NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

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4:26 p.m.

REGULAR SESSION

SENATOR JOSEPH GRIFFO, Acting President

FRANCIS W. PATIENCE, Secretary

P R O C E E D I N G S

ACTING PRESIDENT GRIFFO: The Senate will come to order.

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

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

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

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

ACTING PRESIDENT GRIFFO: The reading of the Journal.

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

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

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports of state officers.

Motions and resolutions.

Senator LaValle.

SENATOR LaVALLE: Mr. President, on behalf of Senator Ortt, on page number 22 I offer the following amendments to Calendar Number 287, Senate Print Number 2953, and I ask that said bill retain its place on the Third Reading Calendar.

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

Senator LaValle.

SENATOR LaVALLE: Would you now recognize Senator Gianaris, please.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

SENATOR GIANARIS: Thank you, Mr. President. On behalf of Senator Squadron, I move that the following bill be discharged from

its respective committee and be recommitted with instructions to strike the enacting clause: Senate Bill 581.

ACTING PRESIDENT GRIFFO: It is so ordered.

Senator LaValle.

SENATOR LaVALLE: Mr. President, can we adopt the Resolution Calendar.

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

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The Resolution Calendar that was before the house is adopted.

Senator LaValle.

SENATOR LaVALLE: Mr. President, can we call an immediate meeting of the Finance Committee off the floor at 4:45.

ACTING PRESIDENT GRIFFO: There will be --

SENATOR LaVALLE: I know, yes. Thank you. That's not immediate, it's 4:45.

ACTING PRESIDENT GRIFFO: There will be a meeting of the Finance Committee off the floor in Room 332 at 4:45 p.m.

Senator LaValle.

SENATOR LaVALLE: We're going to stand at ease.

ACTING PRESIDENT GRIFFO: The Senate will stand temporarily at ease.

(Whereupon, the Senate stood at ease at 4:28 p.m.)

(Whereupon, the Senate reconvened at 5:00 p.m.)

ACTING PRESIDENT GRIFFO: The Senate will come to order.

Senator LaValle.

SENATOR LaVALLE: Thank you, Mr. President.

There will be an immediate meeting of the Cities Committee, immediate, in Room 332.

ACTING PRESIDENT GRIFFO: There will be an immediate meeting of the Cities Committee in Room 332.

Senator LaValle.

SENATOR LaVALLE: Mr. President, would you return to the reports of the standing

committees.

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

SENATOR LaVALLE: Do you have a report of the Finance Committee at the desk?

ACTING PRESIDENT GRIFFO: There is a report of the Finance Committee at the desk.

SENATOR LaVALLE: Okay.

ACTING PRESIDENT GRIFFO: The Secretary will read.

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

Senate Print 2000C, Senate Budget Bill, an act making appropriations for the support of government;

Senate 2004C, Senate Budget Bill, an act making appropriations for the support of government;

And Senate 4611, Senate Budget Bill, Concurrent Resolution of the Senate and Assembly.

All bills reported direct to third reading.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: Mr. President, I move that we accept the report.

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

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

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

SENATOR LaVALLE: Mr. President.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: Yes, can we have the reading of the noncontroversial active list.

ACTING PRESIDENT GRIFFO: The Secretary will read the active list, noncontroversial.

THE SECRETARY: Calendar Number 308, Senate Budget Bill, Senate Print 2001A, an act making appropriations for the support of government.

ACTING PRESIDENT GRIFFO: Read the last section.

THE SECRETARY: Section 5. This

act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 59. Nays, 2. Senators Parker and Perkins recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator LaValle.

SENATOR LaVALLE: Mr. President, we have on our desks Supplemental Calendar Number 28A. Can we have the reading of the noncontroversial supplemental calendar, Calendar Number 314.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Calendar Number 314, Senate Budget Bill, Senate Print 2000C, an act making appropriations for the support of government.

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay the bill aside.

Senator LaValle.

SENATOR LaVALLE: Can we have the controversial reading of the supplemental calendar, Number 314.

ACTING PRESIDENT GRIFFO: We are on Supplemental Calendar 28A, and we will now have the controversial reading of Calendar Number 314. The Secretary is ringing the bell, and the Secretary will read.

THE SECRETARY: Calendar Number 314, Senate Budget Bill, Senate Print 2000C, an act making appropriations for the support of government.

ACTING PRESIDENT GRIFFO: Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President. I really only have one question, if somebody would claim sponsorship.

SENATOR DeFRANCISCO: I'll claim it.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, will you yield?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco yields, Senator Stavisky.

SENATOR STAVISKY: The budget bill before us talks about the Performance Improvement Plan, which had a 10 percent holdback feature. The 10 percent holdback has been withdrawn. The Executive proposed it, but it was withdrawn in the final agreement. What is going to happen to the Performance Improvement Plan in this budget?

SENATOR DeFRANCISCO: (Conferring off the record.)

SENATOR STAVISKY: Well, let me rephrase my question.

SENATOR DeFRANCISCO: There's going to be an additional $18 million for SUNY. That's what I'm being told. (Conferring off the record.)

What section is it of the bill? Do you have a number or a letter?

SENATOR STAVISKY: (No response.)

SENATOR DeFRANCISCO: Senator LaValle apparently has an answer at hand, and I don't. Maybe he can answer it.

ACTING PRESIDENT GRIFFO: Senator LaValle has not spoken.

Senator Stavisky, I will ask Senator LaValle to respond if there's no objection.

SENATOR STAVISKY: I would appreciate it.

ACTING PRESIDENT GRIFFO: With unanimous consent, Senator LaValle, you're recognized.

SENATOR LaVALLE: Yes, thank you.

Senator Stavisky, you're absolutely right. In the Governor's budget he had money in there that there was a penalty if the campuses did not move forward. We stripped it of that, and the money will now go forward so that the campuses can use it for a variety of reasons.

And one of the things that the chancellor has made as a priority is a graduate-in-four, so that this money will be used pretty much for SUNY for purposes of improving programs, graduate-in-four, and there is nothing tied to it in terms of any penalty.

SENATOR STAVISKY: Would the Senator continue to yield?

SENATOR LaVALLE: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR STAVISKY: It's my understanding that most if not all of the

colleges have already complied with the requirements without the sword of Damocles put over their heads of the 10 percent withholding.

Are there plans in the future -- and that's really the thrust of my question, are there plans in the future to reinstate that 10 percent holdback? Because the wording, from what I understand, is somewhat unclear.

SENATOR LaVALLE: So at the very beginning the members probably did not hear a great deal of concern from the presidents at the colleges that they represent because they were moving in a direction, as I had indicated, of graduate-in-four, different kinds of curriculum improvements.

It is not the intent of our committee, that you are the ranking member of, to -- we've rejected it this year. We would reject it again next year. I think we've ended up with a good result that everyone is very comfortable with.

SENATOR STAVISKY: Thank you, Mr. President.

Thank you, Mr. Chairman.

ACTING PRESIDENT GRIFFO: Thank

you, Senator Stavisky.

Any other Senator wishing to be heard?

Senator Gianaris.

SENATOR GIANARIS: No.

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

Senator LaValle.

SENATOR LaVALLE: Can we lay this aside temporarily? We're waiting for a message.

ACTING PRESIDENT GRIFFO: So we will lay Calendar 314 temporarily aside.

Senator LaValle.

SENATOR LaVALLE: Once again, Mr. President, I would like to go to Supplemental Calendar Number 28A.

ACTING PRESIDENT GRIFFO: Senator LaValle, before we do that, on Calendar Number 314, for the record's purposes, I have asked whether there was any other Senator that wanted to be heard, and I've seen none and heard none, so debate is closed on that. And it's been temporarily laid aside. So when we come back, we'll be ringing the bell for the vote.

Senator LaValle.

SENATOR LaVALLE: Yes. On the Supplemental Calendar 28A, can we have the reading of the noncontroversial Calendar Number 315.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Calendar Number 315, Senate Budget Bill, Senate Print 2004C, an act making appropriations for the support of government.

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Senator Gianaris, do you mind if we accept the message?

SENATOR GIANARIS: I do not mind.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: Mr. President, can we have the controversial reading of Calendar Number 315.

ACTING PRESIDENT GRIFFO: Senator LaValle, there's a message of necessity before the desk. Would you like me to consider that message?

SENATOR LaVALLE: Yes.

ACTING PRESIDENT GRIFFO: The

question is on the message of necessity that's before the desk. All in favor of accepting the message signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The message of necessity is accepted.

And Calendar Number 315 has been laid aside by Senator Gianaris. The Secretary will ring the bell, and we will have the controversial reading.

The Secretary will read.

THE SECRETARY: Calendar Number 315, Senate Budget Bill, Senate Print 2004C, an act making appropriations for the support of government.

ACTING PRESIDENT GRIFFO: Senator Krueger.

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

Could the sponsor clarify what has changed from the original proposal of $147.7 million under the Office of Children and Families? It's been modified so that the expenditure is instead $110 million relating to the age of juvenile jurisdiction.

So what are we doing with 110 versus the 147? Have we just cut out something, or did we change the purpose of the $110 million?

SENATOR DeFRANCISCO: First of all, the $147.7 million was to include the Raise the Age. But since we don't have the actual mechanics, it was too soon to try to put the actual mechanics in a bill, he took the funding out of there. And I know there is another spot in the budget that it's included.

Yeah, here it is. The capital program related to Raising the Age shall be subject to a chapter of the Laws of 2015. So $110 million of it is from Raise the Age, but it's not going to be finalized until we have a chapter that actually describes where individuals are going to be put and the mechanics of the changes of Raise the Age to the criminal justice system as it now stands.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So the answer is $110 million is to be determined in a later bill to come before this house at a time yet to be determined?

SENATOR DeFRANCISCO: The money is there, and we have an appropriation. But we have to have a bill detailing the changes in procedure before that money can be used.

SENATOR KRUEGER: Thank you, Mr. President. If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So in the section on Empire State Development Corporation, we've accepted the $1.89 billion --

SENATOR LaVALLE: Mr. President,

excuse me.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: The members in the back rows are having a difficult time hearing both Senator Krueger and Senator DeFrancisco. So I don't know whether we need to put up the volume in their mics. Just be mindful of it as you --

ACTING PRESIDENT GRIFFO: Technologically, let's see if we can the raise the volume on the mics --

SENATOR LaVALLE: Thank you.

ACTING PRESIDENT GRIFFO: -- and not in the voices.

And I'd ask those in the back to please take any conversations outside the chamber, please.

Senator Krueger, you may continue.

SENATOR KRUEGER: Thank you. I was -- I had asked the sponsor to yield, I believe he had said yes.

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: And I was asking the question involving the Empire State Development Corporation, $1.89 billion, but it

has been modified.

So it adds $400 million for capital projects in areas not eligible for the Upstate Revitalization Initiative or the Buffalo Regional Innovation Cluster program. So on that subset, one, have we added $400 million or have we repurposed $400 million of the original $1.89 billion?

SENATOR DeFRANCISCO: No, we've added $400 million. There was a lot of concern that only three regions of upstate, of the seven that are eligible, would get money. And there are other areas of the state that felt that they should be provided some economic development money to offset what's being given in a program to other regions of the state.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So on this section, so there was the $1.5 billion that the Governor was discussing

distributing in three $500 million competitive grants. I believe that is still there and will be given out over five years, $100 million per year to each of those three winners.

And then these new $400 million will go to only upstate areas and the upstate areas not included in the three winners?

SENATOR DeFRANCISCO: No, it includes not only the other regions, but it also includes any other area of the state.

SENATOR KRUEGER: It includes -- sorry. Through you, Mr. President, if the sponsor --

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

Does it include New York City and Long Island as well?

SENATOR DeFRANCISCO: Yes.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: On that same section, can this money be used for or is it explicitly to be used for infrastructure needs that we've been hearing so much from counties and municipalities that they are so in search of money for, or is it not able to be used this way?

SENATOR DeFRANCISCO: It's just the limiting language simply is capital projects. And I would think infrastructure would be eligible -- I know that infrastructure would be eligible. And EDC will determine, Empire State Development Corp. would determine which projects they were going to fund.

SENATOR KRUEGER: And through you, Mr. President, an additional question on this section.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So the $1.5 billion is over five years. Is the $400 million intended also to be over five years, or all in one year?

SENATOR DeFRANCISCO: It can be used over a period of four years, or it can be

matched to the funding upstate at five years. Four or five years.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

There's also a section on environmental conservation projects that adds $200 million for a multiyear Water Quality Infrastructure Improvement Act, or the $200 million is part of $566.9 million. That water quality infrastructure improvement money, is that over multiple years? And how large can the grants be?

SENATOR DeFRANCISCO: It's over three years.

