not going to have time to go over it on the
16 floor too much, but I will -- because I have a
17 couple of other things I want to make sure that I
18 ask about.

19 On the End of AIDS Task Force, there
20 is -- even though, as the proposal made clear,
21 that the reason why it was not included was
22 because there is not a report yet, it is obvious
23 to many people that even though the report has
24 not been made public, there are many
25 recommendations that have been made privately,

1 and also just things that we could do, regardless
2 of whether the report has been made public or
3 not. There is -- so you folks took that out.

4 SENATOR HANNON: No, we didn't take
5 anything out, sir. We left the money requested
6 for AIDS there. And we said that we'll look at
7 the report when it comes out. We do not know
8 where it is. I've been assured -- the people
9 from the AIDS advocates have been in my office
10 almost daily. They've been told that the report
11 is coming out almost daily. It's not here yet.

12 My thought is if we had a lot of
13 people working all year who were very diligent at
14 this, and coming together, that their
15 recommendations -- which then we need an
16 agreement from the Executive to implement -- we
17 should wait for that report.

18 So we are not saying anything but
19 we're waiting. We have two weeks. I know it
20 seems like a short time, but in budget years it's
21 a very long time. It's like the last 30 seconds
22 in a pro basketball game.

23 SENATOR RIVERA: Or like the last
24 minute and a half where I'm going to speak.

25 I'll speak on the resolution,

1 Mr. President.

2 ACTING PRESIDENT GRIFFO: Senator
3 Rivera on the resolution.

4 SENATOR RIVERA: Since I have
5 limited time and many of my colleagues want to
6 make sure that they cover many things, I will
7 just say thank you, Senator Hannon, for answering
8 some of these questions.

9 I don't necessarily agree with the
10 way that you have -- for what you have laid out.
11 Particularly, I am concerned of the way that the
12 capital money for hospitals has been allocated in
13 this particular resolution. I am concerned for
14 my colleagues in Brooklyn and for all of the
15 folks that live down there. I'm not sure if the
16 way that you folks organized it is the best way
17 to go about doing it.

18 Although I certainly hope that we
19 can continue to have a conversation to make sure
20 that our colleagues in Brooklyn are part of the
21 process of making sure that the people in
22 Brooklyn receive the best care possible.

23 Mr. President, I only have very
24 little time, since many of my colleagues are
25 going to speak after me --

1 ACTING PRESIDENT GRIFFO: Senator
2 Rivera, I'll allow you to finish and then I'll
3 allow Senator Hannon to explain.

4 SENATOR RIVERA: Of course.

5 ACTING PRESIDENT GRIFFO: Go ahead.

6 SENATOR RIVERA: But as far as
7 the -- on the healthcare exchange, I just want to
8 state for the record that it has been a success
9 and we need to make sure that we fund it. It is
10 \$69 million, and we should be very specific about
11 where that money is going to come from. We need
12 to make sure that it continues to exist.

13 Private equity program, we didn't
14 talk about that much, but the Democratic
15 Conference has recommended that we reject that
16 proposal, even though it's been extended in the
17 Republican one-house. I just want to state that
18 for the record.

19 I also want to say that as far as --
20 there's something in the public protection part
21 of the budget that I'll mention briefly, because
22 it is important. It is a family reunion program
23 that has been rejected and has been -- they've
24 tried -- it's been tried to do -- over the last
25 couple of years there's been legislation to try

1 to get rid of the program. It has been
2 eliminated in the budget.

3 And also in the health part of the
4 budget, the criminal justice health homes, which
5 are \$5 million in the Executive proposal, has
6 also been rejected.

7 And I think that both of those are
8 bad ideas, particularly since we have many
9 individuals that are coming back to our
10 communities with public health issues that might
11 just make things worse in the communities that
12 they're coming back to.

13 I have a couple of other things, but
14 I will make sure that my colleagues have much
15 time to deal with all of these. Ultimately,
16 Mr. President, unfortunately, I think that
17 there's a lot here that I really wish we had more
18 time. I'll just underline that part. We've
19 talked about it before; we only have a couple of
20 hours to be able to talk about so many complex
21 issues. I don't think it is fair, either for the
22 constituencies that we have back home, and
23 certainly for the colleagues here that do not
24 have time to look at all this stuff and be able
25 to discuss it at length.

1 So it's unfortunate that I have to
2 give up my time. Thank you, Mr. President.

3 ACTING PRESIDENT GRIFFO: Senator
4 Hannon.

5 SENATOR HANNON: I just want to
6 reply that the construction process that we put
7 forward opens up the system and makes it much
8 more visible, and people in the community but
9 also people in the Legislature can have a greater
10 input than what's envisioned and what was
11 proposed to us.

12 ACTING PRESIDENT GRIFFO: Thank
13 you, Senator Hannon.

14 Senator Peralta.

15 SENATOR PERALTA: Thank you,
16 Mr. President. I guess would the Finance chair
17 yield for a few questions?

18 SENATOR DeFRANCISCO: Yes.

19 ACTING PRESIDENT GRIFFO: Senator
20 DeFrancisco yields.

21 SENATOR PERALTA: Senator, did you
22 know that there was a 1982 landmark decision
23 called Plyler v. Doe, where the United States
24 Supreme Court held that undocumented children and
25 young adults have the same right to attend public

1 primary and secondary schools as do U.S. citizens
2 and permanent residents?

3 SENATOR DeFRANCISCO: I'm not
4 familiar with the case, but I don't know of any
5 mandate on any state to do so.

6 SENATOR PERALTA: Well, this is
7 across all states. It was a 1982 landmark
8 decision by the U.S. Supreme Court.

9 SENATOR DeFRANCISCO: I haven't
10 read it.

11 SENATOR PERALTA: Okay. Well, in
12 that case it was held that undocumented children
13 and young adults have the same right to attend
14 public primary and secondary schools as do U.S.
15 citizens. And in fact, Justice Brennan wrote:
16 "Even if the state found it expedient to control
17 the conduct of adults by acting against their
18 children, legislation directing the onus of a
19 parent's misconduct against his children does not
20 comport with fundamental conceptions of justice."

21 Would you say that the education --
22 that education, having higher education opens
23 more doors for an individual in terms of a better
24 economic future than not having one?

25 SENATOR DeFRANCISCO: You know,

1 it's impossible to comment intelligently on one
2 sentence or two sentences out of a court case,
3 because there may be other qualifying language,
4 circumstances may be different. I'd be happy to
5 get a copy -- if someone wants to get a copy now,
6 I'll read it and answer them later before this is
7 over.

8 SENATOR PERALTA: But beyond the
9 case, would you say that --

10 ACTING PRESIDENT GRIFFO: Senator
11 Peralta, are you asking Senator DeFrancisco to
12 continue to yield?

13 SENATOR PERALTA: Yes, if he can
14 continue to yield.

15 ACTING PRESIDENT GRIFFO: Senator
16 DeFrancisco yields.

17 SENATOR DeFRANCISCO: Yes.

18 ACTING PRESIDENT GRIFFO: You can
19 pose the question, Senator Peralta.

20 SENATOR PERALTA: But beyond the
21 case, would you agree that having an education,
22 and in this case a higher education, opens more
23 doors for an individual in terms of having a
24 better economic future?

25 SENATOR DeFRANCISCO: I agree.

1 SENATOR PERALTA: Mr. President,
2 would the Senator yield for further questions?

3 ACTING PRESIDENT GRIFFO: Senator
4 DeFrancisco yields.

5 I'll ask for a little quiet in the
6 chamber, too. It's getting a little noisy. So
7 members will have an opportunity to hear each
8 other.

9 Senator Peralta, you may continue.

10 SENATOR PERALTA: Thank you.

11 Senator, would you also say that a
12 person with a higher education degree is more
13 likely to get a better-paying job and thus will
14 end up paying more in state and local taxes than
15 someone who doesn't?

16 SENATOR DeFRANCISCO: I would agree
17 with that too.

18 SENATOR PERALTA: Mr. President,
19 would the Senator continue to yield?

20 ACTING PRESIDENT GRIFFO: The
21 sponsor yields.

22 SENATOR DeFRANCISCO: Yes.

23 SENATOR PERALTA: Senator, did you
24 know that in August 2002, then-Governor --
25 Republican Governor George Pataki signed a bill

1 allowing New York to become the fourth state in
2 the nation to extend in-state tuition rates to
3 undocumented immigrant students, and some of your
4 colleagues voted for it?

5 SENATOR DeFRANCISCO: I don't know
6 the timing, but I know that's the law.

7 SENATOR PERALTA: In fact,
8 16 Republican members voted for it, including
9 Senator Hannon and Majority Leader Skelos.

10 SENATOR DeFRANCISCO: I wasn't
11 aware of who did. But did I vote for it?

12 SENATOR PERALTA: I'm not sure, but
13 we're looking that up.

14 ACTING PRESIDENT GRIFFO: Senator
15 Peralta, do you have a question?

16 SENATOR DeFRANCISCO: I wasn't
17 here.

18 ACTING PRESIDENT GRIFFO: Or are
19 you speaking on the resolution?

20 SENATOR DeFRANCISCO: No, I was
21 here.

22 ACTING PRESIDENT GRIFFO: Senator
23 Peralta, do you have a question or are you
24 speaking on the resolution?

25 SENATOR PERALTA: Mr. President, if

1 the sponsor would continue to yield.

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

4 SENATOR DeFRANCISCO: Yes.

5 SENATOR PERALTA: Did you know --
6 Senator, did you know that although there is
7 in-state tuition for the undocumented students,
8 but the undocumented students still cannot afford
9 to pay full-time tuition?

10 SENATOR DeFRANCISCO: I'm sure
11 that's the case, as well as citizens of the
12 United States.

13 SENATOR PERALTA: Mr. President,
14 would the sponsor continue to yield?

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR DeFRANCISCO: Yes.

18 SENATOR PERALTA: Senator, would
19 you say that we are a state that punishes its
20 children for the actions of their parents?

21 SENATOR DeFRANCISCO: Gee, I don't
22 think so. I don't think so. I hope we're not.

23 SENATOR PERALTA: So if -- if I can
24 continue to question, Mr. President.

25 ACTING PRESIDENT GRIFFO: Senator

1 DeFrancisco yields.

2 SENATOR DeFRANCISCO: Yes. Yes.

3 SENATOR PERALTA: So if a parent
4 were to do something or act inappropriately, we
5 wouldn't punish the child for that parent's
6 actions.

7 SENATOR DeFRANCISCO: We shouldn't.

8 SENATOR PERALTA: But do you
9 believe that we do as a state?

10 SENATOR DeFRANCISCO: No, I don't.

11 SENATOR PERALTA: Then --

12 ACTING PRESIDENT GRIFFO: Senator
13 Peralta, are you asking him to continue to yield?

14 SENATOR PERALTA: Yes,
15 Mr. President, if the sponsor would continue to
16 yield.

17 SENATOR DeFRANCISCO: Yes.

18 ACTING PRESIDENT GRIFFO: And
19 Senator Peralta, I'd ask you to keep this germane
20 to the subject at hand here.

21 SENATOR PERALTA: Yes.

22 Then I don't understand why,
23 Senator, we are making the children pay for the
24 parent's decision or actions of coming to this
25 country, while being no fault of their own, and

1 yet they can't get a quality higher education
2 because we're not pushing or including the
3 DREAM Act in this one-house budget.

4 SENATOR DeFRANCISCO: Well, first
5 of all, I don't believe the comment that children
6 are here in the United States through no fault of
7 their own. It's a privilege to live in the
8 United States, no matter what benefits you get or
9 you don't get. So it's not a fault of anyone,
10 it's a wonderful thing that they have this
11 opportunity.

12 Number two, the State of New York
13 provides -- and first of all, I understand you're
14 passionate about this, and I'm not trying in any
15 way to belittle it. I'm just giving you my point
16 of view, since you asked it, and many others are
17 here believing it's the case.

18 However, in the State of New York
19 there are thousands of kids that end up going to
20 college and incurring debt that is unsustainable,
21 and that debt has to be paid either by parents,
22 by relatives, by themselves, and they find
23 themselves way behind the eightball.

24 At this stage in our history, we
25 don't have enough money to provide what's needed

1 for the citizens of the United States. And
2 there's great burdens for their parents and their
3 relatives who are helping financing.

4 So that's where I draw the line,
5 that there's got to be standards. And, quite
6 simply, that until there's enough money for kids
7 to go to school and college, there shouldn't be
8 people who are not citizens of this state taking
9 some of -- or using some of that money.

10 And by the way, that case that you
11 cited talked about primary and secondary. It
12 didn't talk about college.

13 SENATOR PERALTA: Mr. President, if
14 the sponsor would continue to yield.

15 SENATOR DeFRANCISCO: Yes. Yes.

16 ACTING PRESIDENT GRIFFO: The
17 sponsor yields.

18 SENATOR PERALTA: I agree with you,
19 Senator, that we should raise income eligibility.
20 Because this program that we're referring to,
21 which is the TAP, the Tuition Assistance Program,
22 you would agree that this is an entitlement
23 program; correct?

24 SENATOR DeFRANCISCO: Yes.

25 SENATOR PERALTA: So you have to

1 meet a certain amount of criteria to qualify, one
2 of them being residency, the other one being
3 income eligibility and some others. Correct?

4 SENATOR DeFRANCISCO: Correct.

5 SENATOR PERALTA: So if we were to
6 include the Dream Act in this budget, do you know
7 how many students would take away TAP money from
8 documented students?

9 SENATOR DeFRANCISCO: "Documented"
10 meaning citizens?

11 SENATOR PERALTA: How many
12 undocumented -- if we were to include the DREAM
13 Act, which would go towards undocumented, how
14 many of those undocumented students would take
15 away money from the current documented students?

16 SENATOR DeFRANCISCO: I don't think
17 anybody can tell you that until they apply.

18 SENATOR PERALTA: Well, the answer
19 is zero, Senator. The answer is zero. Because
20 no money -- because this program is an
21 entitlement program, no money is taken away from
22 the current documented individuals that are
23 attending college.

24 In fact, in fact, what we need to do
25 is to increase the income eligibility so that we

1 can cast a wider net so that more individuals can
2 qualify under this program. That's what this
3 program is about, and that's what we're talking
4 about.

5 We have the power to increase the
6 monies that we dole out for the TAP program. And
7 that's what we're trying to do. We're trying to
8 make sure that individuals who qualify, who meet
9 the same standards, meet the same criteria as
10 everyone else, will then have an opportunity to
11 attend a higher education institution.

12 Mr. President, if the sponsor would
13 continue to yield?

14 SENATOR DeFRANCISCO: Yes.

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR PERALTA: It's estimated
18 that it's going to cost -- the DREAM Act will
19 cost between \$20 million to \$27 million. And the
20 Executive, the Governor has included \$27 million
21 in his Executive Budget.

22 But let's go back to the taxes
23 point. Did you know that, on average, college
24 graduates pay \$60,000 in taxes in New York over
25 the course of a career?

1 Which would mean that with
2 investment in a DREAM Act, someone who would have
3 a college degree would end up paying \$60,000 more
4 in taxes. Which means that if they receive a
5 maximum payout of \$5100 and change for a total of
6 four years -- would be about \$20,000 and
7 change -- it would end up paying for itself, with
8 an individual paying over \$60,000 in taxes. Did
9 you know that?

10 SENATOR DEFRANCISCO: No, I don't
11 know that. I could probably make some
12 calculations to end up with a result that I would
13 like as well.

14 I don't think there's any hard
15 information until you know how many students are
16 actually going to benefit from it. And
17 \$27 million doesn't mean that's all it is, all
18 the cost is. It means the Governor has put
19 \$27 million in this budget.

20 SENATOR PERALTA: If the sponsor
21 will continue to yield, Mr. President.

22 ACTING PRESIDENT GRIFFO: The
23 sponsor yields.

24 SENATOR DeFRANCISCO: Yes.

25 SENATOR PERALTA: Senator, did you

1 know that Texas, under the leadership of the
2 Republican governor, Rick Perry, has a DREAM Act
3 that has been in place for more than a decade
4 now, and in 2007 there was an attempt to repeal
5 it and the Budget Board of Texas estimated that
6 the state would lose \$3 million a year in tuition
7 revenue? Did you know that?

8 SENATOR DeFRANCISCO: I knew there
9 was a DREAM Act there, and that sounds wonderful.
10 That's the policy of the State of Texas.

11 SENATOR PERALTA: Did you also know
12 that Governor Rick Perry was quoted as saying the
13 DREAM Act never had a cost to Texas taxpayers and
14 that in fact Texas institutions of higher
15 learning would actually lose tens of millions of
16 dollars in lost tuition payments if the law was
17 repealed? That was his statement. Did you know
18 he made that statement?

19 SENATOR DeFRANCISCO: He's made
20 some statements that have made people laugh, too,
21 during the debate.

22 SENATOR PERALTA: But this one was
23 very serious.

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

1 SENATOR DeFRANCISCO: Yes. Yes.

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

4 SENATOR PERALTA: So did you know
5 that in Texas in 2011 there were 18,623
6 undocumented students, nearly double that of
7 New York State?

8 SENATOR DeFRANCISCO: I assume that
9 would be the case, based on where Texas is
10 located, but I didn't know that number.

11 SENATOR PERALTA: So if Texas is
12 making this work, then why can't New York make
13 this work?

14 SENATOR DeFRANCISCO: Because
15 there's not a majority of people that believe the
16 way you believe, although you believe
17 passionately in it. And that's what happens in
18 state legislatures.

19 SENATOR PERALTA: Even though Texas
20 is a much more conservative state than any one
21 Republican member's district.

22 SENATOR DeFRANCISCO: Listen,
23 there's a couple of years where you controlled
24 the Senate, and I don't remember that bill
25 passing at that time. That's the time that it

1 would be more likely to be successful.

2 There's different philosophies. I
3 gave you mine. I understand yours and all those
4 who are in favor of the DREAM Act. I understand
5 former Governor Perry's. But this is a consensus
6 recommendation of the Senate Majority, and that's
7 why it's in this budget -- it's not in it.

8 SENATOR PERALTA: If the sponsor
9 would continue to yield, Mr. President.

10 SENATOR DeFRANCISCO: Yes.

11 ACTING PRESIDENT GRIFFO: The
12 sponsor yields.

13 SENATOR PERALTA: Would the DREAM
14 Act change any immigration laws, to your
15 knowledge?

16 SENATOR DeFRANCISCO: Not that I
17 know of.

18 SENATOR PERALTA: Does the DREAM
19 Act impact on any individual's immigration
20 status, to your knowledge?

21 SENATOR DeFRANCISCO: Not that I
22 know of. Unless -- I don't know, under the
23 current policy, undocumented residents apparently
24 cannot be deported. So at this point in time, it
25 couldn't possibly have any negative affect.

1 SENATOR PERALTA: So if we have
2 five other states like California, Texas,
3 New Mexico, Washington, Minnesota, and if we're
4 not a state that punishes its children for the
5 actions of their parents --

6 ACTING PRESIDENT GRIFFO: Senator
7 Peralta, could you ask the question or speak on
8 the resolution? Because it seems that you're
9 mixing them together here.

10 SENATOR PERALTA: This is part of
11 the question.

12 ACTING PRESIDENT GRIFFO: Okay.

13 SENATOR PERALTA: So if we're not a
14 state that punishes its children for the actions
15 of their parents, and if undocumented individuals
16 have paid millions of dollars in taxes, and if
17 documented individuals don't lose any money by
18 the creation of this program, and if we agree
19 that we need to increase income eligibility for
20 those that are documented, and if a person can
21 get a better-paying job and thus pay more taxes
22 if they have a higher education, and if a
23 Republican governor not only supports the DREAM
24 Act in other states but fights its repeal, and if
25 these children can get great grades and be the

1 cream of the crop -- they're being courted by the
2 Harvards, the Yales, the Columbias, the
3 Princetons of the world -- then tell me why won't
4 this proposal include this DREAM Act under this
5 one-house bill?

6 And please don't tell me it's just
7 because of politics or because there was a poll
8 that's out there that says that it didn't poll
9 well.

10 SENATOR DeFRANCISCO: Would you
11 repeat the question?

12 (Laughter.)

13 SENATOR PERALTA: I can if you want
14 me to.

15 SENATOR DeFRANCISCO: I'm just
16 kidding. I gave my rationale before, and I don't
17 think it needs to be repeated. Some people
18 believe the way I do; you don't. The Majority
19 who put this piece of paper together believe that
20 it's not the policy that we should follow.

21 SENATOR PERALTA: Mr. President, on
22 the resolution.

23 ACTING PRESIDENT GRIFFO: Senator
24 Peralta on the resolution.

25 SENATOR PERALTA: Thank you.

1 I firmly and unequivocally believe
2 that the New York State Senate Majority has
3 turned its back on addressing the current
4 injustice in our state's Tuition Assistance
5 Program. They have failed to include the DREAM
6 Act in this year's budget.

7 Across its centuries of existence,
8 New York has been the promised land for
9 immigrants looking for a better life. We have
10 been a beacon of hope, a singular manifestation
11 of the American dream. We have also been a place
12 that is never afraid to innovate, to take
13 chances, to lead. We are not a place that
14 punishes the children for the acts of their
15 parents. We are a place that offers a chance to
16 succeed to anyone willing to work for it.

17 Now is the time to show we are
18 worthy of that mantle by including the DREAM Act
19 in our budget and passing it now. And not only
20 is passing the DREAM Act the right thing to do,
21 it is also a smart investment in New York's
22 economic future. For example, the average
23 college graduate pays nearly \$4,000 a year more
24 in state taxes, meaning the DREAM Act should
25 begin paying for itself just in a few short

1 years.

2 Not only does the average college
3 graduate make more money and pay more in taxes,
4 but by overcoming the long odds to put themselves
5 in the position to go to college, these Dreamers
6 have proven that their work ethic and
7 determination are second to none.

8 In addition, immigrants in general
9 are more than twice as likely to start a new
10 business than individuals born in this country.
11 Moreover, in 2011, in an interview with Right
12 Wing News, Texas Governor Rick Perry said that
13 Texas State's enacted DREAM Act has never had a
14 cost to Texas taxpayers. In fact, Texas
15 institutions of higher learning would actually
16 lose tens of millions of dollars in lost tuition
17 payments if the law were repealed.

18 Allow me to address some common
19 misconceptions. Let me be clear. This is not
20 the same as the federal DREAM Act. It will not
21 provide a pathway to citizenship. All it would
22 do is put the children of immigrants on the same
23 footing as other New York students when it comes
24 to accessing higher education.

25 Equal footing is a commonsense next

1 step, considering all 50 states have been
2 required to provide every child in this country
3 with a public K-12 education, regardless of
4 immigration status, since 1982, when the Supreme
5 Court issued its decision in the landmark case
6 Plyler v. Doe.

7 There is also another fundamental
8 but common misconception of the way New York's
9 Tuition Assistance Program works. The DREAM Act
10 would not mean one single fewer TAP slot for U.S.
11 citizens. TAP is an entitlement program, not
12 some first-come, first-served grant. Prospective
13 college students who meet the income eligibility,
14 residency and other requirements will receive TAP
15 funding no matter what.

16 The DREAM Act simply allows
17 undocumented high school graduates who meet those
18 same requirements as other students to access
19 TAP. We would be educating and empowering a new
20 generation of potential hardworking taxpayers and
21 job creators who have already demonstrated
22 themselves to be immensely self-sufficient and
23 capable. The more Dreamers we have, the more
24 opportunities we have to make a smart investment.

25 Moreover, the social benefits are

1 equally persuasive. Increased college access
2 among undocumented youth could likely reduce high
3 school dropout rates, increase college
4 enrollment, decrease crime rates, and minimize
5 reliance on public assistance programs.

6 In sum, enacting the DREAM Act will
7 not only provide hope and opportunity to
8 thousands of hardworking young New Yorkers, but
9 also create jobs, boost future tax revenue, and
10 give our state the kind of diverse educated
11 multi-talented workforce we all need to compete
12 in tomorrow's economy.

13 We can help New York remain a
14 destination of opportunity by expanding the TAP
15 program and extending assistance to undocumented
16 students. So I urge my colleagues to demand the
17 DREAM Act be part of our state budget. Because
18 as we all know, if we're all listening to polls,
19 segregation was popular in its time, but it
20 doesn't mean that it was right.

21 Thank you.

22 ACTING PRESIDENT GRIFFO: Senator
23 Latimer.

24 SENATOR LATIMER: Thank you,
25 Mr. President.

1 I have a couple of questions on the
2 education portion of the budget, if the
3 appropriate Senator will yield.

4 SENATOR DeFRANCISCO: Yes, I think
5 Senator Flanagan will be happy to yield.

6 ACTING PRESIDENT GRIFFO: Without
7 objection, the chair will recognize Senator
8 Flanagan.

9 Senator Flanagan, do you yield?

10 SENATOR FLANAGAN: Yes, I do.

11 ACTING PRESIDENT GRIFFO: Senator
12 Flanagan yields.

13 Senator Latimer.

14 SENATOR LATIMER: Thank you,
15 Senator.

16 My understanding of the document
17 that we have before us, the resolution, is a
18 summary of the Senate Majority's positions on a
19 variety of issues that will be used in the
20 negotiations to come with the Governor and the
21 Assembly.

22 Senator, in the area of Aid to
23 Localities, this document raises the Governor's
24 state aid from \$1.1 billion to \$1.9 billion. You
25 specify in the document elimination of the GEA,

1 which I agree with, and you specify a number of
2 other items.