And the grants that could come out of here -- it's applicable to the entire state, but the grants that come out of here are limited to $5 million. And if I'm not mistaken, it requires a match from the local government depending upon the type of project.

SENATOR KRUEGER: This is where I do get a little confused, because there is the $200 million for the water quality infrastructure and then -- you know what, I wasn't confused. Let me refocus my question, Mr. President, if the sponsor will continue to yield.

SENATOR DeFRANCISCO: Sure.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So you can receive no more than $5 million per project or per municipality?

SENATOR DeFRANCISCO: Per municipality. So there's enough money to be spread around.

SENATOR KRUEGER: Through you, Mr. President, is this money funded through the EFC?

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: It is. So per municipality. And is it a one-to-one match? What's the match formula?

SENATOR DeFRANCISCO: They can get -- the municipality can get up to 60 percent of the project cost.

SENATOR KRUEGER: So they put in 40 cents and they get 60 cents --

SENATOR DeFRANCISCO: Correct.

SENATOR KRUEGER: -- up to $5 million.

SENATOR DeFRANCISCO: That's correct.

SENATOR KRUEGER: Counties are not eligible, only towns, cities and villages?

SENATOR DeFRANCISCO: I think counties are eligible. I think any governing unit. Any governing unit is considered a municipality.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So if there were a group of municipalities near each other all within one county, could they come in for a group package totaling more than $5 million? Since my understanding on water infrastructure is it

rarely changes when a line is crossed for a town or village.

SENATOR DeFRANCISCO: Yes, I -- it would be. They could combine as long as that portion that they're applying for, the costs could be justified as occurring in their particular municipality.

SENATOR KRUEGER: Okay, thank you.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

There's a "Capital Projects -- Health Department" section that's providing $175,000 for the Ezra Medical Center. Can I ask where that center is located and what that money is for?

SENATOR DeFRANCISCO: We've got another participant here.

SENATOR HANNON: May I speak?

ACTING PRESIDENT GRIFFO: Without objection, I ask for unanimous consent. Senator Hannon, you're hereby recognized.

Senator Krueger, pose your question.

SENATOR KRUEGER: Thank you.

If I might repeat the question, within the $1.2 billion capital projects for the Health Department there was added $175,000 for the Ezra Medical Center. I was wondering what or where that medical center is and what the $175,000 is for.

SENATOR HANNON: It is a community health center, I think it's an FQHC, Federally Qualified Health Center. It's located in Brooklyn. And through a drafting error, it was left out of the main bill.

SENATOR KRUEGER: Okay, thank you.

Through you, Mr. President, if some sponsor would continue.

SENATOR DeFRANCISCO: Well, it depends on the question.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator DeFrancisco will yield. And you may continue, Senator Krueger, and we can designate accordingly.

SENATOR KRUEGER: I welcome all sponsors. I am very equal opportunity that way.

In the section on Housing and Community Renewal, yesterday in a bill we took all the housing money out, and then today we seem to be putting at least the $439.5 million in JPMorgan settlement funds back in. Is there a breakdown on how much money is for what specific project that the sponsor can share with me?

SENATOR DeFRANCISCO: Yup. We'll get that for you right now.

There's a Public Housing Modernization Program, NYCHA, $100 million. Moderate-Income Loan Program, $25 million. Mitchell-Lama repairs and revitalization, $25 million. SONY Neighborhood Revitalization Purchase Program, $21,689,965. Access to Home for Heroes, $19,000,601. RESTORE Seniors Program, $5 million. Statewide New York IV Supportive Housing Program, $124.5 million. Restore New York Communities Initiative, $25 million. State CDFI Fund, zero. New York Rental Assistance Link 1, $40 million. HIV rent cap, $27 million. The Neighborhood Preservation organization and the Rural Preservation organization, a total of $20,259,000. The Adirondack Housing Community Trust, $1 million.

And lastly, Main Street Program, $5.35 million.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

So some of these program amounts have in fact changed since the Executive proposal came out; is that correct? These numbers are actually different than we had seen earlier?

SENATOR DeFRANCISCO: That is correct.

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: And here I'm working not off of the budget bill itself, but actually the report on the budget bill that has been placed on our desks. And the language for Housing and Community Renewal just says "The Legislature concurs with the Executive

recommendation of $91.2 million, with the following modifications." And then the following modifications -- that's page 3 of the report -- the following modifications are the $439.5 million that the sponsor just kindly read off of how it's being spent.

But I'm a little confused. How does that mesh with the $91.2 million? Did we add 439.5 to the 91.2 and did the list you just read off really total more like $529 million?

SENATOR DeFRANCISCO: That's correct.

And the fact that this was not in the normal bill that it was in is because there was a lot of discussion about how to break up that money, and it resulted in the additional funds being placed there.

SENATOR KRUEGER: Okay. So I appreciate the sponsor's answer. I did want to make sure, because the money has been moving in and out of different bills, as I discussed here yesterday. Things that you thought would be in one bill weren't, but then they are sometimes popping up in others.

So I just wanted to go on record

that we understood how much money there was for housing in the capital budget and how it was being distributed.

SENATOR DeFRANCISCO: And I want to go on record simply to say I promised that this would all mesh together. And now I'm explaining why it had to be taken out, and now it is coming to a final budget at the very end. And I told you I had faith, and I do have faith.

SENATOR KRUEGER: I still like to work off the facts, but I appreciate the sponsor's faith.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

In the section on "Transportation" in the capital budget, there's been a change from the Executive, which moved from $4.9 billion to $5.1 billion. What have we added and/or changed from the original 4.9 to get to 5.1?

SENATOR DeFRANCISCO: The ones listed on the sheet that was provided to you are

the ones that were added.

And they hopefully will add up to the additional -- those are the adds, and hopefully it will add up to $200 million.

SENATOR KRUEGER: I'm sorry, through you, Mr. President, there's the dilemma. I don't think it does add up. Because I see $200 million added, but in the chart below I see $100 million for highways and bridges and $50 million for one-time consolidated local highway program, $15 million for upstate transit, $2.5 million for the Wells Bridge, $1 million for the Glens Falls highway bridge. So I think we're still about $45 million short.

SENATOR DeFRANCISCO: Then it was increased from 4.9 million to whatever that next number is when you add those in.

SENATOR KRUEGER: So it was a rounding error?

SENATOR DeFRANCISCO: I don't know if it was a rounding error, but the intent was -- and it will be in the bill itself -- that these were additions to the original $4.9 million.

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

yield.

SENATOR DeFRANCISCO: Yes. Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So the sponsor just pointed out that yesterday we had a discussion about faith and that things would all come together. Yesterday I asked him about the circuit breaker property tax program. Is that going to pop up today somewhere?

SENATOR DeFRANCISCO: No, and it's not going to pop up at all. And neither is the alternative we provided to the Governor; namely, a rebate check from new funds for next year, not this calendar year. That fell off the table as well. So neither one will be in this budget.

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

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: Thank you.

What is the total amount in this capital budget bill?

SENATOR DeFRANCISCO: Well, that's a very good question. Whatever all these numbers

add up to.

(Laughter.)

SENATOR KRUEGER: I'm sorry, I -- could I ask the sponsor to repeat?

ACTING PRESIDENT GRIFFO: It's probably a once-in-a-lifetime kind of expression from Senator DeFrancisco, Senator.

SENATOR DeFRANCISCO: I simply said whatever all these numbers add up to is in this budget.

SENATOR KRUEGER: Through you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: They have all these wonderful budget and policy analysts, one for each topic. So somebody knows how much capital this budget bill adds up to.

SENATOR DeFRANCISCO: A mere 7 billion, 581 million.

ACTING PRESIDENT GRIFFO: Excuse me, the chamber is getting a little noisy. Please, so we can have the members hear each other.

SENATOR KRUEGER: If the sponsor

could just repeat that number one more time for me.

SENATOR DeFRANCISCO: Seven billion, 581 million.

SENATOR KRUEGER: And if the sponsor would continue to yield, please.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

And how much of the $5.4 billion in bank settlement money is within this $7.581 billion capital budget?

SENATOR DeFRANCISCO: I can't give you that number at this point. But all of the $5.4 billion was utilized in this budget.

SENATOR KRUEGER: So all 5.4 is in this budget somewhere within various bills.

SENATOR DeFRANCISCO: Right. And I know 1.3 went to the Thruway Authority, primarily for the Tappan Zee Bridge; $1.5 billion went into the competition. A group of that -- the money for the hospitals amounted to --

SENATOR KRUEGER: Through you, Mr. President, if the -- oh, I'm sorry, I thought you were done.

SENATOR DeFRANCISCO: No, I was just going to say the hospital money that went to the Utica area, Brooklyn, and rural hospitals, that was about 1.4, 1.4 total. And then there was about a billion, 900 million -- $850 million that we had to pay back the federal government because certain things were overcharged.

And all those things that I've been reading off happened to appear somewhere here. From the New York State Infrastructure Account. Is that in here? And there's a -- as you can see, let me just -- it should be listed here. All right. I did it as best from memory, but let me try again.

Five hundred million for the New NY Broadband Initiative; $1.3 billion, as I said, for the Thruway Stabilization Fund, $1 billion of which goes to the Tappan Zee Bridge; $250 million for the MTA for Metro-North access to Penn Station; $50 million for the Southern Tier and Hudson Valley farm program; $115 million for infrastructure improvements, including rail and port capital projects and the State Fair, which is in my district; $150 million for municipal restructuring; $150 million for counterterrorism

and disaster resistance, including public safety; $400 million for healthcare-related projects -- the $400 million is the rural part of the hospital piece -- and $580-some-odd million for paying back the federal government for overpayment on developmental disability payments; $150 million for the transformative economic development projects for Nassau and Suffolk.

So that is 3.5. The other money is in the economic development piece, which I probably could get to you.

Repayment on developmental disabilities, 850, and we're looking for the rest of the money. (Conferring off the record.)

That list I gave you did not include something I mentioned before, the 1.5 economic development in upstate New York. So that wasn't listed in what I just said. The 1.5 is the Hunger Games.

SENATOR KRUEGER: Okay. Thank you. There's a lot of different pieces of information there.

Going specifically to -- through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor will continue to yield.

SENATOR KRUEGER: Thank you. I appreciate his trying to pull together all this information.

I guess for me it partly highlights it's a capital bill worth $7.581 billion. I think it came to print maybe noon today. We're doing this with a message of necessity. I empathize with his struggling to find all the right information. I think the public would have even greater trouble figuring this all out between noon and I guess it's 5:30.

Specifically within the New York State Special Infrastructure Account, where much of this settlement money that you just read off is going, there was the $1.3 billion for the Thruway Stabilization Program. And my understanding is that broke out as $900 million for the Tappan Zee and $400 million for the Thruway Authority's core capital program.

Is there a list somewhere of what that $400 million will be spent on, specific projects?

SENATOR DeFRANCISCO: No, there's

no list. It's going to the Thruway Authority for their discretion. And the thought would be, since it's capital money, that it will relieve them from responsibility to bond and pay for bonding in order to help stabilize the Thruway tolls throughout the Thruway system. So that there will hopefully -- it's expected that there will be no toll increases this year.

So it's primarily, if they have more capital, to use that for things that they used to use Thruway Authority tolls for.

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: Okay, so there's not a specific list. But if one actually goes to the budget language of the bill under the Thruway Stabilization Program -- there's no point in really reading a page number, but it's under "Miscellaneous -- All State Departments," "New York State Special Infrastructure Account, Capital Projects."

It says: "Provided, however, that funds shall not be made available from this appropriation unless the New York State Thruway Authority has submitted a plan to the Governor, the speaker of the Assembly, the President Pro Tem of the Senate that describes the portions of the funding appropriated herein that will be used for costs related to the New NY Bridge" -- which is what we've been calling the new Tappan Zee Bridge -- "bridge-related transportation improvement and the Thruway core capital programs."

So I believe that this budget bill is actually requiring there being a lined-out document or MOU before money can be spent. Would the sponsor agree with me that we should be getting that before money is appropriated?

SENATOR DeFRANCISCO: We don't have to approve a list. We have to get a listing of specifically what they're going to use the additional money for.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor --

SENATOR DeFRANCISCO: And by the way, with respect to your prior remarks about not

being able to read the -- or find all of the different parts of this infrastructure account, they were -- most of them were in the fact sheet that we provided you with today.

And also, the other 1.5 was from another part of the budget -- namely, the economic development program some call the Hunger Games. So it all added up, they were just in two different places.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Yes, I am very glad we have these reports on each bill put on our desks. I think the sponsor might remember we had a budget reform law that passed in 2007 that requires these kinds of reports, and I think we're all very glad we have them in comparison to the system before.

And again, I believe the sponsor is correct that the list does not have to be voted on, but it has to be shared. But we have not

seen that list as of now.