3 There is no specification on the
4 amount of money for Foundation Aid. Is there a
5 target number that the Senate Majority has for
6 Foundation Aid as an addition over and above the
7 Governor' budget?

8 SENATOR FLANAGAN: Senator Latimer,
9 I would agree with you that the \$1.9 billion is a
10 fair figure. I'm gratified to know that you --
11 and we've talked about this before -- support our
12 continued effort to get rid of the GEA.

13 And I think in a very basic,
14 straightforward fashion, the GEA is about
15 \$1.036 billion. We fully fund expense-based
16 aids, which I believe would represent \$268
17 million, and then we basically have another
18 \$240 million on the table for general support for
19 public schools. And I believe we would use that
20 as part of our negotiations on a variety of
21 issues, including Foundation Aid.

22 But is there a specific hard number
23 in here on Foundation Aid? No.

24 SENATOR LATIMER: Will the Senator
25 continue to yield?

1 SENATOR FLANAGAN: Yes.

2 ACTING PRESIDENT GRIFFO: The
3 Senator yields.

4 SENATOR LATIMER: Thank you,
5 Mr. President. Thank you, Senator.

6 Senator, you've been a very strong
7 advocate for additional aid for Special Act
8 schools, 853s and 4201s. Is there any specific
9 allocation in the Senate Majority resolution that
10 would add above the Governor's targets additional
11 aid in these areas?

12 SENATOR FLANAGAN: In this
13 document, no.

14 But, Senator Latimer, you know of
15 the work that we've done on this in the past. I
16 believe the Senate Majority has demonstrated a
17 very strong commitment in this area. And I will
18 tell you that I am deeply hopeful that by
19 April 1st we can have a conversation that there
20 will be additional funding for all of these
21 schools.

22 SENATOR LATIMER: Will the Senator
23 continue to yield?

24 SENATOR FLANAGAN: Yes.

25 ACTING PRESIDENT GRIFFO: The

1 Senator yields.

2 SENATOR LATIMER: Thank you. Thank
3 you, Senator.

4 In this proposal, the Article VII
5 bills, S4010, there's a reference to the
6 Governor's Educational Opportunity Agenda. The
7 Senate majority identifies in the resolution that
8 you've modified a series of the Executive's
9 proposals. So very simply, I'd just like to go
10 through each of them in sequence.

11 The Senate majority modifies the
12 Executive proposal related to teachers' tenure.
13 Can you identify how it is modified in this
14 document?

15 SENATOR FLANAGAN: Senator Latimer,
16 I'm going to take a leap of faith and suggest
17 that perhaps I can save both of us a little bit
18 of time.

19 You know, in this document we
20 certainly -- in the bill copy, those
21 proposals are introduced in terms of bill copy.
22 In our resolution, there are certain things that
23 we speak to directly in terms of rejecting and
24 accepting and in terms of modification.

25 In the area of modification, I am

1 not trying to be elusive whatsoever, but these
2 are extraordinarily complicated technical issues
3 and we are not at a consensus yet. And I think
4 we -- you know, we have a different position
5 certainly than the Assembly. We are much closer
6 to the Governor in terms of what our advocacy is.

7 But the modification, I can't point
8 to you right now anything in this document, nor
9 could I speak to it with great clarity right now,
10 because we believe that's going to be an
11 incredibly important part of the budget
12 negotiations both with the Executive and the
13 Assembly.

14 SENATOR LATIMER: Mr. President,
15 will the Senator continue to yield?

16 SENATOR FLANAGAN: Yes.

17 ACTING PRESIDENT GRIFFO: The
18 Senator yields.

19 SENATOR LATIMER: Given that
20 response, Senator, I'll just identify the other
21 areas which represent areas for which specificity
22 would be very helpful. It has a lot to do with
23 those of us who look at a resolution like this
24 and are trying to find that which is good in it
25 that might lead us to support it and that in it

1 which we have trouble supporting without knowing
2 the specifics.

3 But those other areas, Senator --
4 and the question is would you look into these
5 areas as well -- would be the specificity on how
6 the Executive proposal might be modified for the
7 takeover and the restructuring of what is called
8 failed schools. The section that relates to the
9 Senate Majority's modification of the 3020a
10 hearings that relate to dismissal and suspension
11 of teachers and/or administrators, and most
12 importantly, the indication of the Senate
13 Majority's desire to modify the Executive
14 proposal for the APPR.

15 Each of those different areas,
16 Mr. President, are significant, substantial
17 areas. I have great respect for Senator
18 Flanagan. These are the nub of probably the most
19 controversial area of the budget. And I can
20 certainly say that those of us in the Democratic
21 Conference would like to be able to dialogue with
22 you on those things. And if that's not part of a
23 vote today, it should be part of the next couple
24 of weeks, whether we get into that room or don't
25 get into that room, because these will affect all

1 of our districts.

2 So, Senator, would you take those
3 matters into consideration as well?

4 SENATOR FLANAGAN: Yes. And I
5 would specifically comment relative to what you
6 just raised. There are a variety of issues, and,
7 Senator Latimer, I think you underscored the
8 gravity of the types of things that we are
9 discussing, not only here today but what we will
10 do prospectively.

11 We've had an opportunity to
12 conference on these issues. Have we achieved a
13 full consensus? No, because there's a lot of
14 moving parts. And you know, because you're a
15 student of this game, when you look at this
16 budget, there are an extraordinary number of
17 proposals, they are very aggressive, they are
18 very direct, and there's a lot of interrelation.

19 If you and I had a concise
20 discussion on 3020a, that would be relatively
21 simple. But when you combine that with
22 discussions about APPR, who's effective, who's
23 highly effective, what is a receiver, how do we
24 deal with issues like independent observation,
25 how do you define a failing school -- we've

1 already had a robust discussion, both internally
2 and externally, about issues like that.

3 Just because the Governor may say a
4 school is failing doesn't mean we would
5 necessarily agree. And yet we would agree
6 conceptually that dealing with struggling schools
7 is something that is paramount for every member
8 of this body. So in terms of our discussions
9 internally, I don't think it would really be any
10 different, in a general sense, than what is going
11 on in your own conference.

12 But I will say this. We are going
13 to have an opportunity, as you well know; by law,
14 and now by practice as well, we are going to have
15 budget conference committees. And we will be in
16 a public venue, and all the parties will be there
17 -- the Assembly Republicans, the Senate
18 Democrats, the Senate Republicans. And I believe
19 that would be an appropriate time for some of
20 these issues to be discussed in more detail.

21 SENATOR LATIMER: Thank you. Will
22 the Senator yield for an additional question? I
23 see the hook is coming very close to me, but --

24 SENATOR FLANAGAN: Yes.

25 ACTING PRESIDENT GRIFFO: The

1 Senator yields.

2 SENATOR LATIMER: Thank you.

3 Senator, on the issue of New York
4 City mayoral control, my understanding of the
5 resolution is that you see it as an important
6 enough issue to be dealt with outside of the
7 budget. I think you've spoken very articulately
8 about the need to take certain kinds of issues
9 and take them outside of the normal budget
10 process in order to have a fair and open debate.
11 I think members of our conference would like to
12 have a discussion about what mayoral control
13 would look like going through.

14 But yet we have other issues that
15 are embedded in the budget which the Majority
16 Coalition is prepared to move forward with, the
17 tax cap being one of them, which has a great
18 impact on schools. We have heard testimony
19 relative to what that might represent, if not in
20 terms of the total tax cap, applicability how it
21 applies to certain particular costs and so forth.

22 So is it conceivable that we would
23 have a discussion separate and outside of the
24 budget about the tax cap, as we did when it was
25 originally instituted four years ago?

1 SENATOR FLANAGAN: Senator Latimer,
2 it is not only conceivable, it is an absolute
3 certainty that that will occur, because all of
4 us, no matter what our geographic area, we have
5 people come into us all the time about the tax
6 cap. It's an ongoing issue. I expect that we
7 will have intense discussions not only the next
8 couple of weeks, but thereafter as well.

9 Now, let me -- I want to speak to
10 the issue of mayoral control. There is -- and
11 here is -- I don't know if it's like dichotomy,
12 but it represents some of the challenges that we
13 face. You have the mayor coming up advocating
14 for permanency in mayoral control. The Governor
15 at three years, the Assembly at seven years, and
16 to an extent, we're essentially agnostic. We
17 haven't advocated a position with particularity.

18 Now, balance that with the whole
19 concept of failing schools. So on the one hand
20 you have people coming up saying we should grant
21 mayoral control in a permanent capacity, and yet
22 if you look at what the Governor has proposed,
23 you could make a fair argument, if you accept all
24 of what he said, that on the one hand you give
25 permanency and then on the other hand you're

1 advancing legislation that would essentially take
2 the mayor out of that process. And that is
3 problematic just in terms of how do you figure
4 all that out.

5 Now, having said that, I'm just
6 speaking as one member and as chair of the Senate
7 Education Committee. Yesterday was the first
8 time at the end of the day that I had any
9 discussions with the mayor's office on mayoral
10 control. In my estimation, if you are
11 particularly -- if you are advocating for
12 permanency in that area, then you should make
13 yourself available to this body and not just at
14 the Local Government hearing, because mayoral
15 control is a significant enough issue that it
16 should be dealt with in a hearing capacity. We
17 have endeavored to set up a hearing, and I
18 believe that we should do that. And I believe
19 the mayor of the City of New York should be
20 present at that hearing. Because what we're
21 advocating and what people are talking about is
22 not chancellor control, it's mayoral control. So
23 I believe Chancellor Fariña should be there as
24 well as the mayor, at the appropriate time.

25 And let me be clear. I don't think

1 anyone has said that we should throw mayoral
2 control out the window. But it's a serious
3 enough issue, particularly in light of what the
4 Governor is advocating in addition to that, that
5 the timeliness of that, I think that's something
6 that we'll be looking at in a much more detailed
7 capacity once we resolve the budget.

8 SENATOR LATIMER: May I thank the
9 President and the Senator for their time. There
10 will be some other education-related comments
11 from some of my colleagues before the debate is
12 over.

13 Thank you, Mr. President. Thank
14 you, Senator.

15 ACTING PRESIDENT GRIFFO: Senator
16 Stavisky.

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

19 If somebody would yield to some
20 questions. Anybody? Any takers?

21 ACTING PRESIDENT GRIFFO: Senator
22 Stavisky, one second.

23 SENATOR STAVISKY: Maybe Senator
24 Krueger would like to answer some questions.

25 (Laughter.)

1 ACTING PRESIDENT GRIFFO: Senator
2 Stavisky, one second. Senator DeFrancisco, you
3 want to take these or do you want to yield to the
4 chair of Higher Education?

5 SENATOR DeFRANCISCO: Okay.

6 SENATOR STAVISKY: I was going to
7 ask Senator Krueger these questions, but --

8 SENATOR DeFRANCISCO: Go ahead. Go
9 ahead.

10 SENATOR STAVISKY: No, no, no --

11 (Laughter.)

12 ACTING PRESIDENT GRIFFO: Senator
13 Krueger yields.

14 (Laughter.)

15 SENATOR KRUEGER: Absolutely.

16 SENATOR STAVISKY: I would
17 appreciate Senator DeFrancisco answering a few
18 questions.

19 My first questions are on the Aid to
20 Localities part.

21 ACTING PRESIDENT GRIFFO: Senator
22 DeFrancisco yields.

23 SENATOR STAVISKY: My questions are
24 in no particular order.

25 However, in the budget the Governor

1 eliminates the legislative adds for the CUNY
2 budget. Particularly -- and the one that I'm
3 concerned about -- is ASAP, the program in the
4 community colleges which is really a national
5 model. It's been praised editorially, and it's
6 been praised by independent studies of the
7 success of the ASAP program. And yet the Senate
8 budget bill does not include ASAP money,
9 particularly \$1.7 million.

10 SENATOR DeFRANCISCO: Correct.

11 SENATOR STAVISKY: Can you --

12 SENATOR DeFRANCISCO: All I can say
13 is that there were adds in many, many different
14 areas. And there's only so many dollars to add.
15 And this was the consensus, not to add it in that
16 area.

17 SENATOR STAVISKY: In the same part
18 of the budget, the Senate rejected the
19 Masters-in-Education scholarship fund to provide
20 money for teachers. Can you explain why that was
21 not included in your budget?

22 SENATOR DeFRANCISCO: Once again,
23 to get under the 2 percent cap on spending, we
24 wanted to -- we couldn't put everything in there,
25 and this was just a consensus priority.

1 All these programs are wonderful,
2 but -- I'd like to buy each of my kids a new car.
3 Sometimes you don't have the money to do that.
4 Plus they're adults, and they should buy me one.

5 (Laughter.)