SENATOR DeFRANCISCO: Well, the reason is they haven't made the list yet, not making decisions yet as to where the funding is going to be used. We just confirmed the chairman of the Thruway Authority I think yesterday, and she hasn't had time yet to do that.

With respect to the sheets, I agree with you, this is extremely helpful to me. I remember when I sat in your chair, and I remember we got no lists, we got no --

SENATOR KRUEGER: We did, actually. That was post-2007. You had the reports.

SENATOR DeFRANCISCO: But we got not answers whatsoever from your predecessor. And I've got video of those, just so you know. We're trying to cooperate as best we can.

SENATOR KRUEGER: Through you, Mr. President, what was the line of Mr. Gianaris yesterday about the New Deal?

I'm sorry, may I ask Senator Gianaris to yield, please.

ACTING PRESIDENT GRIFFO: Senator Krueger, would -- sure. Senator Gianaris, do you yield?

(Laughter.)

SENATOR KRUEGER: Thank you.

ACTING PRESIDENT GRIFFO: Without objection.

SENATOR GIANARIS: What you said, Mr. President.

(Laughter.)

SENATOR KRUEGER: So we're going back in history again, Senator Gianaris, to a predecessor who's no longer here but apparently there's video of him. What would be your response about going back in history and budget discussions?

SENATOR GIANARIS: I believe yesterday I indicated that the statute of limitations has expired on going too far back, unless they want us to invoke the Republicans' opposition to the New Deal, which was apparently through the '30s and '40s, Senator Hannon.

(Laughter.)

SENATOR KRUEGER: Thank you.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

Senator Krueger, are you on the bill?

SENATOR KRUEGER: I am on the bill, thank you.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: I do want to thank my colleagues, the two sponsors who got up to answer questions.

The capital budget is an enormously important budget bill. We're talking about almost $8 billion in money for an incredibly broad range of capital issues throughout the state, throughout every agency of the state.

There are some good things in this bill. It expands infrastructure money for localities, an issue that I have been crucially aware of that we are, I feel, starving our localities for basic infrastructure money as we put more and more money into these, as my colleague referred, these Hunger Game competitions that too often don't put any money into basic infrastructure.

The strength of an economy, the strength of our state, from the northern end to the southern tip of Long Island, requires that we have a solid infrastructure, we have roads and

bridges, we have clean water, we can assure people, if they come to live here or if they come to do business here or open up new businesses here, that we have the basics that they need to make sure that they can live their life and be successful.

We need quality workers for them to hire who have been educated in the great K-through-college educational system. They need to be assured that when they turn on the electricity, it will go on and stay on; when they turn on the water, clean water will come out for them to drink. And so much of this money is being spent appropriately for the future of the State of New York and the infrastructure.

I no doubt could find a number of things here that I would say was not being spent correctly or that I am disappointed have remained in this final budget bill, in this final capital budget bill. But tonight I am comfortable voting yes on this, Mr. President.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Espaillat.

SENATOR ESPAILLAT: Thank you,

Mr. President. Would the sponsor yield for a couple of questions?

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: If it's not about the three-card monte.

(Laughter.)

SENATOR ESPAILLAT: I am still looking for the red. Perhaps I'll find it today.

Through you, Mr. President. We were visited by the NYCHA chair, and the New York City mayor has expressed an interest in capturing capital dollars to improve the conditions of NYCHA-complex buildings and has even pledged to match capital dollars up to $300 million. Is there any capital monies for NYCHA in this bill?

SENATOR DeFRANCISCO: Yes, just a mere $100 million.

SENATOR ESPAILLAT: Okay.

SENATOR DeFRANCISCO: That's not bad.

SENATOR ESPAILLAT: That's not bad. Well, thank you for that.

And originally the Governor put on the table the New York/New York IV program to

fund affordable housing and housing also for Mitchell-Lama middle-income homes. Is there any funding for that particular program in the budget?

SENATOR DeFRANCISCO: There's $124.5 million for supportive housing. And also I know there's Mitchell-Lama on this, $25 additional million.

SENATOR ESPAILLAT: So through you, Mr. President, if the sponsor will yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR ESPAILLAT: So there is an additional $25 million on top of the 124 for New York/New York for Mitchell-Lama housing in particular?

SENATOR DeFRANCISCO: Correct.

SENATOR ESPAILLAT: Okay, very good.

Now, HCR, the office for Housing and Community Renewal, what is the total budget for HCR? And is that in that particular bill?

SENATOR DeFRANCISCO: I don't have that information. We can tell you what the capital is. The entire capital is $91.2 million.

The capital is 91.2, adding to it the $439,549,000 which is in the listing of the capital additions.

SENATOR ESPAILLAT: Thank you. I want to thank the sponsor.

Mr. President, on the bill.

ACTING PRESIDENT GRIFFO: Senator Espaillat on the bill.

SENATOR ESPAILLAT: For the first time in many years, we have been able to capture funding for NYCHA buildings in the City of New York. Some years back, many years back, we abandoned them, and these structures have suffered deterioration. We were able to get some funding through the stimulus package when we federalized a number of them, over 30 of those complexes that were not part of the federal program. And that capital funding proved to be very effective in improving the conditions of those buildings and the apartments within.

So this $100 million assigned to NYCHA, although shorter than what we proposed as a conference -- because we felt that a good portion of the settlement money, the $5 billion settlement money should go to this endeavor -- is

a step in the right direction.

In addition, the 124 for New York/New York, which proposes to finance statewide multi-agency supportive housing programs to provide housing and support services for vulnerable New Yorkers, is also a step in the right direction.

We're hoping that the HCR housing agency will stay whole as we finish this budget. And, Mr. President, at least we found one of the reds today that we were looking for yesterday. I will be voting in the affirmative on this bill.

ACTING PRESIDENT GRIFFO: Senator Panepinto.

SENATOR PANEPINTO: Mr. President, will the speaker entertain some questions, or the sponsor entertain some questions?

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, do you yield?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR PANEPINTO: Senator DeFrancisco, on the economic development portion of the capital bill, there's a change from the

competitive process. Is Western New York going to be part of the competitive process that's now put in place?

SENATOR DeFRANCISCO: No. In addition to the $1 billion without competition that you got, there's another $400 million in this budget, since you were not included in the Hunger Games, that you will have available to you in this budget.

SENATOR PANEPINTO: So it's the $400 million separate appropriation which Western New York can compete for?

SENATOR DeFRANCISCO: Not compete, get.

SENATOR PANEPINTO: Get, okay.

SENATOR DeFRANCISCO: If you want to compete, we can add it to the pot.

SENATOR PANEPINTO: If the Governor and you took it out of the competition --

ACTING PRESIDENT GRIFFO: Senator Panepinto, are you asking the sponsor to continue to yield?

SENATOR PANEPINTO: Yes, please.

ACTING PRESIDENT GRIFFO: Okay. Senator DeFrancisco yields.

SENATOR PANEPINTO: So will there be regional competitions? How will the money then be distributed, the $1.5 billion?

SENATOR DeFRANCISCO: The 1.5, there's seven regions listed in the budget, all upstate. Three of them will be winners for additional funds. But the losers aren't going to be losers, because there's still economic development money at the REDC tables. And they won't be excluded from funding, they just won't get as much funding as three winners in this competition.

SENATOR PANEPINTO: Will the sponsor continue to yield?

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Yes.

SENATOR PANEPINTO: Who will make the decision on those funding requests?

SENATOR DeFRANCISCO: It goes right through the same Economic Development Councils. And there's an overall super-duper body in Albany that makes recommendations and supposedly makes the decisions, but I've got a feeling there may be some Governor input.

SENATOR PANEPINTO: Will the speaker continue to yield?

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Yes.

SENATOR PANEPINTO: On higher education, what's the allocation for SUNY and CUNY for capital projects in our capital budget?

SENATOR DeFRANCISCO: Well, CUNY, I got that right here. It's $160.9 million total. And SUNY, if this is in alphabetical order, $462,427,000.

SENATOR PANEPINTO: Will the sponsor continue to yield?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR PANEPINTO: Was there consideration given to the five-year capital plan that both SUNY and CUNY lobbied for? And what was the reasoning behind not going in that direction?

SENATOR DeFRANCISCO: It's not in the budget.

SENATOR PANEPINTO: It's not in the

budget.

SENATOR DeFRANCISCO: You're talking about additional funds for capital?

SENATOR PANEPINTO: Yes.

SENATOR DeFRANCISCO: For SUNY and CUNY, there's no additional funds. That is correct, there's no additional funds.

In the capital plan it's listed as sort of a wish list, but there's no appropriation for it.

SENATOR PANEPINTO: And will the sponsor continue to yield?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR PANEPINTO: Isn't it true that we've just finished two five-year consecutive plans for SUNY funding for capital projects?

SENATOR DeFRANCISCO: The last one that was approved was completed two years ago.

SENATOR PANEPINTO: Okay. Will the sponsor continue to yield?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The

sponsor yields.

SENATOR PANEPINTO: On the question of -- under the "Labor" portion of the capital budget, there's a $60 million appropriation for information technology for the Workers' Compensation Board. Is there any detail to that, of what that's going to go towards?

SENATOR DeFRANCISCO: I'll check for you.

It's a capital appropriation to upgrade their software and hardware for claims administration.

SENATOR PANEPINTO: Will the speaker continue to yield?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: This isn't the Assembly; I'm not the speaker. I just want you to be clear about that.

SENATOR PANEPINTO: The sponsor, I apologize.

SENATOR DeFRANCISCO: All right.

SENATOR PANEPINTO: Is that $60 million going to be spent this year, or is

that a continuing program?

SENATOR DeFRANCISCO: Well, the intent is to get this system up and operating as quickly as possible. But they anticipate that the program will take five years to complete.

SENATOR PANEPINTO: Will the sponsor continue to yield?

SENATOR DeFRANCISCO: I'm getting kind of tired now, but go ahead.

(Laughter.)

SENATOR PANEPINTO: I apologize. I'll wrap it up.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR PANEPINTO: Under the $150 million for severe weather acts, how will that be determined or how will that money be distributed?

SENATOR DeFRANCISCO: Well, it's additional CHIPS money, if I'm not mistaken. Fifty million? Which one are you referring to? I'm sorry.

ACTING PRESIDENT GRIFFO: He was referring to severe weather, he said.

SENATOR PANEPINTO: Severe weather,

acts of terrorism. It was a $150 million appropriation.

SENATOR DeFRANCISCO: I got 50 million of it so far, for DOT trucks or equipment. Forty million for counterterrorism. And 60 million for police equipment for local law enforcement.

SENATOR PANEPINTO: On the bill.

ACTING PRESIDENT GRIFFO: Senator Panepinto on the bill.

SENATOR PANEPINTO: Thank you, Senator DeFrancisco.

I'll be voting aye on the capital spending bill, but I'm disappointed that the Governor and the Senate Republicans didn't consider the five-year programs that SUNY and CUNY wanted or the five-year DOT appropriation.

But all in all, the capital budget, you know, looks like it's moving forward, and I'm a yes on it.

ACTING PRESIDENT GRIFFO: Senator Squadron.

SENATOR SQUADRON: Thank you, Mr. President. If the sponsor, having taken a brief rest, would yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Rest won't help me here, but go ahead.

(Laughter.)

SENATOR SQUADRON: Thank you very much. It's a marathon, not a sprint, Senator.

As Senator Espaillat talked about, I'm also pleased to see the NYCHA amount. I noticed you had said it was $100 million, through you, Mr. President. Which, you know, is no small amount.

I wanted to ask on page 748 of this bill, I see $150 million, at the top of that page, for severe weather. And I just wanted to know what --

SENATOR DeFRANCISCO: We just discussed that. That was the last question I answered.

SENATOR SQUADRON: Yes. Fifty million for trucks, I heard about that.

SENATOR DeFRANCISCO: Fifty million for trucks. And these have great emission systems, because they're new.

(Laughter.)

SENATOR DeFRANCISCO: And then $60 million for equipment for police, and 40 million for something else. Counterterrorism.

SENATOR SQUADRON: Thank you. So if the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: So is there another part of this bill that has a weather system -- weather detection system, as was at some point under discussion in this budget?

SENATOR DeFRANCISCO: No, it's -- it's -- I don't know why it was termed "weather detection." But of the three components, what it's earmarked for. Well, "earmarked" is a bad word. What it's programmed for.

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

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DeFRANCISCO: Yes.

SENATOR SQUADRON: If the sponsor would go to the part of the budget that appropriates capital for the MTA.

SENATOR DeFRANCISCO: Okay.

SENATOR SQUADRON: What's the total amount of capital appropriated for the MTA?

SENATOR DeFRANCISCO: Okay, the total amount is -- well, the $750 million for general capital needs, and $250 million for Penn Station access.