6 SENATOR STAVISKY: Will the Senator
7 continue to yield.

8 ACTING PRESIDENT GRIFFO: The
9 Senator yields.

10 SENATOR DeFRANCISCO: Oh, yes, I'm
11 sorry.

12 SENATOR STAVISKY: In the Article
13 VII part of the ELFA budget, the Governor
14 streamlines new educational programs at CUNY and
15 SUNY. And in the Senate version, this bill
16 applies only to the not-for-profit colleges but
17 not for SUNY and CUNY. Can you explain why?

18 SENATOR DeFRANCISCO: I thought it
19 had all of the schools in there for that.
20 But ...

21 SENATOR STAVISKY: I withdraw the
22 question, I'm sorry.

23 In Part H, the uniform prevention
24 response to sexual assault issues on college
25 campuses, the Governor and the Senate have taken

1 an affirmative consent approach. Can you explain
2 why this applies only to CUNY and SUNY and not to
3 the private colleges?

4 SENATOR DeFRANCISCO: Once again,
5 it does apply to all.

6 SENATOR STAVISKY: Okay, so it
7 applies to all.

8 Can you explain the different
9 policing situations on the college campuses --
10 you have different police forces with different
11 jurisdictions and different levels of experience
12 and training, different requirements to carry a
13 weapon and so on. How do you apply this uneven
14 system of justice to this very serious problem?

15 SENATOR DeFRANCISCO: I don't think
16 it's an uneven system of justice. What's been
17 the policing on college campuses is really up to
18 the private universities and up to SUNY. As far
19 as the public schools, SUNY and CUNY.

20 And what we're doing, if they can't
21 provide the protection to women that our rules
22 require, then I would assume they would have to
23 change the policing in some fashion in order to
24 comply with the rules. But it may be
25 different -- some carry guns, some don't carry

1 guns, and some have greater forces.

2 I think it's up to the boards of
3 each school to be able to comply. And if they
4 can't comply with their current forces, they've
5 got to adjust.

6 SENATOR STAVISKY: If the Senator
7 could continue to yield.

8 SENATOR DeFRANCISCO: Yes.

9 SENATOR STAVISKY: If a student has
10 a car on campus that is stolen, they report it to
11 the local police having jurisdiction in that
12 particular area. Why is your position not to
13 report it to the police but to report it to the
14 campus police?

15 SENATOR DeFRANCISCO: They can
16 report it either place. But it does call for the
17 local police to get involved as well, I thought.
18 Unless I misread it.

19 SENATOR STAVISKY: Because I am
20 troubled by that.

21 SENATOR DeFRANCISCO: No, I don't
22 read it that way at all. I think you report
23 it -- you can report it to the local police.
24 They should be involved.

25 SENATOR STAVISKY: Thank you. I

1 have just a couple more questions if the Senator
2 could continue to yield.

3 SENATOR DeFRANCISCO: Okay.

4 SENATOR STAVISKY: In the -- I never
5 pronounce this correctly -- experiential learning
6 that is in the Governor's Executive Budget and in
7 the Senate version, what would this include?
8 This is for students to graduate from CUNY and
9 SUNY.

10 SENATOR DeFRANCISCO: I have no
11 idea. I'm sure we've all gotten an education by
12 experiencing the Senate, and I'm sure there's all
13 kinds of experiential education, I guess it would
14 be more hands-on education, where you're actually
15 experiencing the -- see, now I've talked long
16 enough, they found it.

17 (Laughter.)

18 SENATOR DeFRANCISCO: They're
19 experiencing learning by experience. Increased
20 activities include study abroad, community
21 services or an original research project,
22 publication of an original literary work, student
23 government or a leadership program. So those are
24 the ones that --

25 SENATOR STAVISKY: Would a paying

1 job be included in this definition? If the
2 student worked, in other words.

3 SENATOR DeFRANCISCO: Yes.

4 SENATOR STAVISKY: And one last
5 question on that particular issue. Would this
6 require SUNY and CUNY to develop new programs to
7 meet this requirement?

8 SENATOR DEFRANCISCO: Could new
9 programs be developed to meet this requirement?

10 SENATOR STAVISKY: Does this
11 require --

12 SENATOR DeFRANCISCO: No.

13 SENATOR STAVISKY: -- CUNY and SUNY
14 to establish new programs --

15 SENATOR DeFRANCISCO: No.

16 SENATOR STAVISKY: -- at obviously
17 additional cost?

18 SENATOR DeFRANCISCO: No.

19 SENATOR STAVISKY: No. If the
20 Senator would continue to yield.

21 ACTING PRESIDENT GRIFFO: The
22 Senator yields.

23 SENATOR DeFRANCISCO: Yes.

24 SENATOR STAVISKY: In the state
25 operations part of the budget, there's an

1 appropriation of \$18.37 million for CUNY SEEK,
2 and that is a decrease of \$1.2 million from
3 previous years. Can you explain why the SEEK
4 program, such an important part of CUNY, has been
5 reduced?

6 SENATOR DeFRANCISCO: The Governor
7 cut it. You're correct, we did not restore it.
8 And once again, it's an issue of priorities and
9 available money. And that was the consensus.

10 SENATOR STAVISKY: In that same
11 part of the budget, the Governor cut the ATTAIN
12 program by almost a million dollars for SUNY, and
13 this money was not restored.

14 SENATOR DeFRANCISCO: Same answer.

15 SENATOR STAVISKY: Same answer?

16 Thank you very much.

17 Very quickly, let me just add I'm
18 not asking questions about the DREAM Act because
19 Senator Peralta did such a good job. But I must
20 express my concern also for inclusion of the
21 DREAM Act in the budget.

22 Thank you very much.

23 ACTING PRESIDENT GRIFFO: Senator
24 Hoylman.

25 SENATOR HOYLMAN: Thank you,

1 Mr. President.

2 Would the appropriate sponsor yield
3 for some questions?

4 ACTING PRESIDENT GRIFFO: Senator
5 DeFrancisco will yield. Go ahead with your
6 questioning.

7 SENATOR HOYLMAN: Thank you,
8 Mr. President. Through you.

9 I had a few questions about the
10 sponsor's positions on RGGI. That's not Reggie
11 Terry, the Syracuse linebacker, just for the
12 record, but it's the Regional Greenhouse Gas
13 Initiative. Is the sponsor familiar with RGGI?

14 SENATOR DeFRANCISCO: I know what
15 RGGI is and I know what it does. I don't know
16 what issue you're going to ask about.

17 SENATOR HOYLMAN: Well, I am
18 interested to know, Mr. President, why the
19 Majority Coalition proposes to sweep \$36 million
20 of the funds from the Regional Greenhouse Gas
21 Initiative and move them instead to the
22 Environmental Protection Fund.

23 Does the sponsor -- could the
24 sponsor describe what RGGI actually does, for the
25 record?

1 SENATOR DeFRANCISCO: Well, let me
2 answer the questions you're going to get at
3 first.

4 The question is, Do we get rid of
5 that funding? No. We put it on budget in order
6 for us to have -- the Legislature to have more
7 control over how that funding is used, rather
8 than it being solely in the discretion of the
9 administration, who could use it for whatever
10 projects they wanted to use it for.

11 SENATOR HOYLMAN: Would the sponsor
12 continue to yield?

13 SENATOR DeFRANCISCO: And we tried
14 to do that with getting rid of some of the pots
15 as well. It's the same concept.

16 Yes.

17 ACTING PRESIDENT GRIFFO: The
18 sponsor yields.

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

21 In fact, the Executive proposed
22 \$36 million moved from RGGI to the Environmental
23 Protection Fund. The Majority Coalition is
24 proposing even a greater sweep of \$64 million.
25 Now, why -- what are the RGGI funds being used

1 for, Mr. President? Could the sponsor please
2 answer that question, what are RGGI funds being
3 currently used for?

4 SENATOR DeFRANCISCO: I'm not
5 sure --

6 SENATOR HOYLMAN: Mr. President, if
7 the sponsor would continue to yield.

8 ACTING PRESIDENT GRIFFO: The
9 sponsor is yielding and going to ask --

10 SENATOR HOYLMAN: My question is
11 could the sponsor tell the chamber what RGGI
12 funds are currently used for.

13 SENATOR DeFRANCISCO: Currently
14 used for. They're currently used to make the
15 environment better.

16 But the problem is with the future
17 use of that money, we don't know what it's going
18 to be used for. So we want to be in a position
19 to get some kind of standards as to what it is
20 used for, rather than at the discretion of one
21 person.

22 SENATOR HOYLMAN: Would the sponsor
23 continue to yield?

24 SENATOR DeFRANCISCO: Yes.

25 ACTING PRESIDENT GRIFFO: The

1 sponsor yields.

2 SENATOR HOYLMAN: Why are we moving
3 funds from RGGI to another environmental fund,
4 the Environmental Protection Fund?

5 SENATOR DeFRANCISCO: Well, we have
6 to appropriate funds to be used for specific
7 things. And if it's on budget, we can have more
8 control of those funds and make sure it's being
9 used for what it's supposed to be used for. If
10 it's not transferred as we're doing, we're in a
11 better position to appropriate money for
12 appropriate uses.

13 SENATOR HOYLMAN: Would the sponsor
14 continue to yield, Mr. President?

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR DeFRANCISCO: Yes.

18 SENATOR HOYLMAN: Is the sponsor
19 concerned that by sweeping \$64 million out of one
20 environmental fund and moving them to another
21 that we are in fact violating, possibly, the
22 terms of the RGGI compact between the states
23 Connecticut, Delaware, Maine, Maryland,
24 Massachusetts, New Hampshire, Rhode Island and
25 Vermont?

1 All of these states have joined
2 together to reduce greenhouse gas emissions and
3 spur innovation and investment in clean energy.
4 By removing funds to the tune of \$64 million, we
5 may be violating the terms of that compact. Is
6 the sponsor concerned?

7 SENATOR DeFRANCISCO: No. Because
8 we're not.

9 SENATOR HOYLMAN: Mr. President,
10 would the sponsor continue to yield?

11 SENATOR DeFRANCISCO: Yes.

12 ACTING PRESIDENT GRIFFO: The
13 sponsor yields.

14 SENATOR HOYLMAN: Does the sponsor
15 support the goals of the Regional Greenhouse Gas
16 Initiative?

17 SENATOR DeFRANCISCO: I'm not so
18 sure it's relevant, but I do.

19 SENATOR HOYLMAN: Mr. President, if
20 the sponsor would continue to yield.

21 ACTING PRESIDENT GRIFFO: The
22 sponsor yields.

23 SENATOR HOYLMAN: I would say it's
24 extremely relevant, Mr. President, because we are
25 effectively robbing Peter to pay Paul, or Mother

1 Nature to pay the Jolly Green Giant or however
2 you want to say it --

3 ACTING PRESIDENT GRIFFO: Senator
4 Hoylman, are you on the resolution now or are you
5 still asking questions?

6 SENATOR HOYLMAN: I am asking
7 questions.

8 ACTING PRESIDENT GRIFFO: Okay.
9 Pose a question, please.

10 SENATOR HOYLMAN: And in doing so,
11 we're dropping off \$15 million into the General
12 Fund.

13 Could the sponsor please explain
14 what is the justification for the sweep increase?

15 SENATOR DeFRANCISCO: Well, it's
16 not being brought into the General Fund, it's
17 brought into a specific pot of money for the
18 environment.

19 And as far as the previous question,
20 the states that you mentioned use these RGGI
21 funds for business energy efficiency, residential
22 energy efficiency, solar incentive program,
23 et cetera, et cetera. And we use it for those
24 same purposes.

25 SENATOR HOYLMAN: Would the sponsor

1 continue to yield?

2 ACTING PRESIDENT GRIFFO: The
3 sponsor yields.

4 SENATOR DeFRANCISCO: Yes.

5 SENATOR HOYLMAN: Why doesn't the
6 Majority support a bill to put the entire RGGI
7 fund on budget so, as the sponsor suggests, this
8 body can have control over it? Senator Gianaris,
9 I understand, carried such a bill.

10 SENATOR DeFRANCISCO: Yes, we
11 would, for the same reasons part of it was
12 transferred.

13 SENATOR HOYLMAN: Would the sponsor
14 continue to yield?

15 ACTING PRESIDENT GRIFFO: The
16 sponsor yields.

17 SENATOR HOYLMAN: Moving to another
18 topic also in the Article VII -- this is TED
19 Part KK -- could the sponsor explain why the
20 Majority Coalition proposes yet another delay in
21 the full implementation of the 2006 Diesel
22 Emissions Reduction Act? We're not in any kind
23 of fiscal crisis, and the Executive didn't
24 propose it.

25 SENATOR DeFRANCISCO: Well, it's an

1 unfunded mandate on local governments, which none
2 of us like.

3 SENATOR HOYLMAN: So would the
4 sponsor continue to yield?

5 ACTING PRESIDENT GRIFFO: The
6 sponsor yields.

7 SENATOR HOYLMAN: The sponsor,
8 Mr. President, seems to be unconcerned that the
9 state is in violation of federal law, which seems
10 to be apparent by a willingness to address this
11 issue and omit the Executive's proposal to
12 increase air and water operating permit fees, as
13 required by the EPA.

14 We should be making every stride to
15 be compliant with the Diesel Emissions Reduction
16 Act. Is there any -- there's no concern on the
17 sponsor's part that the state-imposed deadline is
18 lapsing?

19 SENATOR DeFRANCISCO: You know,
20 there's several ways to get compliance. And it
21 seems to me, at least the position of the
22 Majority here, is that it makes more sense, as
23 new vehicles are purchased, that -- we're having
24 an accident, a near-accident here. I've got to
25 give her my card.

1 (Laughter.)

2 SENATOR DeFRANCISCO: No.

3 As vehicles go out of service and
4 they're replaced, then the standards, the new
5 standards will be complied with. Rather than
6 requiring full fleets to be purchased when
7 there's still useful life in some.

8 So over time, it's going to be all
9 taken care of, rather than spending a lot of
10 money, especially local governments, on vehicles
11 that are still usable.

12 SENATOR HOYLMAN: Would the sponsor
13 continue to yield, Mr. President?

14 ACTING PRESIDENT GRIFFO: The
15 sponsor yields.

16 SENATOR HOYLMAN: Thank you.

17 Is there an appropriation in the
18 Majority Coalition proposal that would help state
19 agencies and their contractors purchase air
20 filters to reduce emissions from heavy-duty
21 diesel vehicles?

22 SENATOR DeFRANCISCO: No. No.

23 SENATOR HOYLMAN: Would the sponsor
24 continue to yield?

25 ACTING PRESIDENT GRIFFO: The

1 sponsor yields.

2 SENATOR DeFRANCISCO: Yes.

3 SENATOR HOYLMAN: According to the
4 Comptroller, we spent about \$532 million in the
5 last year to treat Medicaid recipients with
6 asthma.

7 The rates of asthma for this
8 population are not, as you might believe, the
9 highest in New York City. In fact, Senator
10 Amedore's district is number-one for asthma
11 prevalence among Medicaid recipients. Only the
12 Bronx -- the Bronx is only in the top ten. All
13 the rest are found upstate.

14 So how does -- through you,
15 Mr. President, how does the diesel delay help the
16 families of New York dealing with asthma lower
17 their healthcare costs? How does it make their
18 future better?

19 SENATOR DeFRANCISCO: Well, number
20 one, I don't think there's a direct proof that
21 everybody who has asthma got it because they were
22 near a diesel truck. That's number one. So I
23 don't think the cause and effect is really that
24 direct.

25 And secondly, once again, you try to

1 make the environment better and better and
2 better, and it just seems impractical to change
3 whole fleets at once rather than have the
4 requirements kick in as new vehicles are
5 purchased.

6 SENATOR HOYLMAN: On the bill,
7 Mr. President.

8 ACTING PRESIDENT GRIFFO: On the
9 resolution, Senator Hoylman.

10 SENATOR HOYLMAN: Mr. President,
11 the Environmental Protection Fund enjoys broad
12 public support. Every dollar that we invest in
13 it, we get \$7 back.

14 And the Senate Democratic
15 Conference, I'm happy to say, supports a fully
16 funded EPF. This year it should be \$200 million.
17 A fully funded EPF shouldn't come at the expense
18 of other environmental or clean energy programs.
19 A raid of RGGI for EPF is really a classic
20 rob-Peter-to-pay-Paul. And that's not the way to
21 fund the EPF.

22 RGGI has funded more than 2500 clean
23 energy and energy efficient projects all across
24 all of our districts. And let's face it, this is
25 really about combating climate change. And I

1 don't think there are any climate-change deniers
2 in this chamber. I hope not. But based on this
3 resolution, Mr. President, I question that
4 assertion.

5 After Sandy hit -- \$20 billion in
6 damage, 43 deaths -- I think we all know the
7 power of extreme weather events. And experts are
8 saying stay tuned, words that should send a
9 collective chill down all of our spines. Mike
10 Bloomberg himself commissioned a report on
11 climate change, and he's not an overly emotional
12 or dramatic individual, I think we know. And the
13 scenarios he identified, the big three, are truly
14 frightening.

15 Heat waves. In the past, we had
16 18 days a year with temperatures at 90 degrees or
17 more. In the future, and we're just talking
18 about five years from now, we're going to have
19 26 to 31 days at 90 degrees or more.

20 Number two, intense precipitation.
21 Instead of an average two days per year with
22 rainfall exceeding 2 inches, in just five years
23 we can expect five days of over 2 inches of
24 rainfall.

25 And then finally, coastal flooding,

1 which is going to have a huge impact on many of
2 our districts. By 2020 the chances of a
3 hundred-year flood at the Battery in downtown
4 Manhattan will almost double, and by 2050 the
5 chances will increase fivefold.

6 Mr. President, I'm opposing this
7 resolution because I believe that we should be
8 supporting RGGI with every public dollar at our
9 disposal rather than robbing one environmental
10 fund to pay for another.

11 Thank you.

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

14 Senator Gianaris.

15 SENATOR GIANARIS: Thank you,
16 Mr. President.

17 I just want to take a moment to
18 remind my colleagues who are still to speak or
19 ask questions on this bill that we are on a
20 limited time frame because my understanding is
21 the conference committees are scheduled to begin
22 later this afternoon now, and we have several
23 more to speak.

24 So if they could just keep that in
25 mind and be as concise as possible in their

1 comments, that would be appreciated.

2 ACTING PRESIDENT GRIFFO: Thank
3 you, Senator Gianaris.

4 Senator Hamilton.

5 SENATOR HAMILTON: Yes, thank you,
6 Mr. President.

7 My question is for health and
8 hospitals. As you know, Kings County is the most
9 populous county in New York State, and my
10 district represents Kingsborough Jewish Medical
11 Center, Kings County Hospital, Brookdale
12 Hospital, Lutheran Hospital, Methodist Hospital,
13 Downstate Medical Center -- which includes the
14 only teaching medical center in Brooklyn, which
15 graduates more doctors of color than anywhere
16 else in the state.

17 The question is to the resolution as
18 far as I'm trying to ask the question that the
19 Governor allocated \$700 million for capital
20 improvements in the Borough of Brooklyn, and the
21 Senate resolution deviates from that, and I'd
22 like to know why.

23 ACTING PRESIDENT GRIFFO: Senator
24 Hannon, do you yield?

25 Senator Hannon yields.

1 SENATOR HANNON: The change is to
2 benefit not only Brooklyn but the entire state.
3 We thought that just detailing that there be
4 money for a hospital in Brooklyn failed to
5 address the situation of healthcare in Brooklyn,
6 which I think is we have some parts where there
7 is an isolation of care -- in other words, only
8 one hospital for a vast amount of people -- and
9 other places where there are hospitals crowded
10 together.

11 There are hospitals in bankruptcy,
12 there are hospitals on the verge of bankruptcy.
13 There needs to be an acceptable plan so that you
14 don't have something ad hoc, so you have
15 something that looks ahead down the road, what
16 are we going to do in Year 1, Year 2, Year 3.

17 And what we've tried to provide is a
18 process so that this will be opened up, this will
19 be available for all members of the community and
20 all members of this Legislature to opine on it
21 and to set priorities and to take a look at what
22 changes are going on.

23 You know, there is a vast waiver
24 that's taking place in this state that's going to
25 turn all healthcare inside out and upside down.

1 And the very interesting proposition the waiver
2 has, the proposition that this government has
3 agreed with the federal government, is that when
4 we take that \$8 billion, we will decrease
5 hospital admissions in this state by 25 percent.

6 Now, I didn't sign that. This
7 administration signed that. So you can imagine,
8 if that's started, what impact that will have.
9 Think of the impact that Brooklyn already went
10 through when it went through the discussions of
11 whether Long Island College Hospital should stay
12 open or not, or should it be diminished or not.

13 So the need is for a process that's
14 open and available. And that's why we made the
15 changes. And we actually put minimum guarantees
16 for what will be construction money available for
17 New York City.

18 SENATOR HAMILTON: Will the sponsor
19 yield to a question?

20 SENATOR HANNON: Yes, sir.

21 ACTING PRESIDENT GRIFFO: The
22 sponsor yields.

23 SENATOR HAMILTON: Let me ask the
24 question again. The Governor allocated
25 \$700 million for capital improvements in Kings

1 County. How much, under the Senate resolution,
2 will be allocated towards Kings County?

3 SENATOR HANNON: It could be
4 available, all of that could be available. And
5 frankly I think more should be available. And we
6 went along with the Governor's private equity
7 proposal because we don't believe the sum total
8 of construction money that's been made available
9 through the budget or any other way that we could
10 do it, such as the Dormitory Authority, is
11 sufficient for the needs of the state, both in
12 terms of bricks and mortar and in terms of
13 computer -- electronic medical records.

14 SENATOR HAMILTON: Will the sponsor
15 yield to a question, please?

16 SENATOR HANNON: Yes.

17 ACTING PRESIDENT GRIFFO: The
18 sponsor yields.

19 SENATOR HAMILTON: In the Senate
20 resolution you allocate \$1 billion to New York
21 City --

22 SENATOR HANNON: As a minimum.

23 SENATOR HAMILTON: -- as a minimum,
24 and \$400 million to Oneeda {sic} County. What's
25 the population of Oneeda County?

1 SENATOR HANNON: Of which county?

2 SENATOR HAMILTON: Oneeda? Oneida,
3 sorry, Mr. President. Oneida County.

4 (Laughter.)

5 SENATOR HANNON: I might just
6 appeal for information to the chair, who
7 represents Oneida County.

8 ACTING PRESIDENT GRIFFO: The chair
9 is not allowed to engage in such discussion --

10 (Laughter.)

11 ACTING PRESIDENT GRIFFO: -- in
12 order to obey the rules of the house. So I would
13 just continue with a direct question --

14 SENATOR HANNON: Senator, let me --
15 I don't know the specifics. But here's the
16 point. It's not just the minimum to Oneida, it's
17 to the other upstate counties, all of whom feel
18 that there needs to be some addressing of their
19 needs. And that's another reason for having an
20 open process.

21 SENATOR HAMILTON: Will the sponsor
22 yield to a question?

23 ACTING PRESIDENT GRIFFO: The
24 sponsor yields.

25 SENATOR HAMILTON: You are correct,

1 Senator, there's \$400 million for upstate rural
2 counties and \$300 million for Oneida County --
3 excuse me, Oneida County.

4 ACTING PRESIDENT GRIFFO: Oneida.

5 SENATOR HAMILTON: Oneida County,
6 excuse me. I apologize, Mr. President.

7 But when you compare Oneida County's
8 population to that of New York City, New York
9 City has 30 times the population of Oneida
10 County. And Brooklyn alone is 10 times the
11 population of Oneida County. So I'm just trying
12 to get clarification why would -- no disrespect
13 to you, Mr. Chair -- Oneida County get
14 \$300 million and New York City get only a
15 billion. And Brooklyn, we still haven't defined
16 what Brooklyn would get, which is 10 times the
17 size of Oneida County.

18 SENATOR HANNON: Well, it's a good
19 question. It's a good question why the Executive
20 is the one who proposed it. It was a good
21 question that the Finance Committee chair posed
22 to the Medicaid director during the course of the
23 budget hearing. And it was their choice.

24 It was our choice that we said we
25 want to put all this money together in a unified

1 system, in a unified pool, meet goals that are
2 attainable, and make sure that we do this in a
3 way that when we're finished with these monies,
4 that we can look back and say that was money
5 wisely spent.

6 SENATOR HAMILTON: Thank you,
7 Senator Hannon.

8 Thank you, Mr. President.

9 ACTING PRESIDENT GRIFFO: Thank
10 you, Senator Hamilton.

11 Senator Hassell-Thompson.

12 SENATOR HASSELL-THOMPSON: Thank
13 you, Mr. President.

14 I would just like to make some
15 comments on the budget resolution, starting
16 with --

17 ACTING PRESIDENT GRIFFO: Senator
18 Hassell-Thompson on the resolution.

19 SENATOR HASSELL-THOMPSON: Thank
20 you.

21 Starting with Article VII proposal
22 Part R. The Senate Majority advances language
23 citing that the presumption of the possession of
24 50 or more individual packets of heroin and/or
25 the amount of heroin with an aggregate value of

1 at least \$300 is possession with intent to sell,
2 making this a B felony.

3 Currently when we speak of what
4 makes a drug charge a felony or a misdemeanor, we
5 usually look at the Penal Law, where historically
6 the Legislature has made this distinction based
7 on weight. The Penal Law spells out the kinds of
8 drugs and the weight necessary to make possession
9 a felony.

10 This budget resolution proposal
11 changes this time-tested standard from weight to
12 packaging and the presumed value of the drugs
13 possessed.

14 I reject this proposal because the
15 value of street drugs changes from street to
16 street, city to suburb, making the concept that
17 you're proposing subjective.