SENATOR SQUADRON: And is the total amount -- if the sponsor would continue to yield.

SENATOR DeFRANCISCO: One billion.

SENATOR SQUADRON: If the sponsor would continue to yield --

SENATOR DeFRANCISCO: Yes.

SENATOR SQUADRON: -- is the total amount -- how much less than the Governor proposed is the total amount?

SENATOR DeFRANCISCO: I don't believe we reduced it. But I may be wrong.

SENATOR SQUADRON: If the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: I believe there's a reduction of $150 million from the Governor's proposal? Forgive me.

SENATOR DeFRANCISCO: No, that $150 million was not an MTA capital money.

SENATOR SQUADRON: For transit-oriented development?

SENATOR DeFRANCISCO: Transit-oriented development. Does that go to the MTA?

That was specifically for parking garages, I'm being told. And that money is -- so that's still in the budget, along with the other billion. (Conferring off the record.)

That's correct, but I'm told that the ultimate budget didn't limit it to parking garages, as the Governor had in his budget. There was broader language that it could be used for other capital projects.

SENATOR SQUADRON: If the sponsor would continue to yield. My understanding is it was for parking garages around Long Island Railroad stations in particular. And if I understand the sponsor, it does exist elsewhere in this budget in this bill, or in another bill, and if so -- well, in any case, where? In any case, where, I think is the form of the question.

SENATOR DeFRANCISCO: The 150 is still there, but it's just a language change.

It's in this bill, correct? Yes.

SENATOR SQUADRON: If the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: Thank you. So the language changed and the location changed, but the appropriation is the same?

SENATOR DeFRANCISCO: The appropriation is the same. The language was broadened so the MTA was not limited to garages.

It's under "Special Infrastructure." We can give you the correct page.

SENATOR SQUADRON: If the sponsor would continue to yield. So is it still for MTA-related projects?

SENATOR DeFRANCISCO: Yes, but it gives MTA more discretion.

SENATOR SQUADRON: Okay.

SENATOR DeFRANCISCO: I don't know how I can explain it --

SENATOR SQUADRON: No, no, thank you. I appreciate that.

We're figuring out an understanding. Sometimes these questions and answers are a

public opportunity, sometimes they're an opportunity to understand a bill that is fresh in our minds, and this is the latter case.

If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Okay.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: So in total, what will be the annual deficit to the current proposed MTA capital plan after this budget is passed?

SENATOR DeFRANCISCO: I'm being told there's no current plan by the MTA.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: As far as what their actual deficit is, as we sit here today? There's no plan as far as how they're going to --

SENATOR SQUADRON: Just a clarification of the question. I said the proposed plan.

SENATOR DeFRANCISCO: The Executive did not accept the plan, and it was never

implemented. It was vetoed in a prior bill.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

SENATOR SQUADRON: Does the sponsor know the sort of rule of thumb for fare hikes or toll hikes, for that matter, in relation to capital deficits?

SENATOR DeFRANCISCO: I don't know what the rule of thumb is on just about anything. We try to be -- you know, we try to have specific lines and specific dollar amounts that are in the budget. But as far as a rule of thumb by whatever agency or whatever thumb is being used, I don't know. We act with more precision here.

(Laughter.)

SENATOR SQUADRON: If the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor will yield.

SENATOR DeFRANCISCO: Yes.

SENATOR SQUADRON: Is it sufficiently precise to say that you would have a 1 percent toll or fare increase for every billion dollars in capital deficit?

SENATOR DeFRANCISCO: I don't know. I have no idea. But we have the same problem in upstate transit, and it was a real fight to get capital and operating. So it's not limited to the MTA.

Unfortunately, we can't get everything we want when we want it. So it may not be all that's needed, but we're suffering the same thing throughout the state. We do the best we can.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: I was pleased to see, in fact, an increase in capital funds for the other transit systems in the state.

And also just to -- not to look backwards, but to look forwards, last evening we also discussed there being no operating increase for upstate transit, but I think there was in fact a 5 or 10 percent increase in operating as well. So those increases are appropriate and, as the sponsor says, probably insufficient.

Is it the sponsor's view that the upstate transit system should get a higher increase than the MTA or that they should be proportional?

SENATOR DeFRANCISCO: No, I think everybody should be treated in the same proportional way, unless there's like a hospital in Brooklyn that keeps getting more money every year to operate. There's some emergency situations that last for years and years and years; sometimes you've got to bite the bullet and pay for those.

But as far as upstate New York is concerned, in the Governor's budget there was no operating or capital increase until the Legislature got involved.

So -- but we should do it as proportional as we can unless there's an emergency situation.

SENATOR SQUADRON: If the sponsor would continue to yield.

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR SQUADRON: Just a final

question.

I notice that in the $100 million for NYCHA, that I think is important and is the reason I'm going to be voting for this bill that Senator Espaillat and you discussed previously, how many different agencies need to be involved before that money is actually released for NYCHA to use to fix its roofs and begin to keep itself in a state of good repair?

SENATOR DeFRANCISCO: I'm getting the answer, I hope. (Conferring off the record.)

HCR proposes a plan in conjunction with the City of New York and the Department of Transportation -- excuse me. DHCR establishes a plan in consultation with NYCHA and it's approved by the Department of Budget.

SENATOR SQUADRON: If the sponsor would continue to yield.

And DASNY as well, and the Dormitory Authority as well, actually disburses the dollars; is that correct? With the Department of Budget circling back in there at the end.

SENATOR DeFRANCISCO: Okay, I agree.

SENATOR SQUADRON: Thank you.

On the bill.

ACTING PRESIDENT GRIFFO: Senator Squadron on the bill.

SENATOR SQUADRON: Look, we talked about three different issues here. The issue that Senator Panepinto raised for the $150 million that I appreciate the description of by the sponsor but is not described in any detail in the budget, we've had many different answers over the last couple of months on what's happening with that $150 million. We have $100 million for the New York City Housing Authority. And we have $150 million for the MTA that has disappeared but I'm being told is still there for the MTA.

These three dollar amounts seem unrelated. But when you look at it and when you look at some of the priorities, I think it's important to raise the question why is it that the New York City Housing Authority, the largest public landlord in this state by a long shot, needs to struggle for any dollars -- and again, $100 million is a big step forwards from where we've been, and that has to be acknowledged -- but then needs a five-agency process to access

that money?

Why is it that the MTA and the upstate transit authorities, for that matter, need to struggle and beg for every dollar and have $150 million disappear, have at best a vagueness of the consequences of underfunding their capital plan, when these transit agencies and the MTA in particular are the lifeline for economies in every single city in our state and in the entire downstate region, not just in New York City, from Suffolk County to Nassau County through the five boroughs, through Westchester and Rockland?

At the same time that $150 million that have the words "severe weather," have the word "terrorism" -- all very important. You don't need to tell me, as a representative of Lower Manhattan, how important these issues are, either of them -- just kind of goes through and we get a description. And again, I appreciate we got some sort of description here at the eleventh hour.

I really do think that there's something wrong with this budget process. We need more transparency in the process. We should

have closed the tables down. We should have had more representation in the so-called room when it was being negotiated. Because we know that we need to fix NYCHA. That's a critical thing for more than 400,000 New Yorkers; it is their home. We know we need to fix the MTA capital plan, we need our buses and subways and our upstate transit systems running, kept in a state of good repair and expanded.

And we certainly need to do a lot to prepare for severe weather and terrorism, but we need to do it in a way where we understand as a Legislature, all 63 of us in the Senate, what it is we're doing and why it's money well-spent.

I will be voting yes on this bill. I do support the funding that is in here for the MTA. I do support the funding that's in here for NYCHA; that is a big step forward in Albany by any measure. But I do wish that we had a different process to get here.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Panepinto.

SENATOR PANEPINTO: Mr. Speaker, would the sponsor kindly yield to one more

question from me?

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, will you yield to a question from Senator Panepinto?

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: He does.

SENATOR PANEPINTO: Senator, you told me that the $400 million in the economic development was available to Buffalo. I've got in front of me the bill language, and it says -- it references the $400 million and says the funds shall not be available from this appropriation for projects within regions that are eligible to receive funding from the Upstate Revitalization Initiative or the Buffalo Regional Innovation Cluster program.

What's the Buffalo Innovation Regional Cluster program that exempts us from the $400 million in funding?

SENATOR DeFRANCISCO: It's $400 million. We talked about the competition; that's understood. It's another pot of money for Western New York that is not included in the additional Buffalo Billion.

So I guess you could say that it's

-- correct me if I'm wrong -- that the 400 -- you don't have the full billion yet, if I'm not mistaken.

SENATOR PANEPINTO: That's correct.

SENATOR DeFRANCISCO: And you're short maybe a few hundred million, right?

So I think this could be used in support of those projects not otherwise -- not otherwise started towards the -- to use it towards the Buffalo Billion, but not on projects that have already been accounted for.

(Conferring off the record.)

SENATOR PANEPINTO: Mr. President, I'm not sure if we're still formulating an answer or --

ACTING PRESIDENT GRIFFO: Yes, we are, Senator Panepinto.

SENATOR PANEPINTO: Okay, I wasn't sure.

ACTING PRESIDENT GRIFFO: Be patient.

SENATOR DeFRANCISCO: We're still forming an answer. And it will come out when it's percolated.

ACTING PRESIDENT GRIFFO: Senator

DeFrancisco.

SENATOR DeFRANCISCO: All right, I misspoke before, you're absolutely right.

There's seven regions that are eligible, three that are not: Buffalo, because they got the Buffalo Billion, Long Island, and New York City. So the $400 million is basically available to Long Island and New York City, if I'm not mistaken. Yes, that's the way it is. I misspoke before.

SENATOR PANEPINTO: Thank you very much.

ACTING PRESIDENT GRIFFO: Thank you, Senator Panepinto.

Senator Klein.

SENATOR KLEIN: Thank you, Mr. President.

I don't have any questions for the sponsor, I just wanted to highlight --

ACTING PRESIDENT GRIFFO: Senator Klein on the bill.

SENATOR KLEIN: -- two important pieces of the capital portion of the budget.

Certainly I do want to thank my colleague Senator Adriano Espaillat for his

advocacy on behalf of the Housing Authority.

But I also want to make it clear that this is the first time since 1998 that the State of New York in our budget has ever given any money to the New York City Housing Authority. And I really want to thank any colleagues in the Republican Conference, especially Senator Skelos, for joining us in really making this happen.

Clearly this was not something that was in the Governor's proposed budget, this was $50 million that came from the Assembly and this is $50 million that came from the State Senate from last year's JPMorgan settlement.

Again, I think this is a very important down payment on that money. And I think by having DHCR and these other agencies provide oversight, I think it's important.

I really unfortunately do not have faith that the New York City Housing Authority can actually make these repairs and make them on their own in a timely fashion. I'm not saying that the new NYCHA chair isn't working very hard and isn't very qualified. But I think everyone knows that NYCHA has a history of really ignoring these repairs, not making them in a timely

fashion, and the tenants are the ones that suffer.

Myself and some of my colleagues in this room put out a report a couple of months ago which actually, according to investigations in really the entire City of New York of NYCHA units, we found leaky ceilings, roofs that needed repairs for probably over the last 10 years, intercom systems, dangerous conditions in hallways -- where NYCHA can very well be considered the worst landlord in the City of New York.

So I think the oversight that we're going to provide under this budget bill I think is something that is important. I think certainly the eyes of the state are looking to see to make sure that this hundred million dollars gets to the NYCHA developments and actually goes in the form of repairs -- it's something that's very important.

The other piece that I want to highlight is something that I think is again something very important, something that I advocated for for quite some time. It's the $250 million for the MTA for the Metro-North

Railroad access to Penn Station in my home county of the Bronx.

Myself and the borough president, Ruben Díaz, Jr., three years ago put out a study where we advocated for these stations. This is truly going to be a game-changer for the communities in the Bronx that actually are going to be home to these Metro-North stations. One is going to be in Co-op City, one is going to be in Parkchester, one is going to be in Hunts Point, and one in Morris Park.

One of the problems that these communities all shared over the years is that in order to get into Manhattan to go to work or just leisure, or even to go in the reverse direction to Westchester or Connecticut, it was probably a one-hour commute. You know, clearly that's not causing a community for people to want to live there or be able to even get a job in Manhattan or other places.

When these Metro-North stations are up and running, the commute is now going to be 19 to 20 minutes -- 19 to 20 minutes, they'll be able to get to Penn Station. This is going to not only change the economic climate in the

Bronx, but also really benefit these communities.

So this is not only a very, very important transportation project that we've been advocating for for a long time, but it's an important economic development tool as well. So of course I'm going to vote yes on this capital portion of the budget.

Thank you.

ACTING PRESIDENT GRIFFO: Seeing and hearing no other Senator that wishes to be heard -- Senator Dilan.