18 Using the number of packets,
19 although valuable at first glance, fails to
20 objectively tell us who is really selling and who
21 is really using, thus making a misdemeanor
22 conduct a felony.

23 And while I appreciate the
24 well-intended need to respond to the high rise in
25 heroin use and overdoses, this knee-jerk response

1 is inconsistent with the well-thought-out public
2 policy that we have established and enacted under
3 Rockefeller Drug Law.

4 The other piece I would like to
5 comment on, so that I don't have to jump up and
6 down ten times, is to comment on the rejection of
7 Part J, Raising the Age.

8 Let me say, Mr. President, for the
9 benefit of those of you who have deep concerns --
10 and I saw the language of your Article VII that
11 says that there's concern about the specifics and
12 the detail of the proposal -- and say that it
13 would be irresponsible of me not to have some of
14 the same concerns that you have.

15 Except your failure to enact some
16 opportunity for research and study and for
17 preparation for this plan, by rejecting all
18 phases throughout this budget -- as I looked
19 through, and it was like doing a jigsaw, trying
20 to find all the different pieces under all the
21 different agencies, but I think I was quite
22 successful in being able to find all of your
23 rejections. And all of them are not consistent
24 with how we usually get to the heart of a
25 problem.

1 Particularly because if we need the
2 opportunity to study a program, we at least
3 usually put in planning and study money. And
4 under study, you've rejected the Executive's
5 plan. Under capital improvement, you've rejected
6 the Executive's plan. Under all of the reforms,
7 you have rejected the Executive's plan.

8 And so I'm not sure how you think
9 that in a vacuum we can ever get to resolve some
10 of the concerns that you have about how we get to
11 Raise the Age.

12 Let me explain something with Raise
13 the Age to you, as I've had to do to my own
14 conference. And that is as someone who's come
15 from the field of early childhood education, was
16 a pediatric nurse and also worked for 25 years in
17 the substance abusing community, that all of
18 these are factors that speak to the concerns of
19 Raise the Age.

20 There seems to be a belief somewhere
21 that Raise the Age will do away with penalties or
22 responsibility that we hold our young people for
23 their behavior. That's far from the truth. What
24 is true, however, is that there is empirical data
25 that is available that tells us clearly that our

1 children have several developmental stages of
2 their lives. Their first developmental stage is
3 zero to 5. The next big developmental stage is
4 between 13 and 18. And that final true
5 developing stage is between 20 and 25, before
6 they are physiologically and emotionally
7 developed as adults.

8 And while at no phase do we not
9 proclaim to hold children responsible for their
10 behavior, how you deal with that behavior varies
11 from stage to stage.

12 We have in this chamber put heavy
13 penalties on people who slap children between
14 zero to 5, and yet that used to be the
15 methodology that was used and employed until we
16 learned better.

17 Part of what we're trying to help
18 you discover is that between the ages of 13 and
19 25, we shouldn't be slapping kids either. And we
20 should not be incarcerating them into the general
21 population. Because everything in the studies
22 show that not only are their bodies and their
23 emotions totally abused, but it makes them worse,
24 not better. And so their chances for having a
25 successful life is totally diminished just by

1 virtue of the fact that they are incarcerated
2 under these conditions.

3 What Raise the Age does -- and
4 granted, this is a conceptual concept based upon
5 study -- what Raise the Age does is take each age
6 group, and it does not change the fact that the
7 law is the law and that children should be held
8 responsible for their behavior. But the need for
9 them to have supportive services and treatment
10 at different phases is what is missing from what
11 we currently do in terms of incarceration of this
12 population.

13 So my suggestion to you in a very
14 contextual way is that this budget needs to
15 restore at least the planning and development
16 money. We need to continue to explore those
17 facilities that are available. There's certainly
18 a lot of questions about what agency ought to be
19 the lead agency. But the important thing is that
20 every agency who has any contact at all with this
21 population should be at the table as a part of
22 this planning. And that would include not only
23 OCFS, OCA, but Mental Health as well as the
24 facilities management of this state. Every
25 agency has a stake. And so when they all come to

1 the table and are properly represented, we will
2 come up with the best plan possible.

3 But one of the things that New York
4 tries to do too often is it tries to reinvent the
5 wheel. And the wheel is the wheel, and no matter
6 how we reinvent it, it's still going to go
7 around. And there are states like our
8 neighboring state, Connecticut, that is already
9 doing this and has been doing it long enough to
10 be able to help us look at a structure that
11 exists, look at the agencies that have come
12 together to the table to help us to decide how
13 best to formulate.

14 But to throw out the baby with the
15 bathwater, pardon my pun, is irresponsible on our
16 part, particularly when the numbers of young
17 people who are being devastated every day by
18 going to Rikers Island even as they wait for
19 trial, makes the worst type of headlines for the
20 State of New York.

21 If we are going to be the Empire
22 State, we really need to lead better. And we
23 don't lead by sticking our heads in the sand and
24 saying, well, that's not a problem that we need
25 to deal with.

1 The last thing that I'd like to make
2 a comment on, Mr. President, is the attempt again
3 to do away with the Family Reunion Program that
4 we have in our prison. And one of my colleagues
5 is always very fond of saying it's for conjugal
6 rights. Well, I don't know what goes on, and he
7 shouldn't either, because it's supposed to be
8 private between the parties that have these
9 rights.

10 But I am suggesting to you that
11 because we continue to try to keep families
12 together even after they go to prison, by
13 removing these programs it limits the ability for
14 the connection between families' children to be
15 able to remain intact.

16 So I think that we have rejected
17 this proposal in the past, and I think that we
18 need to reject it again. Because we know that it
19 works, we know that it is an incentive for people
20 who are in prison. And there are so many
21 restrictions, when I look at who's eligible --
22 there must be, out of the thousands of people who
23 are in prison, there must be less than 1 percent
24 who are eligible.

25 So to deny that 1 percent the

1 opportunity seems to be somewhat irresponsible on
2 our parts.

3 Thank you, Mr. Chairman.

4 ACTING PRESIDENT GRIFFO: Senator
5 Espaillat.

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

8 In the interests of time, I will
9 speak on the resolution.

10 ACTING PRESIDENT GRIFFO: Senator
11 Espaillat on the resolution.

12 SENATOR ESPAILLAT: Mr. President,
13 we all know, many of us here in the Capitol have
14 touted and expressed a great deal of success and
15 accomplishment at having a \$5 billion surplus in
16 the budget. That money has come to us not
17 because we have implemented an austerity plan
18 within our budgeting process, nor have we cut
19 spending dramatically or even tried to capture
20 additional revenues by increasing taxes or doing
21 all types of revenue-creating measures.

22 It has come as a result,
23 Mr. President, of litigation. Litigation between
24 the New York State Attorney General's office and
25 some of the banking institutions that engaged in

1 very risky business, leading to a foreclosure
2 crisis that shook this state, perhaps even the
3 country.

4 As a result, we have a \$5 billion
5 surplus in the budget. And I am dismayed that
6 very little of this surplus money is being spent
7 or proposed for what I think should be its
8 intended course, which is to aid those folks that
9 have been victimized with the foreclosure crisis
10 or to create new housing possibilities for
11 New Yorkers.

12 Now New York City, as the mayor has
13 expressed continuously, faces a major affordable
14 housing crisis, one that could perhaps lead to a
15 a serious crisis in the future that may see the
16 exodus of hundreds and thousands of New Yorkers
17 to other parts of the country or the state.

18 And yet with the \$5 billion surplus
19 that we acquired through litigation between the
20 New York State Attorney General's office and
21 JPMorgan Chase, we see very little spending for
22 this purpose. In fact, the Governor's budget
23 allocates the \$25 million for NYCHA, the New York
24 City Housing Authority. Now, the New York City
25 Housing Authority is the largest public housing

1 authority in North America. It has 178,000
2 dwelling units in 334 developments, housing over
3 400,000 people. About 80 percent of those are
4 people with low household incomes of less than
5 \$42,000 per year. More than 25 percent of them
6 are seniors, 65 years of age or older. And about
7 250,000 families still are on the waiting list
8 for NYCHA.

9 NYCHA currently has a \$77 million
10 deficit in its operating budget and a
11 \$16.5 billion deficit in its capital budget. And
12 yet very little money has been allocated. The
13 Governor's proposed budget allocates \$25 million.
14 This house's budget proposes zero.

15 The Senate Minority's memo sent to
16 the Majority proposes a \$400 million allocation.
17 Now, the City of New York is willing to match
18 that by \$300 million, giving NYCHA potentially
19 \$700 million from which they can begin to address
20 some of their very needed repairs. Some of them
21 are very critical -- roof work, pointing, fixing
22 the envelope of the building that leads to very
23 adverse conditions within the apartments, mold,
24 in many cases leaky roofs, chipping paint.

25 So even though we capture \$5 billion

1 through the litigation between the New York State
2 Attorney General's office and JPMorgan Chase,
3 we're investing almost nothing in the housing
4 arena.

5 Now, another area is affordable
6 housing. The mayor has said that we must create
7 affordable housing in New York City. And yet
8 only \$160 million have been allocated in the
9 Governor's budget and in this chamber's budget
10 for the creation of 5,000 new units.

11 Now, our proposal, the Senate
12 Democrats' proposal, calls for \$500 million to
13 reach the creation of 30,000 units of affordable
14 housing in New York State.

15 The Tenant Protection Unit, a unit
16 within the state's housing agency which protects
17 tenants who are often victimized by unscrupulous
18 landlords, originally \$8 million was allocated to
19 that agency, hopefully for that use. This budget
20 here has zero dollars. And we, the Senate
21 Democrats, propose a \$15 million increase,
22 \$5 million of which will go to the Tenant
23 Protection Unit and \$10 million of which will go
24 to the Office of Rent Administration Unit within
25 HCR.

1 Civil legal services. Folks that go
2 to court every year, to landlord-tenant court
3 with their hands tied behind their backs because
4 they don't have an attorney, facing a
5 well-financed and highly expensive legal services
6 on behalf of the landlords, civil legal services
7 is a very important initiative that should also
8 be included. And again, zero dollars in the
9 Governor's budget, and this chamber proposes a
10 \$1 million pilot project only for the Borough of
11 the Bronx.

12 So again, our conference proposes
13 \$100 million to address the thousands and
14 thousands of tenants that go to court without an
15 attorney.

16 So again, we have this \$5 billion
17 surplus of settlement money, and very little is
18 allocated for housing purposes. I think that's a
19 travesty. I know there is a need for roads and
20 bridges across the state. I know there is a need
21 to improve the infrastructure of our state. But
22 that money was captured because we faced a
23 housing crisis and the Attorney General went to
24 the court and demanded from the banking
25 institutions that engaged in very risky business,

1 putting in many cases families' whole savings,
2 life savings in danger, he requested from them
3 some type of compensation for the people that
4 were hurt.

5 This budget does not reflect that.
6 The money is being used somewhere else. I'm not
7 saying that it is not meritorious to build new
8 bridges and fix roads, I'm saying that we
9 captured this money because there was a housing
10 crisis and a good percentage of this money should
11 be invested in that particular area.

12 Let me go, Mr. President, now to the
13 DREAM Act. I won't extend myself because my
14 colleague Senator Peralta was very eloquent in
15 presenting his views, which I share, on the
16 exclusion of the DREAM Act in this house's
17 budget.

18 Now, the Governor connected the
19 DREAM Act to the tuition tax credit. The
20 majority in this house wants the tuition tax
21 credit; the majority in the Assembly wants the
22 DREAM Act. We must reach a consensus. Because
23 at the end of the day, the children are the ones
24 that are being hurt -- the children who are
25 undocumented students that want access to higher

1 education, and some children whose families
2 choose to send them to parochial schools or
3 private schools are also not going to be able to
4 afford tuition there. So again, there must be
5 some level of consensus with this.

6 Finally, let me just share with you
7 what the agriculture -- and before I go on to the
8 agricultural part of the budget, let me just say
9 that in addition to not having significant
10 investment in housing with the foreclosure money
11 that we got, this particular budget in its
12 revenue bill proposes to implement policies that
13 will make residents -- income tax returns by a
14 tenant required.

15 And that DHCR and the courts will be
16 able to penalize tenants that live in
17 rent-stabilized apartments, they will be able to
18 penalize them if they don't submit their tax
19 returns with their respective addresses. This as
20 now we are approaching what will prove to be a
21 major debate, a post-budget debate on rent
22 stabilization.

23 And so as we brace ourselves for
24 what will be probably the most important debate
25 post-budget, rent stabilization, you know, this

1 majority is already poking at some of the rights
2 and benefits of tenants by trying to impose, in
3 their language of the revenue bill, such
4 measures.

5 So going back to the agricultural
6 and markets part of the budget, let me go through
7 some of the benefits that that industry will get.