SENATOR DILAN: Yes, I would like to ask the sponsor questions.

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

SENATOR DeFRANCISCO: Yes.

SENATOR DILAN: Through you, sir, with respect to DOT and MTA, I know in previous years it has been the tradition of this body or of this state to vote on a capital plan. And I believe that the capital plan for both the MTA and DOT expire this year.

I would like to know if we're voting on a capital plan for MTA and DOT. Is it a one-year plan, two-year plan, three-year plan,

four-year plan or a five-year plan? And where is the plan? Because I know that the MTA originally came out with a plan of $32.5 billion, which was immediately rejected by the commissioner of DOT, who's a member of the Capital Review Board. Can you let me know what's going on with those plans, sir?

SENATOR DeFRANCISCO: Yeah, the Executive rejected the MTA plan because there's a $15 billion gap. And we're not going to get to the plans during the budget process, it's going to have to be done at a later date this session, if there can be an agreement.

SENATOR DILAN: So the sponsor continues?

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR DILAN: So you're telling me that we're not voting on any capital plan for MTA or DOT at this time?

SENATOR DeFRANCISCO: That is correct, because of the rejection by the Governor of a plan that was proposed by MTA that had a $15 billion gap.

We all understand the need to have a

plan. But the Governor, I think rightly, wants it to be a real plan without a gap in it that just pushes it down the road. So we're all trying to work towards that goal before the end of session.

SENATOR DILAN: So therefore that means the budget will be late. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Dilan.

Seeing and hearing no Senator that wishes to be heard, debate is closed. The Secretary will ring the bell.

The Secretary will read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Dilan to explain his vote.

May I have some order in the house, please.

SENATOR DILAN: You know, I just rise -- I'm kind of inclined to vote no on this

bill. However, there are some good things in the capital plan. It does provide $100 million for New York City Housing Authority, and I think that's perhaps the only reason why I would vote yes in this portion of the bill.

I'm very disappointed that we do not have a capital plan for the MTA or Department of Transportation. I know when the budget hearings started, as Senator Krueger knows, in early February, we asked the commissioner of DOT for her capital plan, which she never submitted to us. We asked her for a list of capital projects, which was never provided to this body. I think that that's a total disrespect to the legislative process that we do not have a list of projects for DOT.

And the fact that at least the MTA did do due diligence by providing their five-year plan, which was immediately rejected by the Capital Review Board, perhaps at the urging of the second floor -- I'm just very disappointed with the process that we are following here.

But I am voting yes --

ACTING PRESIDENT GRIFFO: Excuse me, could I have some order in the chamber,

please.

Senator Dilan.

SENATOR DILAN: I am voting yes, but I think that the public just needs to know that there's something definitely wrong with the process. When we as a Legislature cannot put together a five-year plan with sufficient time to do it, there is just something that is definitely broken here.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Dilan, how do you vote?

SENATOR DILAN: I vote aye.

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

Announce the results.

THE SECRETARY: Ayes, 60. Nays, 2. Senators Parker and Perkins recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator LaValle.

SENATOR LaVALLE: Mr. President, once again on Supplemental Calendar Number 28A, can we have the noncontroversial reading of

Calendar Number 318.

ACTING PRESIDENT GRIFFO: We will have, on the supplemental calendar, Calendar Number 318 read. The Secretary will read.

THE SECRETARY: Calendar Number 318, Senate Budget Bill, Senate Print 4611, Concurrent Resolution of the Senate and Assembly.

ACTING PRESIDENT GRIFFO: Call the roll on the resolution.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Hamilton to explain his vote.

SENATOR HAMILTON: Thank you, Mr. President.

I believe that if someone does commit a crime, a felony, they should pay for their crime. But personally for myself, I have a 30-year pension already in place. And I don't perceive myself committing a felony, but we do have overzealous prosecutors who do go after elected officials for some other reason. And it doesn't apply to everybody, and that's why I'm voting no on it.

And also the next reason why I'm voting no is for families, especially children

and wives and significant others who depend on pensions. Especially for mothers who were home caretakers of their children for most of their life, I just wouldn't want to see them adversely affected by any bad deeds of anyone.

So I just want to record the vote that I believe that a penalty should be applied to someone who commits a felony, but I don't think the family members should be jeopardized in having income for living from the pension. So I think the pension is a property right that should not be taken away for bad deeds of anyone.

Thank you very much.

ACTING PRESIDENT GRIFFO: Senator Hamilton to be recorded in the negative.

Some order in the house, please.

Senator Hassell-Thompson to explain her vote.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. I rise to explain my vote.

You know, I have some real difficulty with this bill. And I certainly am one who believes that people ought to serve time, do whatever's appropriate if they commit a crime.

But I think it's unconscionable for

us to sit here and talk about people who pay into their pension program and then you decide that the money that they have put in, you're going to take it back.

If you're in Tier 1, I can understand that, because those who were fortunate enough to have been in Tier 1, the state paid that pension. But for those who have been in the pension plan from Tier 3 on, the majority of that money is their money.

Therefore, I will never in this chamber vote to remove a pension as a part of the penalty. I vote no.

ACTING PRESIDENT GRIFFO: Senator Hassell-Thompson to be recorded in the negative.

Announce the results.

THE SECRETARY: In relation to Calendar 318, those recorded in the negative are Senators Comrie, Dilan, Hamilton, Hassell-Thompson, Montgomery, Parker, Peralta, Perkins, Sanders and Savino.

Ayes, 52. Nays, 10.

ACTING PRESIDENT GRIFFO: The resolution is adopted.

Senator LaValle, that completes the

reading of both the noncontroversial and controversial calendars before the house.

SENATOR LaVALLE: Mr. President.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: I'd like to call an immediate meeting of the Finance Committee in Room 332.

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

The Senate will stand temporarily at ease.

(Whereupon, the Senate stood at ease at 6:30 p.m.)

(Whereupon, the Senate reconvened at 6:56 p.m.)

ACTING PRESIDENT GRIFFO: The Senate will come to order.

Senator LaValle.

SENATOR LaVALLE: Thank you, Mr. President.

Can we return to the reports of standing committees for the report --

ACTING PRESIDENT GRIFFO: We are

returning to reports of standing committees.

Senator LaValle.

SENATOR LaVALLE: I believe there's a report of the Finance Committee at the desk. May we please have it read at this time.

ACTING PRESIDENT GRIFFO: There is a report of the Finance Committee at the desk.

The Secretary will read.

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

Senate Print 2006B, Senate Budget Bill, enacts into law major components;

Senate 4612A, Senate Budget Bill, an act to amend a chapter of the Laws of 2015.

Both bills reported direct to third reading.

ACTING PRESIDENT GRIFFO: Senator LaValle.

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

ACTING PRESIDENT GRIFFO: The question is on accepting the Finance Committee report before the house. All in favor signify by

saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

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

Senator LaValle.

SENATOR LaVALLE: Mr. President, we have on our desks Senate Supplemental Calendar Number 28B. I move we have a reading of the noncontroversial supplemental agenda, Bill 316.

ACTING PRESIDENT GRIFFO: We are on Senate Supplemental Calendar 28B, and the Secretary will read Calendar Number 316.

THE SECRETARY: Calendar Number 316, Senate Budget Bill, Senate Print 2006B, an act to amend the Education Law.

SENATOR LaVALLE: Mr. President, is there a message of necessity at the desk?

ACTING PRESIDENT GRIFFO: There is a message of necessity at the desk.

SENATOR LaVALLE: I move we accept the message.

ACTING PRESIDENT GRIFFO: All in

favor of accepting the message of necessity of the Governor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The message is accepted and the bill is before the house.

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: The bill is laid aside.

Senator LaValle.

SENATOR LaVALLE: Mr. President, I move we go to the controversial reading of the supplemental calendar, Number 316.

ACTING PRESIDENT GRIFFO: The Secretary will ring the bell.

The Secretary will read.

THE SECRETARY: Calendar Number 316, Senate Budget Bill, Senate Print 2006B, an act to amend the Education Law.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

SENATOR GIANARIS: Mr. President, I believe there's an amendment at the desk. I ask

that the reading of the amendment be waived and that Senator Latimer may be heard on the amendment.

ACTING PRESIDENT GRIFFO: Senator Gianaris, upon review of the amendment I find that it is not germane to the bill at hand.

SENATOR GIANARIS: That is disappointing, Mr. President. I would like to appeal from that decision and ask that Senator Latimer be heard on the appeal.

ACTING PRESIDENT GRIFFO: Your appeal is accepted.

And, Senator Latimer, you may be heard.

SENATOR LATIMER: Thank you, Mr. President.

My amendment to this legislation is germane because it does maintain the same purpose and addresses the same areas of law as the underlying bill.

The amendment that we've before us in the house I believe is logical action which allows for us to plan for a well-thought-out plan for teacher evaluation, done with a proper review, implementation that allows us the time

necessary to involve all of the stakeholders that should be involved in this process, and at the same time have the school districts that have to know what their available dollars are, because in the course of the next few weeks they're finalizing budgets which will go before the voters in their various school districts in May. That budget for the school districts is the urgent need of the law, but the APPR program is not urgent to go in effect today or tomorrow.

And in fact we've just had an education in what happens when you implement something that is rushed and it's poorly administered.

So, Mr. President, I would argue that what this amendment does is take rationality to the process, it puts the dollars and it takes the policy and puts them on a different time frame that makes logical sense and would give the best possible opportunity for a successful result.

ACTING PRESIDENT GRIFFO: Thank you, Senator Latimer.

The vote is on the ruling of the chair. It's a procedural vote. All those in

favor of overruling the chair's decision signify by saying aye.

(Response of "Aye.")

SENATOR GIANARIS: Show of hands, please.

ACTING PRESIDENT GRIFFO: Senator Gianaris has requested a show of hands and it is so ordered.

Announce the results.

THE SECRETARY: Ayes, 24.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

Senator Gianaris, why do you rise?

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

ACTING PRESIDENT GRIFFO: Senator Gianaris, upon reviewing the amendment that has been proposed before the desk, we rule that it is not germane and therefore out of order.

SENATOR GIANARIS: I would like to appeal that decision, Mr. President, and ask that Senator Espaillat be heard on the appeal.

ACTING PRESIDENT GRIFFO: The

appeal is accepted and, Senator Espaillat, you may be heard.

SENATOR ESPAILLAT: Thank you, Mr. President.

My amendment to this legislation is germane because it does maintain the purpose and addresses the same areas of the law as the underlying bill.

Families are struggling throughout the state because the national government has failed to raise the federal minimum wage to keep pace with inflation.

In 1938, FDR -- as we have been referring to the New Deal in this past two days -- signed the first federal minimum wage law, the Fair Labor Standards Act, with a 25-cent-per-hour wage floor and a 44-hour-work-week ceiling for most employees. In the depths of the Great Depression, this legislation lifted families out of poverty.

The national government has failed to increase the federal minimum wage enough to keep pace with inflation, and families are once again struggling throughout the state. In New York City, one in three rental households

spend more than 50 percent on rent and utilities, and are considered severely rent-burdened. One in five city residents are recipients of SNAP, and over 1.9 million people, one in three New York City residents, struggle to afford food.

This is due to the skyrocketing cost of living in our state while wages have stagnated, having a serious and detrimental impact on working-class New Yorkers.

Raising the minimum wage will help boost economic activity, propelling our economy forward. This amendment will raise the base statewide minimum wage to $10.50 on and after January 1, 2016, and index it to a real consumer price index.

Now, Mr. President, there are several states, many that have already passed legislation upping the minimum wage above what we have it at right now: Alaska has enacted legislation for $9.75 effective January 1, 2016. California at $10, effective January 1, 2016. Connecticut at $9.60 on 1/16 and $10.10 on 1/17. Hawaii, $8.50, 1/16, $9.25 on 1/17. Massachusetts at $10 in January 2016 and $11.00 in January 2017. Michigan at $9.25 in January

2018. And so forth.

So we are far behind. This amendment will raise the base statewide minimum wage to $10.50 on and after January 1, 2016.

It would also allow cities and counties to raise their minimum wage up to 30 percent higher than the state. We know that the cost of living varies across the state. The cost of living in Midtown Manhattan is not the same as the cost of living in Syracuse. The cost of living in the Bronx is not the same cost of living as in Scarsdale, New York.

There are varied costs of living across the state, the economies are regionally motivated, and we must have the ability to address those needs.

We must act as FDR 77 years ago and reinstate a livable wage to elevate working-class families out of poverty.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Espaillat.

The vote will be on the procedures of the house. The vote before you is all those in favor of overruling the ruling of chair

signify by saying aye.

(Response of "Aye.")

SENATOR GIANARIS: Show of hands, please.

ACTING PRESIDENT GRIFFO: Senator Gianaris has requested a hand vote, and so ordered.

Results?

THE SECRETARY: Ayes, 25.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

Senator Gianaris.

SENATOR GIANARIS: Hello, Mr. President.

I believe there's yet another amendment at the desk. I ask that its reading be waived and that Senator Squadron be heard on the amendment.

SENATOR SQUADRON: Thank you --

SENATOR GIANARIS: I have to appeal first.

ACTING PRESIDENT GRIFFO: Once again, Senator Gianaris, upon review of the amendment we rule that it is not germane to the bill and therefore out of order.

SENATOR GIANARIS: I would like to appeal that decision and ask that Senator Squadron be heard on the appeal.

ACTING PRESIDENT GRIFFO: The appeal is accepted. Senator Squadron, you may be heard.

SENATOR SQUADRON: Thank you, Mr. President. That pause created a great deal of excitement, so thank you.

(Laughter.)

SENATOR SQUADRON: I believe that my amendment is germane. It maintains the same purpose and addresses the same area of law as the underlying bill.

In fact, as recently as last evening, Senator DeFrancisco talked about the fact that a provision the Governor originally put in was getting driven forward into this bill. And we do see, relative to independent expenditures, a provision in this bill that was originally linked to this very provision, which everyone in this house will be surprised to know is about closing the limited liability company loophole.

The limited liability company

loophole, as folks know, allows anonymous, nontransparent, unlimited contributions from corporations, from individuals, from any other entity into this political system. It is used extensively. You've all heard me speak about it extensively through the course of this month. So I'm actually going to take this time to explain its importance with others' words.

The New York Times said: "For powerful politicians and the big businesses they court, getting around New York's campaign donation limits is easy, thanks to the LLC loophole."

For those of you who think that the New York Times may not reflect what happens in your district, the Albany Times Union said: "Closing the LLC loophole would be an important first step in reducing the corrupting influence of money in political campaigns. Taking this one simple bite out of corruption will force any politician who objects to explain why." If only that were true.

It's not just the New York Times and the paper that covers this town. The Syracuse Post-Standard: "And then there's the LLC

loophole that makes a mockery of campaign contribution limits." The Rochester D&C, Democrat and Chronicle: LLC stands for "limited liability company," but in a growing number of cases it also means "let's legally cheat."

The Buffalo News: "But the LLC loophole lets those very officeholders" -- us -- "bathe in a river of money given by business interests seeking favorable treatment. So each year the loophole lives on as a widely loathed fixture in campaign finance."

The Glens Falls Post-Star: "The difference between a legitimate campaign contribution and an outright bribe continues to be murky in Albany," in an article written about LLCs.

The Plattsburgh Press-Republican in the North Country: "Top-heavy influence in the political process" is created through the LLCs. "The average individual cannot give that kind of money, only the wealthy and powerful can. It is, in effect, buying influence."

The Middletown Times Herald Record: "Good luck following the other millions that flow through these limited liability corporations that

have the ability to split up fundraising efforts to avoid exceeding even New York's generous limitations, and then making sure that the money all goes to a single candidate."

Not only is this amendment germane, it is necessary. It is necessary if we have any hope of restoring faith in our government. It is necessary if the ethics reforms that have been made such a priority this year, appropriately, are going to have any appreciable effect on the culture in this town. And it's necessary if you believe newspapers, local newspapers across the state, these and others.

This is not a New York City issue, this is not an Albany issue, this is a New York State issue. This is an issue of the validity of our government, and it is germane, as are the other provisions in this bill, including the one on independent expenditures. And that's why I hope that my colleagues join me in overruling the ruling of the chair.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Squadron.

The question is again on the

procedures of the house. All those in favor of overruling the ruling of the chair signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

SENATOR GIANARIS: Show of hands.

ACTING PRESIDENT GRIFFO: Senator Gianaris has requested a show of hands. It is so ordered.

Results?

THE SECRETARY: Ayes, 24.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

The bill is before the house.

Senator Latimer.

SENATOR LATIMER: Thank you, Mr. President. Will the sponsor yield for some questions?

ACTING PRESIDENT GRIFFO: Without objection, Senator DeFrancisco will yield to Senator Flanagan, chair of the Education Committee. With unanimous consent, so ordered.

Senator Latimer, you may pose a question.

SENATOR LATIMER: Thank you,

Mr. President. Thank you, Senator Flanagan.

This bill has got a lot of things in it. In addition to education, it's got ethics and brownfields and so forth. But I want to limit the questions to those that I know you're very expert in and to try to understand exactly what kind of an arrangement we have here.

In the Senate one-house bill that was passed by our house a couple of weeks ago on the Senate majority line, it was a high priority that there be full restoration of the GEA. Senator, can you tell us, in the agreement now that's been struck with the Governor and the other house, what is the percentage in the aggregate for GEA restoration?

SENATOR FLANAGAN: Mr. President, through you, I am more than happy to speak to that issue, but I just want to be a little cautious, in that that's in the appropriation bill, not the Article VII bill.

But the GEA, as we began this year, and in the Executive Budget, was at $1.036 billion. Our advocacy, through the one-house budget resolution, as it has been for the last several years, was to eliminate it in

its entirety. But, Senator Latimer, you are aware that we operate on a three-legged chair here with the Governor, the Senate and the Assembly, and ultimately we effectuate a compromise. So the change this year is that the GEA is further reduced from $1.036 billion by $603 million.

SENATOR LATIMER: The questions that relate, Mr. President, to the dollars and cents of the GEA, would you prefer that they be addressed on the next bill in the Aid to Localities?

ACTING PRESIDENT GRIFFO: Without objection, Senator Flanagan will answer them now.

SENATOR LATIMER: Okay, I'll follow whatever direction you have.

Will the Senator yield for additional questions.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you, Senator.

The distribution of the GEA benefits at this relative percentage, which we estimate to

be about a 60 percent restoration in the aggregate, is not equally distributed throughout all districts at that same level. There is a formula for which we've seen language.

Can you give us a range of the upper end and the lower end of restoration so that we understand, when we go back to our districts, which districts have been restored at a high level and which at a low level of restoration?

SENATOR FLANAGAN: Yes. Consistent with the pattern that started with the GEA at its inception, it was $2.8 billion. Now it's just slightly over $400 million left in the balance.

And as an aside, I am terribly confident and comfortable that by the time we have this budget discussion next year, we will all be talking about the final elimination of the GEA.

Within the GEA structure, last year the minimum restoration that any district could have had was 29 percent. Those would be basically your higher-wealth, essentially lower-needs districts. But certainly every district in the State of New York has its own set of needs.

We drove, over the first three years, a significantly higher portion of restoration to high-needs districts, which include the City of New York, the Big Four, high-needs rural, high-needs urban, high-needs suburban. But the restoration occurred at a much more accelerated pace for districts that are, frankly, poorer in comparison. And we continue that this year.

But I would say, Senator Latimer, there are two things that are noteworthy. The minimum restoration now goes from 29 percent to 50 percent. So every district across the State of New York, the least amount of restoration that you would have on GEA would be 50 percent.

On the high end, I have to be honest, I'm not quite sure but I believe it's -- I can confidently say that it is probably around 90 or north, but certainly less than a hundred.

Everyone in this budget still has some GEA, but the districts who are high-needs still receive the overwhelming majority of the increase in funding, GEA or otherwise. And where there is less of a restoration on GEA, there is more of an enhancement on Foundation Aid.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

SENATOR LATIMER: Thank you.

In looking at the school runs that we saw earlier today and doing some simple mathematics, it appears that there are districts, though, that restoration has reached only the 30 percent level. Which means that there are some number of districts, and not just a few of them, that will still have 70 percent of the current level of GEA that is still unrestored, leaving for next year a significant amount of money that is still owed those districts.

And the argument that has been made in many different venues is that this is money that we took from these districts during a time of crisis and now that the crisis is over, we should be able to restore it. That is the rationale that the majority and you yourself have made, and I think accurately so when you made that argument.

So what is your sense of what kind of a time frame we could realistically look at for 100 percent restoration, given the fact that

some districts only have a 30 percent restoration this year?

SENATOR FLANAGAN: Senator Latimer, I would make a couple of points. First of all, I'll only differentiate in this regard. I can very clearly tell you I did not vote for the GEA. Certainly at its inception, I voted against it at the time. And we are living the effects of that enactment a number of years ago.

I respectfully disagree, the minimum restoration -- and I spent a lot of time talking to our staff, and the negotiations went back and forth. The minimum restoration is 50 percent, not 30. If there are lower numbers for school districts, it is primarily a function of the fact that they either had lower reimbursement on expense-based aids or reductions.

And let me parenthetically add while we ultimately have to come to a compromise, I can tell you unequivocally that the Assembly balked at our efforts to raise that minimum restoration to a higher number. Again, I know we come to a negotiated compromise. But when you are dealing back and forth, I am very, very confident and knowledgeable that the Assembly balked at exactly

what you are speaking to.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Senator, I know, I'm sure you fought very strong for this. This is a practical reason why those of us in the minority should be included in negotiations because you had, in this chamber, Democrats who supported your point of view and could give you a bipartisan argument against other Democrats who might not have shared your point of view.

But I would say that my understanding in reading the runs -- and I'm happy to be redirected by anybody on staff -- it seems very clear to me that in a number of cases the restoration is only at 30 percent for certain districts. But we'll hold that off to an offline conversation rather than to trouble individuals with additional time.

The next question I have is regarding Foundation Aid. In the one-house bill there was no particular reference to Foundation

Aid. What does this agreement represent, in general terms, in terms of Foundation Aid for the new school year?

SENATOR FLANAGAN: Senator Latimer, I'm going to give you a two-part answer. I failed to answer the second part of your previous question.

We have consistently advocated for the elimination of GEA. It is our hope, desire, intention, plan, strategic planning, however one may want to call it -- there is now just slightly over $400 million left in GEA. Based on our track record, collectively, Democrats and Republicans, last year we restored $602 million, this year we got to $603 million. I think it's very fair to say that getting the full elimination next year is something that is eminently within striking distance.

Now, as relates to Foundation Aid, you are accurate, in the one-house budget resolution we spoke to the elimination of GEA and an increase in general support to public schools.

Here, there's $427 million in Foundation Aid, $427 million additional funding in Foundation Aid over last year. Which is, by

the way, a very significant increase in Foundation Aid vis-a-vis last year. Last year it was roughly 250, so this year it went from 250 to 427.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

SENATOR LATIMER: Thank you.

In terms of what we've heard much about, failing schools or problem schools or target schools, whatever terminology is being used, how has the Foundation Aid been targeted to address those situations in this document, given the fact that it is identified that these are the schools that are in the greatest jeopardy?

SENATOR FLANAGAN: Senator Latimer, I would make this distinction. I think if you look at, quote, unquote, failing schools, the sad news is that we have them. The sadder news is that they are distributed all throughout the state, it is not just an urban problem by any stretch of the imagination.

I can comfortably tell you without having any specific school district in front of me that a number of these schools get a

relatively high amount of funding compared to many other districts in the State of New York. And I don't want that misinterpreted. I'm not suggesting for one moment that they don't deserve it or that we shouldn't be looking at opportunities to try and find ways to ameliorate that situation. But I'll use, respectfully, the City of New York as an example.

You know, there are certain parameters under which we operate vis-a-vis the city and overall education funding. It's a little different when you're driving a $9 billion check to the City of New York or thereabouts. They have a lot more latitude in terms of the fungibility of what they do within their schools right now.

I've had a number of meetings with the mayor's office recently on what they call Renewal Schools. They came up with $150 million to address some of their concerns. I asked them where they got the money: They made some discretionary moves at the local level, they have School Improvement Grants, they have federal funding, they have Community Schools funding.

So I think one of the areas where

the Governor's Education Reform Commission did some good work, very solid work, was in creating this whole concept of Community Schools, which in essence would allow for not only immersion during the school day but thereafter. So where you have those unique set of circumstances, you have a high index of poverty, free and reduced lunch, a disproportionate number of ELLs or students with disabilities. Those are the types of things that can be addressed. You can have a mental health worker or a social worker, a health-type person who would be available on-site, and a lot of the other districts may not have that.

So I believe that you could arguably and fairly say that money is driven to these districts in a higher percentage than in many other districts in the State of New York. Irrespective of what we may do in the whole concept or rubric of failing schools.

SENATOR LATIMER: Thank you, Senator.

Mr. President, may I continue? This is a very deep area of the budget, so I appreciate your indulgence. Would the Senator yield for additional questions?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you, Senator.

The CFE court case, which was adjudicated a number of years ago, identified a significant amount of money that was owed the New York City school system because of the school budget formula that extended over many, many years. And in the first two years or so after the court ruling, there were some special amounts of money that were targeted to restore that for that district. That has stopped happening over the last few years.