8 They will get a million dollars for
9 childcare. Now, certainly that's worthy. They
10 will also get \$500,000 for the New York State
11 Veterinarian Diagnostics Laboratory at Cornell
12 University. That's certainly a good investment.
13 Two hundred thousand dollars again for a similar
14 unit for the rabies program at Cornell
15 University. We don't want animals with rabies.
16 That's a worthy project.

17 Cornell University's program for
18 farm family assistance, \$100,000. We must assist
19 those families that are engaged in agriculture.
20 That's a good project.

21 Five hundred forty-four thousand
22 dollars for apple growers. The apple has become
23 a symbol of New York State. The Big Apple,
24 New York City. Now, that's a very worthy
25 project. I love apples.

1 New York Wine and Grape Foundation.
2 We know and we've heard of all the great wines
3 coming from the Finger Lakes. I'm sure
4 everybody in this house enjoys a good bottle of
5 wine. That is a good project in itself.

6 The New York Farm Viability
7 Institute, \$1.1 million. Agricultural and
8 domestic arts, \$160,000. Maple producers, 125.
9 I like some maple syrup on my pancakes; that's a
10 worthy project. And all of these projects,
11 adding up to \$6 million.

12 But guess what? That industry
13 continues to exploit farmworkers in an ugly and
14 reprehensible way, not allowing them to have a
15 day off from work, not allowing them to be paid
16 overtime, very often making them work under very
17 adverse conditions, unhuman conditions. It is
18 New York's dirty little secret the way we treat
19 thousands and thousands of our farmworkers that
20 are carved out from the rights and privileges
21 extended to most if not all workers in this
22 state.

23 So, Mr. President, thank you for
24 allowing me to explain my vote on this
25 resolution. Because of these reasons, I will be

1 voting in the negative.

2 ACTING PRESIDENT GRIFFO: The chair
3 wants to note that I have been very flexible in
4 exercising latitude in exceeding the allowable
5 time in accordance with the rules of this house.
6 So I would urge all the members that remain on
7 the list to speak to heed Senator Gianaris's
8 counsel.

9 I will now recognize Senator Comrie.

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

12 This is my first opportunity to
13 speak before the body on the budget. I am
14 honored to be here representing the 14th Senate
15 District. And I do have a couple of questions
16 for the sponsor, if he would yield for a
17 question, dealing with the issues around --

18 ACTING PRESIDENT GRIFFO: Senator
19 DeFrancisco, do you yield?

20 SENATOR DeFRANCISCO: Yes, I do.

21 SENATOR COMRIE: -- dealing with
22 the issues around the JPMorgan settlement money.

23 SENATOR DeFRANCISCO: Okay.

24 SENATOR COMRIE: And I would just
25 like to get an idea -- if you can't give it to us

1 now, a detailed breakdown on how the Majority
2 intends to spend those funds from the settlement
3 money, given the fact that that settlement money
4 was delineated from the Attorney General
5 primarily because of --- we have so many
6 homeowners, and unfortunately I represent part of
7 the epicenter of the foreclosure crisis, where
8 many homeowners were ripped off not only by the
9 banks, but by real estate agents and other
10 people, to wind up being in homes that they could
11 not afford and could not maintain.

12 So I would hope that I could get a
13 detailed distribution of how those funds are
14 being disbursed in this budget, because I have to
15 agree with Senator Espallat that many of the
16 monies were not given back to the communities
17 where the foreclosure crisis has hit them the
18 hardest.

19 SENATOR DeFRANCISCO: All right,
20 JPMorgan, these are the categories of funding.
21 I'll read them off.

22 We're concurring with the
23 Executive's recommendation of \$524.8 million,
24 with the following modifications. The Senate
25 provides a million dollars for the Bronx Civil

1 Legal Services pilot program.

2 The Senate allocates \$439.5 million
3 in JPMorgan settlement funds for the following:
4 Moderate-income loan program to support new
5 construction and rehabilitation of housing for
6 households earning up to 130 percent of the area
7 median income.

8 Access to Home and Access to Home
9 for Heroes, that's another category. RESTORE
10 Seniors Program, Rural and Neighborhood
11 Preservation Programs, Adirondack Community
12 Housing Trust, Homes for Working Families, the
13 Affordable Housing Corporation, Main Street
14 Program, Rural and Urban Community Investment
15 Fund, and the Public Housing Preservation.
16 That's where that settlement went.

17 SENATOR COMRIE: Okay. Well, I
18 look forward over the next three weeks to get
19 the -- I'm sorry, I'm doing this wrong,
20 Mr. President. Can I make a statement on the
21 resolution?

22 ACTING PRESIDENT GRIFFO: Senator
23 Comrie to speak on the resolution.

24 SENATOR COMRIE: Thank you. Thank
25 you, Mr. Chairman. I'm just going to speak on

1 the resolution.

2 I look forward over the next three
3 weeks before we resolve this budget to increase
4 the funding, especially for New York City-based
5 programs that are dealing with the foreclosure
6 crisis. Because unfortunately in Southeast
7 Queens that I represent, along with two of my
8 other members that are here, the foreclosure
9 crisis is still real and prevalent.

10 To make sure that we have people
11 that are protecting our homeowners or potential
12 homeowners from dealing with the bad loans and
13 bad advice, we need to have agencies that will
14 make sure that they are given the proper
15 instruction and being led away from the bad
16 loans that people are still experiencing now.

17 I believe that the money that has
18 been allocated by the Senate Majority is nowhere
19 near enough from the money -- I'll wait for
20 quiet. I kind of was quiet.

21 ACTING PRESIDENT GRIFFO: Order in
22 the house, please.

23 SENATOR COMRIE: But is nowhere
24 near enough to deal with the fact that we still
25 have a major foreclosure crisis in this city and

1 especially within Queens.

2 I would just like to make some
3 statements on the resolution to try to be brief,
4 since my time has been cut from the original time
5 allotted. Mr. President, if I may.

6 ACTING PRESIDENT GRIFFO: You may.
7 On the resolution.

8 SENATOR COMRIE: On the resolution
9 itself.

10 I have to -- unfortunately, I have
11 to strongly vote against this resolution because
12 there are many things in there that are still
13 hurtful to our communities, many things that have
14 not been addressed to make sure that we provide
15 enough funding for everything from NYCHA, which
16 is an opportunity to protect affordable housing,
17 to making sure that we do more to increase the
18 healthcare budget.

19 Queens is also underbedded, severely
20 underbedded, where many residents in Queens still
21 have to go to Manhattan or to Long Island to get
22 medical services. My district borders Nassau
23 County. Many of my residents have to go to Long
24 Island Jewish for emergency care, Franklin
25 Hospital for emergency care, because Queens is a

1 borough that is severely underbedded. And to not
2 have any of the healthcare capital dollars
3 directed to Queens is a travesty.

4 Queens Hospital has capital projects
5 ready to go. Jamaica Hospital, Elmhurst
6 Hospital, Mount Sinai Hospital in Queens. We
7 have most of the residents in western Queens that
8 wind up traveling to Manhattan -- sometimes twice
9 a day -- because that they can't see those
10 specialists at that quality level in the borough
11 that they live.

12 So we need to make sure that that is
13 taken care of and that there are opportunities
14 for hospital capital money, that it's not just
15 given to one area but it's spread among areas,
16 especially in Queens that is severely underbedded
17 and has been proven so by commission reports that
18 were done earlier.

19 We need to make sure that other
20 opportunities for budget support are really
21 considered fairly within this budget, and I hope
22 to work within the next few weeks before we can
23 hopefully have an on-time budget, to make sure
24 that these things are adopted.

25 To not fully fund CUNY for their

1 opportunities when CUNY is a school system -- and
2 SUNY, for that matter -- that is educating more
3 children and ever more adults than ever as well,
4 not giving them the full opportunity to continue
5 to expand and grow, is a travesty and will hurt
6 our communities in the city and state for years
7 to come if we don't continue to fund CUNY at the
8 full services possible.

9 Not funding the Campaign for Fiscal
10 Equity. No matter what you say about charter or
11 public schools, if we don't fund our school
12 system at the proper money that they deserve to
13 have, then no school will do better because we'll
14 constantly slip into this fight, which I think is
15 shameful, where you're pitting parent against
16 parent, type of school system or type of
17 educational system against each other.

18 And we need to make sure that
19 schools are funded, fully funded. Because my
20 parents came here as immigrants, and as many
21 parents are, they put their kids in the local
22 school. They don't know about charter schools,
23 they don't know about choice, they don't know
24 about advanced programming. They're trying to
25 put their children in a school environment so

1 that their child can do better in life, that
2 their child can get a good education.

3 It's imperative upon us as
4 legislators to make sure that each school is
5 funded at the proper rate that they can have so
6 that they have every resource necessary to be a
7 proper educational environment, where they can
8 have music programs, after-school programs,
9 full-day programming where a child can stay in
10 school from 7 a.m. to 8 p.m., back as it was when
11 I was a child.

12 Unfortunately, I see Eric's looking
13 at me already.

14 (Laughter.)

15 SENATOR COMRIE: And this is my
16 first time speaking, but I'm going to try to be
17 brief and be respectful.

18 And I hope to work with my
19 colleagues over the next three weeks to do
20 everything we can to put the monies into the
21 budget that can really help all our neighborhoods
22 in this state, and not some.

23 Thank you, Mr. President.

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

1 Senator Panepinto.

2 SENATOR PANEPINTO: Thank you,
3 Senator. I want to speak on the resolution, if I
4 may.

5 ACTING PRESIDENT GRIFFO: On the
6 resolution.

7 SENATOR PANEPINTO: And I'll try
8 and be brief.

9 I'm really upset that the Senate
10 budget did not include anything on the minimum
11 wage. Income inequality is the number-one
12 problem that faces our democracy in this country.
13 In the last 30 years, the top 1 percent in this
14 state and this country controlled 95 percent of
15 the wealth.

16 In my home county, in Erie County,
17 the living wage is \$11.40 an hour. You know,
18 we're raising it to \$8.25 and \$9 an hour -- and
19 that's nice, but it's not enough. I support the
20 Governor's proposal to raise the minimum wage to
21 \$10.50 in upstate and \$11.50 in New York City,
22 but the right thing to do is to support the
23 Assembly proposal, which purports to get the
24 minimum wage to \$15 by 2018.

25 You know, New York should lead in

1 the fight for \$15. We should be fighting for
2 working families and to reduce income inequality
3 across the country and across the state. Workers
4 need our help, and it's incumbent upon us to deal
5 with the minimum wage in this budget.

6 Now, I am proud of the Senate budget
7 resolution that it puts forward paid family
8 medical leave for the first time. And I want to
9 applaud my colleagues on the Republican side and
10 in the IDC for supporting paid family medical
11 leave.

12 Unfortunately, it doesn't go far
13 enough. Six weeks is not enough to address the
14 needs of new mothers and fathers and to take care
15 of sick children. We should go with 12 weeks,
16 and that is the right way to take care of working
17 families.

18 Now, I'm a new legislator. I
19 represent a suburban and an urban district. I've
20 got six suburban towns, I've five suburban
21 villages. And in talking with those
22 constituencies, they are hamstrung by the
23 property tax cap.

24 We need to have exemptions to the
25 property tax cap so that town supervisors and

1 village mayors across this state can get some
2 relief. They want to engage in capital projects
3 to address crumbling infrastructure in their
4 towns and villages, and they cannot deal with
5 those issues with the 2 percent property tax cap.

6 And I'm disappointed that my
7 colleagues on the other side of the house who
8 represent hundreds of suburban towns and hundreds
9 of suburban villages aren't addressing the needs
10 of those towns and villages by exemptions to the
11 property tax cap. It needs to happen.

12 Brownfield programs. Both business
13 and environmental groups support extension of the
14 Brownfield Program, which is about to expire this
15 year. And I'm disappointed that this budget
16 proposal does not address that. When you have
17 environmentalists and businesspeople agreeing on
18 a program, that's something that we should
19 embrace and extend. It's a needed economic
20 development tool for upstate communities,
21 particularly in my community where we have
22 42 miles of waterfront that was industrial for
23 over a hundred years and is now transforming into
24 recreational area. We need an extension of the
25 brownfield.

1 I was going to end with those
2 comments today, but I did want to comment on
3 something Senator Espaillat said. And, you know,
4 we need to address a farmworkers bill of rights.
5 And as a former union organizer, you know, it's a
6 shame that this country exempted domestic workers
7 and farmworkers when they passed the Wagner Act
8 in 1936. And I think that this body and the
9 Governor should take up the farmworkers bill of
10 rights and give those people the right to
11 organize.

12 Thank you.

13 ACTING PRESIDENT GRIFFO: Senator
14 Sanders.

15 SENATOR SANDERS: Thank you,
16 Mr. President, on the resolution.

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

19 SENATOR SANDERS: Mr. President,
20 this is a grand hall that we find ourselves in,
21 and it has many grand traditions. And I look at
22 it and I say to myself if there ever was an
23 Olympus, I'm sure they would have a hall similar
24 to this one.