Can you describe how this budget treats the responsibility for CFE compliance for New York City schools?

SENATOR FLANAGAN: Well, I would say a couple of things.

The CFE case at its inception certainly involved the City of New York. And I've read all the cases -- Supreme Court, Appellate, Court of Appeals, back down and back up. So there are a number of court cases that

focused on the City of New York.

At the time, Governor Pataki and the Legislature, both Senate and Assembly, Democrats and Republicans, came up with steps that helped address some of the needs or the issues raised by the court.

As you are well aware, Foundation Aid was the creation of Governor Spitzer at the time, and there are differing schools of thought in terms of what was done as it relates to content. Certainly Foundation Aid was not a New York City approach only; it was a statewide approach. So when speaking about Foundation Aid and the City of New York, it is very important to recognize -- and I know you're aware of this -- that there are a number of districts who were the beneficiaries of the legislative outgrowth of the CFE case.

I will say this. I believe that there are a number of people who would say that we have not met the commitment of CFE, and I would differentiate it and put it this way. Since Governor Cuomo became governor, in his first year in office he inherited a $10 billion deficit that he did not create. He was charged

with, as we were, with fixing the problem. The historical nature of the problem I'm not going to get involved in. I'll just say that in the first year, everybody made difficult choices that nobody liked making.

Since then, we have directionally been moving in a very, very positive direction. So if you incorporate what we have done in the last four years, including this budget, we have added over $4.4 billion in new funding to education. I believe -- and I respect the fact that there are those who will disagree. I believe we are meeting our obligations to the extent that we can within existing resources and the revenues of the State of New York.

So there are those who constantly raise the specter that we are not spending enough. But I know this and you know this, because we come from similar communities. When you add up what we are spending in general support for public schools and you add in what we fund the STAR program at, we're talking about $27 billion of taxpayers' money that goes towards education and, by extension, our taxpayers and property taxpayers. Because as you well know,

the more money we drive from the State of New York back to local districts, the less pressure there is on the local property tax.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you.

The issues I relate to CFE may be pursued by some of my colleagues who are more familiar with the impacts in their districts, so I'll hold those off except to make a correlation to the issue of the receivership proposal that the Governor put before us and then whatever is in this final plan.

Can you describe, Senator, what this plan does in terms of the receivership proposal for troubled schools?

SENATOR FLANAGAN: How long do you have, Senator Latimer?

SENATOR LATIMER: I think we have until 12 o'clock tonight, Senator.

SENATOR FLANAGAN: Okay. So I would say there are a couple of very important

points to recognize. And you know what? I'm going to take the liberty of speaking for both of us only for a moment.

I believe that one of the problems we have is the dialogue that takes place vis-a-vis education. We all support education, all of us. We may come at it from different angles, but we all care about kids and parents and students, and we equally care about teachers. There's nothing more important than having a good teacher in front of the classroom.

I believe one of the failures -- and I'm using that word specifically -- is the level of the dialogue. So I'm going to take the liberty of just saying you hate the word "failing schools"; so do I. So in this discussion I'm not calling them failing schools anymore, because I think of parents who would send their children to a school like that, the perception becomes the reality, it's a bad way to start the day and it's certainly a bad way to end the day.

So I think we can have a fair discussion about struggling schools, opportunity schools, renewal schools, revitalization schools -- but at the end of the day, all those

schools are filled with children. And I know you have the same level of concern.

As it relates to a receiver, there are significant changes from what the Governor had advocated in his original budget. And the schools, as defined, total 178 across the State of New York, 91 of which are within the City of New York.

But there is a subcategory that is amongst the most egregious by far, and I frankly -- I really don't even like having to have this discussion, because it means that we have failed in some regards in relation to these schools in particular. There's a lot of reasons for that. But nonetheless, there are 27 schools that fall within the most egregious category. The balance of the 151 are still in extremis, but not necessarily to the same degree.

The reason I focus on that is because there are different standards and there's differentiation between and amongst what would happen in each of those schools. There is discussions about additional funding. There are parameters that suggest that any one of these schools, as a result of what may happen, will now

become a community school, which would make them eligible for School Improvement Grants and some of the things I mentioned in terms of federal funding. So just by that alone, that may generate additional funding for some of these schools as defined.

In the category of the 27 schools, there is a slight distinction between the City of New York and the rest of the state. I believe it's fair to represent that on the whole, this is not a knee-jerk reaction, it is a fluid process that allows for some changes. And it has a set of benchmarks that if you meet them, you can get out of that quagmire. If you don't, there are additional points at which action can be taken either in concert with the district or in concert with SED or by SED in the most far-reaching circumstances.

So in those 27 schools the mayor and the City of New York had expressed grave concern about who may be playing what fundamental roles. Therein, the chancellor would be appointed the receiver, and that would be after one year. There is a one-year window to have a turnaround plan developed at the local level and have it

reviewed and potentially approved by the State Education Department.

So I do think it's very important to reiterate that this is not, you know, the bill getting enacted tonight and tomorrow there's a receiver. I have a pretty confident feeling that a lot of people here, and by extension in our other house, are not really apt or desirous of just jumping in overnight. I think this sets a very good timetable, a solid timetable.

So again, those 27 schools are under a different framework, if you will. And the other 151 schools, they actually get a little bit more time, I think it's more of a three-year process.

In the 27 and the 151, the superintendent may be appointed as the receiver. And, you know, a lot of people said, well, if the super gets in there, are they just going to ignore the school board? I think part of this discussion would include the notion that superintendents are hired by school boards. So I think there's probably a pretty good chance that as opposed to taking drastic measures, that there would be some middle-ground efforts to try and

ameliorate these situations locally.

One thing that's very important in both scenarios is that there is an obligation to have a community engagement team, which would include parents and stakeholders at the local level.

And then, Senator Latimer, as you are well aware, there are issues involving negotiations, what can be done by the receiver, and can the receiver just gratuitously go in and say everyone is now unemployed. I don't believe that to be the case.

So I think there are safeguards that prevent egregious action from being taken. But nonetheless, it recognizes the situation that we find ourselves in as a state. Because amongst those 178 schools, it is distributed equitably and geographically throughout the State of New York.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you.

The explanation you have given, where will I find in the budget the language that shows the implementation along the lines that you've said? The original Executive proposal was rather harshly written and was written in a way where an external person would come in, there was no identification of resources of how that external person would come in and would have the ability to abrogate contracts and take some very bold actions.

Can you point out, Senator, for our benefit how the implementation you've just described verbally is placed into reality?

SENATOR FLANAGAN: Senator Latimer, just to show you how fortunate I am, I have a tabbed bill copy here. And I would say that a fair reading would be that it would start on page 148, under subpart H. And given the depth of this issue, it goes on for at least several different pages.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: I appreciate --

SENATOR FLANAGAN: In fact, Senator Latimer, let me just -- I would say it goes on from page 148 till the end of the bill.

SENATOR LATIMER: Okay, very good. Thank you, Senator. Again, Mr. President, I realize this is a long process of questioning, but again this is a multiheaded issue. So I apologize to my colleagues and to you. I just want to make sure we get out each of these points as best as we can.

The issue of the 3020-a removal procedures, Senator, that's in this bill, is there a rationale for why we have moved from a three-person panel to an individual person? And I think the concern that we have is that a three-person panel will do a more balanced job of evaluating the situation; one person may or may not have that same approach and might tend to err on one side or other of these things.

SENATOR FLANAGAN: Well, I think within the discussion of 3020-a that it's important to recognize some of the other changes that we made as well.

And now, and I frankly am amazed

that we even had to have a legitimate discussion on this, if a teacher is convicted of a violent felony offense against a child -- believe it or not, the law did not allow for automatic removal. However, that person's teaching certificate can now be revoked upon that conviction. And even in spite of that, we still provide due process protection for that individual, no matter how heinous the crime may be, and they are then subject to an expedited 3020-a process.

Second, there are now equal standards for teachers along with everyone else. There were aspects of discovery and some of procedural aspects of these hearings which afforded the teachers a different set of rules than other similarly situated parties and, I think it's fair to say, people who would be subject to civil service Article 75 hearings like CSEA and PEF.

So now there's an equal footing and the hearing officer has the opportunity to set a timetable on discovery. That provides balance. That's something that school districts have asked for for a number of years.

So I think I'm going to -- and I'll

get much more directly to your point. A very strong feeling, and I saw comments from Assemblywoman Nolan on what she said on the Assembly floor not too long ago, that this effectuates a reasonable compromise.

We believe that there are due process protections and there is also an opportunity to streamline the process and to provide for efficiency and potential cost savings to districts.

And by the way, I think one of the things that gets overlooked -- I know we talk about things like DNA evidence. There are many times that DNA evidence can be used to exonerate someone. Here, a more timely process without depriving anyone of their due process rights could be beneficial to a teacher as well.

So I think the single hearing officer is for purposes of efficiency and an opportunity to potentially save money and still have an positive outcome.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

SENATOR LATIMER: Thank you,

Senator.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: I'm concerned that the savings of going from three hearing officers to one hearing officer is not much of a savings when in other parts of this budget we're talking about adding outside consultants to come in to do a variety of different things where we don't seem to be as worried about either the streamlining or the savings in cost savings.

There appears in the 3020 changes that have been made that there is a presumption of guilt on the individual. Is that not a fair comment from your perspective?

SENATOR FLANAGAN: No.

SENATOR LATIMER: Because it seems that's changed -- it has changed the dynamic.

SENATOR FLANAGAN: Well, I respect your opportunity to essentially say it that way, I just don't happen to agree.

SENATOR LATIMER: Isn't the burden -- I'm sorry, through the president, may I -- will he continue to yield for questions?

ACTING PRESIDENT GRIFFO: The

sponsor yields.

SENATOR LATIMER: Doesn't this change the burden, Senator, to the individual to defend themselves rather than on the organization to prove their failure to perform in a certain fashion? Isn't that changed fundamentally by this?

SENATOR FLANAGAN: Well, Senator Latimer, I would say there are distinctions between 3020-a proceedings based on misconduct and now in 3020-b what one may define as being ineffective or incompetent. And there are distinctions between the two of those. So let me go back to 3020-a for a second.

There is, and I just want to make -- because of the gravity of this, I want to make sure I'm saying it correctly. Okay, we do a couple of other things which I think are important as well. We allow for a child witness to testify through closed circuit television.

Here's a good example. We allow a school district to suspend an employee without pay who was charged with misconduct, conduct constituting physical or sexual abuse of a student. These are very serious charges, and

people recognize that.

There is a potential suspension, but there has to be a probable cause hearing. No one can be suspended without pay for more than 120 days -- which, by the way, is a lesser standard than exists in the City of New York, which is 90 days.

So there are, I think there are a number of continued due-process protections for anyone who is accused of either misconduct or, under the new portions of 3020-b, something that would rise to the level of incompetence.

So on that point, I think what you're probably more alluding to -- and I certainly don't want to speak for you -- is the concept of if you are rated ineffective on your teacher evaluations, what then are the procedures and what is the sort of the rules of engagement in terms of something like that?

There's a distinction between being found ineffective twice. There's a distinction from that and being found ineffective for three years. Under the two-year scenario, a school district may bring the proceeding. If you are found ineffective for three years, the school

district is obligated to bring that proceeding. And while we may debate what is ineffective, effective, highly effective or developing, I think it is a reasonable standard to say if someone has been found ineffective for three years in a row, that there should be a proceeding brought.

SENATOR LATIMER: Mr. President, will the Senator continue to yield? I will try my best to wrap these questions up as quickly as I can.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you.

Thank you, Senator.

I would disagree, Senator, that I think there is a change in the presumption on the 3020-a situation, so we're going to have to be in disagreement on that one.

I want to touch on the last topic area -- there are many other topic areas, but in deference to your time and the time of my colleagues, I want to touch on the APPR situation.

The plan that has been put before us

here, isn't that a permanent acceptance of high-stakes testing as now part and parcel of what we're doing, instead of using this opportunity to reevaluate, through other stakeholders, whether or not we want to see this high-stakes testing?

We have heard from parents in your counties and in my counties how unhappy they are with high-stakes testing. There's legislation that's sponsored on your side of the aisle for opt-out information and so forth. But yet it seems as if we are now accepting and doubling down on that by moving in this direction. Is that a fair or unfair comment?

SENATOR FLANAGAN: Senator Latimer, I do not agree. There is language specifically relating to actions that have been taken in the past. And I would remind everyone that collectively, we made improvements to areas of this section of the law last year.

So in here one of the fundamental precepts is that the whole idea has to be on how to effectively and diagnostically assess students, at the same time looking very clearly on how to reduce testing. It's specifically

written into the bill.