25 One of the failures of Olympus is

1 that it got too disconnected from people, too far
2 away from the common person. So I'm going to
3 speak of two different things that I believe
4 would have us get a little closer -- in fact,
5 much closer to the person on the ground that we
6 seem to somehow forget that we're representing.

7 There are many worthy issues, and my
8 colleagues have spoken of many of them. And any
9 of them are deserving of people hearing and
10 speaking, but I'm just going to speak of two.

11 I'm going to speak of the MWBE. I'm
12 going to speak of how we have inadvertently, the
13 Senate Majority plan has inadvertently created a
14 real danger for the MWBE program. We have not
15 funded an extension of this program, and
16 therefore this program may sunset before the new
17 study takes place.

18 If that is the case, we will not
19 have a program that will ensure not simply that
20 the minority- and women-owned businesses are able
21 to compete, but that competition, the American
22 way, would take place. The more companies
23 compete, the more it is better for the people of
24 this great state. And we are actually going to
25 be taking many of them off the playing field, and

1 that is a danger that -- my colleagues, I urge
2 you, you have three weeks left. You need to look
3 in on this matter.

4 I would be remiss if I did not speak
5 of how we have not done anything about the
6 minimum wage. The dangers that we are doing to
7 real people on the ground who are struggling with
8 this antiquated wage system that we have come up
9 with, and that's not addressing the needs -- and
10 let's not even speak of big cities like New York,
11 where people are struggling to try to make sure
12 that they can cope with the world around them.

13 We are making a society a Tale of
14 Two Cities if there ever was one. We have the
15 power right in this body to do something about
16 the rising inequality that America has, that
17 New York has. We have the power if we would only
18 use it. Or we can stay in such a beautiful
19 environment and think that we are doing something
20 when we're becoming further and further away from
21 the people.

22 Having said that, I'm going to stop
23 because you don't have to speak long to speak
24 thoughtful.

25 Thank you very much, Mr. President.

1 ACTING PRESIDENT GRIFFO: Thank
2 you, Senator Sanders.

3 Senator Díaz will be the final
4 speaker.

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

7 ACTING PRESIDENT GRIFFO: I know
8 he'll be succinct.

9 SENATOR DIAZ: I'm going to take my
10 time -- not that I'm going to speak long, I just
11 want to take this time to put my two cents in
12 this exercise in futility.

13 And why did I say an exercise in
14 futility? We are dealing, ladies and gentlemen,
15 and those of you that are watching through the
16 cameras, we are dealing today with a resolution.
17 A resolution put together, put together by the
18 Republican Conference together with the
19 Independent Democratic Conference.

20 You should know, Mr. President and
21 ladies and gentlemen, that we have three
22 conferences in this chamber. We have the
23 Republican Conference, led by Senator Skelos,
24 with 32 Senators. We have the regular Democratic
25 Conference, composed of 25 Senators, led by the

1 Senator Andrea Stewart-Cousins. And we have the
2 Independent Democratic Conference with five
3 Senators.

4 This resolution -- I'm going to
5 repeat myself, with gusto -- this resolution was
6 put together by the joining forces of the
7 Republican Conference of 32 Senators and the
8 Independent Democratic Conference with five
9 Senators.

10 The 25 Senators that compose the
11 regular Democratic Conference, led by Senator
12 Andrea Stewart-Cousins, has no part in it. We
13 had no say, we have nothing about it, this
14 conference. Allocating money in our communities
15 and other things in our communities, we have
16 nothing to do with it.

17 And, Mr. President and ladies and
18 gentlemen, you should know why we have nothing to
19 do with it. Because the leader of our conference
20 has not been invited, has not been part of the
21 three men in the room, now four men in the room,
22 to deal with and to put the input that --
23 representing 25 Senators -- especially,
24 especially, Mr. President and ladies and
25 gentlemen, especially Senators that represent

1 minority communities, black and Hispanic
2 communities. Because we are, this conference,
3 the regular Democratic Conference led by Senator
4 Andrea Stewart-Cousins, is the one that
5 represents the majority of the City of New York
6 housing developments.

7 This resolution that we are dealing
8 with, according to the report, the resolution put
9 together by the Republican Conference and the
10 Independent Democratic Conference, is --
11 according to Senator Espaillat, the Governor is
12 asking in his part to put \$25 million for NYCHA.
13 And NYCHA is the New York City Housing Authority
14 that we represent, that we, the 25 members of the
15 regular Democratic Conference, represent. Nobody
16 represents NYCHA here as we do.

17 The Governor is asking \$25 million
18 to help NYCHA. The Assembly is asking for
19 \$100 million -- or \$125 million for NYCHA. And
20 this resolution, put together with the Republican
21 conference and the Independent Democratic
22 Conference, is asking zero for NYCHA.

23 If Senator Andrea Stewart-Cousins
24 would have been part of this dealing,
25 representing us, we would have asked for

1 \$400 million. The mayor of the City of New York
2 is requesting \$300 million for the New York City
3 Housing Authority.

4 So in this resolution that we're
5 dealing today, there is zero money from the
6 Senate to New York City Housing Authority.

7 This resolution, ladies and
8 gentlemen and Mr. President, you should know that
9 this resolution has nothing, is taking out the
10 DREAM Act. This resolution put together by the
11 Republican Conference and the Independent
12 Democratic Conference says no to the DREAM Act.
13 We had no input on it. We're just doing this as
14 an exercise in futility.

15 This resolution, put together by the
16 Republican conference of 32 Senators and five
17 Senators from the Independent Democratic
18 Conference, they are putting no increase on
19 something called the Tenant Protection Unit to
20 fight and to represent and to protect those poor
21 people in our community. There's no money in
22 this, no increase in that.

23 This resolution that we're dealing
24 with today, put together by the Republican
25 Conference and the five members of the

1 Independent Democratic Conference without our
2 input -- according to Senator Jesse Hamilton,
3 Onanda County -- Oneida County, who has 233,000
4 people, is getting \$300 million for hospitals,
5 health. And New York City, New York City, who
6 has 8 million people, is only getting \$1 billion
7 in this resolution put together by the Republican
8 Conference and the five members of the
9 Independent Democratic Conference.

10 We have no say. We have been here
11 since 11 o'clock talking about it, and I have
12 seen every member of the regular Democratic
13 Conference talking about this and that. Now, why
14 am I saying this, and why am I making sometimes
15 enemies when I speak? Because I cannot tolerate
16 things, I cannot let things go just by -- it's
17 too much for me to let things go.

18 Let me tell you what I don't like
19 now and what's my problem today. That at the
20 time to vote, when we are going to vote, we are
21 going to vote something called voice vote. We
22 are not voting roll call. Ladies and gentlemen,
23 you should know that roll call means that the
24 names of every single member has to be called and
25 then in the record it states how every single

1 member votes.

2 But no, we're not going to vote, we
3 are not going to vote in a roll call. We're
4 going to vote voice call. Meaning that nobody
5 knows, even those members of the regular
6 Democratic Conference that have stood here all
7 this time talking against this resolution, nobody
8 knows how they're going to vote. No one will
9 know how you vote. So you want to vote against,
10 you could vote against the DREAM Act and no one
11 knows that. You could vote against the -- not
12 putting money for NYCHA, for New York City
13 Housing Authority, and nobody knows that, because
14 it's a voice vote.

15 So talk is cheap. So we could be
16 here all day talking about what we don't like --
17 and I'm talking now to my conference, to the
18 members of my conference. We could be here all
19 day talking about what we don't like about this
20 resolution that we have nothing to do with it,
21 that we didn't have input on it. So we could be
22 here all day talking about the things that we
23 don't like.

24 But we are not asking for a roll
25 call. So why, if we don't like something, why

1 don't we afford a roll call to put here publicly
2 who is against and who is in favor? So that's
3 why I'm saying this is an exercise in futility.

4 Ladies and gentlemen, this is what
5 you should know, and I am State Senator Ruben
6 Díaz. Thank you very much.

7 ACTING PRESIDENT GRIFFO: The
8 question is before the house.

9 The question is on the resolution.
10 All in favor signify by saying aye.

11 (Response of "Aye.")

12 ACTING PRESIDENT GRIFFO: Opposed?

13 (Response of "Nay.")

14 ACTING PRESIDENT GRIFFO: Senator
15 Savino to explain her vote.

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

18 I will be brief, because we have
19 been at this for quite some time.

20 I heard some of my colleagues here
21 today talk about how this is their first
22 experience in the budget process. And I can only
23 remember what mine was like the first year. I've
24 been here 10 years now, and I can remember how
25 nervous I was the first time I had to come in and

1 vote on a budget resolution, because it was kind
2 of like being in the middle of a movie where
3 everybody else knows what's happening but you,
4 and you're trying to play catch-up.

5 And the first year or two, I was
6 very nervous about what we were doing in the
7 budget resolution process, when in reality what
8 we're doing is just the real first opening gambit
9 in our budget negotiations.

10 A budget resolution, as we all know,
11 there are good things and there are bad things.
12 There are things in here that I don't like, and
13 there are things in here that I'm very happy to
14 see in there. And I know that I'm going have to
15 fight twice as hard to get out the things that I
16 don't like and three times as hard to keep the
17 things in that I do like.

18 But I want to focus on one thing
19 that I think is very important, and it's an issue
20 many of us in this chamber have been committed to
21 accomplishing here in New York State for a very
22 long time. And this is the second year in a row
23 that in the Senate one-house budget resolution we
24 state clearly and unequivocally that it is time
25 for New York State to create a paid family leave

1 program.

2 We are saying it very loudly,
3 putting forward a program that not only creates a
4 paid family leave program so that families can
5 take time off with a wage replacement mechanism
6 that does not get charged to their employers, but
7 allowing women to take time off to deal with a
8 newborn or a sick parent or a spouse. Something
9 that we are behind the eightball, way behind
10 California and even behind New Jersey, if you can
11 imagine that.

12 But we're not only creating a paid
13 family leave program with a wage replacement
14 mechanism that doesn't place a burden on
15 businesses, we're also addressing a terrible
16 disparity that has existed in New York State for
17 a very long time, and that is our rate of
18 temporary disability. If a worker in New York is
19 injured -- not on the job, but off the job -- and
20 is required to take time off, the wage
21 replacement under the state's TDI is so low it
22 almost impossible for them to take advantage of
23 that and deal with their own illness.

24 So we're staking that claim again in
25 this budget that the New York State Senate,

1 Republicans, Democrats and Independent Democrats,
2 believe that New York State should cross that
3 threshold and become the next state to develop a
4 paid family leave program. And I know each and
5 every one of you is going to fight for it
6 alongside with us in the real budget
7 negotiations.

8 Thank you, Mr. President.

9 ACTING PRESIDENT GRIFFO: Thank
10 you, Senator Savino, to be recorded in the
11 affirmative.

12 Having called the ayes and nays, the
13 ayes have it. The resolution is adopted.

14 Senator LaValle.

15 SENATOR LaVALLE: Can we return to
16 motions and resolutions.

17 ACTING PRESIDENT GRIFFO: We will
18 return to motions and resolutions.

19 SENATOR LaVALLE: On behalf of
20 Senator Nozzolio, on page number 15 I offer the
21 following amendments to Calendar Number 156,
22 Senate Print Number 2217, and ask that said bill
23 retain its place on the Third Reading Calendar.

24 ACTING PRESIDENT GRIFFO: The
25 amendments are received, and the bill shall

1 retain its place on third reading.

2 Can I have some order in the house.

3 We still have business before the house.

4 SENATOR LaVALLE: Mr. President.

5 ACTING PRESIDENT GRIFFO: Senator
6 LaValle.

7 SENATOR LaVALLE: Is there any
8 other business at the desk?

9 ACTING PRESIDENT GRIFFO: Senator
10 Latimer, why do you rise?

11 SENATOR LATIMER: Mr. President, I
12 rise to advise Senator LaValle that today is
13 Senator Lanza's birthday, and perhaps he wants to
14 recognize that in the house.

15 (Laughter.)

16 SENATOR LaVALLE: Thank you for
17 bringing that to our attention.

18 Senator Lanza, happy birthday.

19 ACTING PRESIDENT GRIFFO: We extend
20 a very happy birthday to Senator Andy Lanza.

21 Thank you, Senator Latimer. Thank
22 you, Senator LaValle.

23 There is no further business that
24 appears before the desk.

25 SENATOR LaVALLE: There being no

1 further business, I move we adjourn until Monday,
2 March 16th, at 3:00 p.m., intervening days being
3 legislative days.

4 ACTING PRESIDENT GRIFFO: On
5 motion, the Senate will stand adjourned until
6 Monday, March 16th, at 3:00 p.m., with
7 intervening days being legislative days.

8 The Senate stands adjourned.

9 (Whereupon, at 2:39 p.m., the Senate
10 adjourned.)
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25