And I would also tell you that this is a unique opportunity, because the stakeholders involved, the people you reference, the beauty of this approach is that there is a public comment period under which the Regents would draft regulations and the public and everyone similarly situated -- parents, grandparents, students -- they'd all have an opportunity for that input. And you and I both know very well there is going to be no shortage of comments.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you, Senator.

I would argue that what we want to have now, Senator, is we want to start with a stakeholder-based review of the process and then let the Board of Regents and then this Legislature approve whatever comes out of that process.

But let me ask a question in a

different direction. We have the testing that will test students and will also be the basis for evaluation of teachers in two basic areas: English language and in math. How do we assess teachers that don't teach in either of those two courses, based on the grades of the students in Grades 3 to 8, when the other teachers that don't teach in those two areas are going to be judged by what's happening to those students in the areas which are part of the standardized testing?

SENATOR FLANAGAN: A couple of things.

First of all, that is really a fundamental component of the charge that we are giving to the Board of Regents. And we have had a multitude of people comment and significant input from all areas of the educational community on the Governor's proposal. So there are significant changes from the Governor's original proposal.

The issues that you are addressing and the concerns that you raise are not only valid but I think that they could be contemplated and acted upon in a proper and appropriate capacity through the process that is contained in

this statute.

SENATOR LATIMER: Will the Senator continue to yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR LATIMER: Thank you.

The question of the cost for outside review. And I understand that it is not specified in so many words exactly who will be the person doing the outside evaluation part of this. But that really represents another mandate.

And unless you can tell me otherwise, isn't that another unfunded mandate that's placed before the local districts, for them to have an outside person come in? There will have to be some cost factor involved in that, and I don't see anything in our budget that allows additional funding so that schools can handle that additional cost.

SENATOR FLANAGAN: If you look at the Governor's original proposal, one of the most overarching themes that we heard, in addition to concerns about APPR, was exactly the point that

you are making. That's why it looks nothing like what the Governor originally proposed.

And within that framework, what we are doing is providing SED and the Regents an opportunity to review exactly what you're speaking to. It is not an outside evaluation. It is someone who would be qualified and employed by a school district. It is not an outside third party, it is someone who is already gainfully employed by that school district.

And the weight of that can be nominal. That's something that would be determined by input -- excuse me, by the Board of Regents, ultimately, with input of all the stakeholders that we are both referring to.

SENATOR LATIMER: Thank you, Senator.

Mr. President, may I go on the bill?

ACTING PRESIDENT GRIFFO: Senator Latimer on the bill.

SENATOR LATIMER: Thank you very much.

And I want to thank Senator Flanagan, as always, for being an articulate and energetic spokesperson. I enjoy these

conversations, John. And. I hope to the extent that we enjoy them at all, you do as well.

On the bill itself, Mr. President, we have before us a budget which we all know is a fiscal document. But constitutionally and by interpretation of the courts of the State of New York, that significant policy can be adopted inside a fiscal document.

But I can argue what may be constitutional and what may be legal is still unwise. We have before us a bill, as I said earlier, that marries policies on ethics, policies on brownfields with policies on education. And there are other component pieces to this. And that is mixing, as I said a few years ago, kumquats and peanut brittle in one single document. That is a bad way to make change, particularly when what we are embarking on is a major change in the way we're going to deliver education in this state.

And I would argue that we're using the power of the purse to compel people to do something because they need the money. That is exactly the way we got into mandatory testing, because the power of the purse was so essential

to us back in 2010, when we couldn't close the budget without federal money to help do that.

Some people will call this reform. Some people will call this wreckage. Because we are changing the system of educational delivery, and we're doing it in the context of a budget and under the threat of financial support, which these schools desperately need. We have put property caps on them and, as I said earlier yesterday when I spoke about general governments, we put other mandates on them and they have very little place to go. We limit how much funds they can accumulate from year over year to draw against.

And so we now have other issues to be resolved. I believe that all of this change on education is built on a faulty presumption, and that is the presumption that public education in New York is failing. I do not believe that. I have districts, the majority, the vast majority of my districts in my home district -- and I understand it may not be a representative district all across the state -- which are proving every single day the validity of public education and their ability to produce a positive

result for kids in a public setting.

So in those places where we are not succeeding with public education, the question to me is not an across-the-board wholesale restructuring but an attention that's been long overdue in those areas where we have problems in public education.

And I will agree with Senator Flanagan, we toss the word "failing" out, but it makes a connotation that's not accurate. Because individuals rise and fall, and there are brilliant individuals in every setting and there are individuals who have to work harder in every setting. And I think we do ourselves a disservice when we lump groups of people and we attach a word "failing" to them. I think we are creating a self-fulfilling prophecy.

It has been proven time and time again, study after study, that there is a correlation between poverty and performance. And the poverty of the individual, the tax base of the area, since we pay for schools initially based on property tax, is the property tax wealth of a community allows for them to provide services in Community A that may not be present

in Community B, and that performance follows having those resources along with other factors that are in here.

But we are tying ourselves in this budget now more firmly than we ever have before to a mast on a ship, and that mast that we're tying ourselves to is high-stakes testing. And you know on each side of the aisle how people are reacting to this commitment to high-stakes testing. There are other states in this nation that are backing off of that, that are seeking waivers to avoid having to go through with what they think could be a negative effect on their educational process.

And it's not just what we talk about in teachers and administrators and school districts and school trustees, but it's the parents themselves, it's the parents that feel the loss of local control, that they can't go and have the same impact on their teachers and their administrators in the neighborhood school because the system is changing and it's creating a whole different set of priorities.

Now, there is a school of thought that says you go into a school and you take

names, you kick butt, you find the underperforming teachers and the underperforming administrators and get rid of them.

Mr. President, I'm a fan of the New York Knicks. There hasn't been a worse year in my life for the New York Knicks than this year. This year began when we fired a coach and brought in a very expensive president, and the results of the New York Knicks is worse today than it was a year ago. And the reason is the New York Knicks do not have sufficient talent at this point in time to perform well enough.

So you can rearrange the coach structure and the president all you want, but if you don't have enough quality players on the court, you're going to lose a lot of games. And that is exactly what is happening.

And my great concern is that we're looking at the wrong things when we look at where we need to put time and attention into our situation. The APPR system, to me, is fundamentally flawed if it doesn't begin with a bottom-up review of what will work in terms of evaluating teachers.

And in the same way that we would

not restructure fire services in this state and not talk to a firefighter, that we could figure out to how best to deliver fire services and never talk to the people on the lines or to vilify the firefighters. Well, we wouldn't dream of doing that because we see every day the bravery of firefighters. And when we see them with soot on their face, there's an emotional attachment to what they do in the public domain.

But I think we have forgotten that same aspect of teaching and that every day that teachers go into those settings and they teach our children, and those of us who are ourselves products of that system that have come through the system as it has existed up to now.

I've used the analogy before from my business background of observing what happened in the early '80s with Coca-Cola and the introduction of New Coke. I won't repeat that analogy, but I think it is apt.

What I also think is apt is the story of Enron. Most of us remember that Enron was a major energy company in the United States. Ken Lay, the president of it, was a friend of presidents and prominent individuals. They had

enough resources to buy the naming rights for the Houston Astros' home park. In fact, they used to call it Ten-Run Field, because it was such a good hitters' ballpark, instead of Enron Field.

But we know what happened to Enron. They built a business model on sand. And when it collapsed, it collapsed thoroughly and completely. And there were brilliant people that were involved in the selling and the construct of what Enron did professionally.

So it has been proven time and time again that brilliant people can articulate a different vision and that vision can be wrong and that vision can fail.

Now, I learned math without the benefit of Common Core or the New Math. I know how to count. I know how many votes for this budget there's going to be in this house, and I know how many votes there are going to be in the other house. I don't speak to persuade, I don't speak to insult anybody who's going to vote in their own way. But in your own mind, in your own conscience, you have to be asking yourself a question: Is this what we should be doing in the State of New York? You have to ask it.

Many of you have served in this position or in other positions for a long time. You don't need me to tell you to look at the scope of what you've seen in your life. But this is a sea change. We are locking it in because of a budget and because of financial realities, and it raises some significant questions. And those questions, when they get answered, may be answered to reverse the path that we're on. But if that reversal comes ten years down the road, that's ten years' worth of students that we today, in this government, have written off.

And we let the editorial boards drive us in a direction. Those same editorial boards told us to take the $750 million back in 2010. Didn't they? Those are the same editorial boards that are telling us today that, oh, we have to make these changes because they represent reform.

Mr. President, you've been very indulgent. I thank you for your time. I don't speak all that much in session, so I appreciate the fact that you allowed me to raise these questions. I thank Senator Flanagan and my colleagues for their thoughtfulness.

I intend to vote in the negative on this bill. I intend to hope for the best, but I am very concerned that we are on a wrong path today and that path is going to cause us great difficulty.

ACTING PRESIDENT GRIFFO: Senator Peralta.

SENATOR PERALTA: Thank you, Mr. President.

Today, ladies and gentlemen, is --

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

SENATOR PERALTA: On the bill.

ACTING PRESIDENT GRIFFO: Senator Peralta on the bill.

SENATOR PERALTA: Today, ladies and gentlemen, is the birthday of the great labor leader Cesar Chavez. And how appropriate but yet sad that we have to talk about how decades later, after his struggles, that we're still talking about the lack of dignity and the lack of respect for immigrants who have come here to this country to work hard and live the American dream.

He would have been 88 years old today. And he stood for something. He stood for

a struggle. It didn't matter to him whether they were documented or undocumented, but he stood for a struggle.

Mr. President, here we go again. Another year, another budget that doesn't include the DREAM Act. This is going to look and sound like the movie "Groundhog Day," where the same day gets repeated over and over and over again. Another year of false fear-mongering propaganda led by the majority, perpetuating an intolerant ideology that the sky is going to fall if we allow these undocumented kids to receive money from the Tuition Assistance Program, better known as TAP.

But the irony here, Mr. President, is that the TAP is an entitlement program, meaning that everyone, including the undocumented, would have to meet the residency and income eligibility requirements. Meaning that everyone would have to file a tax return, either using a Social Security number or an ITN number to qualify. And for those who don't know, an ITN is used by the undocumented to file taxes. So as long as the household income is under $80,000 a year and they met all the criteria in

the standard, then and only then would they qualify to receive TAP.

But who cares about these facts as long as the majority can continue to promote these falsehoods, that these individuals don't pay taxes and citizens would have to subsidize the cost. Well, the irony here is that the college graduates would contribute over $60,000 more in taxes than if they didn't receive a degree. Which means the investment would pay for itself, and then some, since the maximum investment that we would be making per individual would be about $20,000 for the four-year period.

But who cares about these facts as long as the majority can continue to perpetuate and promote these falsehoods, that these individuals won't be able to get jobs anyway after they graduate because of their immigration status, even though most can become independent contractors, can open up small businesses or an LLC and in turn hire people to work for them without a problem. And in fact, most immigrants do. They're about 60 percent more likely to open up a small business because of their immigration status. Not to mention that if they qualify

under the DACA policy, and if it continues to be in effect on a federal level, where an individual can get a temporary status that's renewed every two years with a valid Social Security number and permission to work, these kids have another option to then in turn, again, pay taxes.

But who cares about these facts as long as the majority can continue these falsehoods, that by giving money -- in this sense, $27 million worth -- to the undocumented, that the children of hardworking blue-collar parents would lose out because these kids, these undocumented kids, would take away money from them.

But the irony here, Mr. President, is that the only reason that these kids of these hardworking blue-collar parents would lose out is because their parents' household income is more than $80,000 a year. Which means that they would lose out whether we included these Dreamers or not. The Dreamers have nothing to do with them qualifying for TAP, because simply put, ladies and gentlemen, simply put, their parents just make too much money to qualify for TAP.

Which is why we have been pushing to

increase the income eligibility from $80,000 to $150,000 or more. And by the way, if the person qualifies for TAP, no one will ever say to that person "We don't have enough money" or "We ran out of money" because we as a state are required to find the money for them.

But who cares about these facts as long as the majority continues to promote these falsehoods.

Ladies and gentlemen, New York State and Dreamers have really lost out here today -- New York State because we really had an opportunity to really live up to our distinction of being state innovators and progressive thinkers, and the Dreamers because they had hoped to attend and graduate college and pave the way for the next generation. They had hoped to begin living the American dream and become even more productive members of society.

But today they have lost out. What we have done today is punish these kids for the actions of their parents. What we have done today is say to them no matter how hard you work, no matter how many colleges court you because of your high GPA and your high achievements, and no

matter how much taxes your parents pay into the system, the American dream is not for you because you are not welcome here. Because your parents made a decision to bring you to this country without your consent so that you can live a better life and actually break the chains of poverty, receiving a high-quality education.

So I hope, Mr. President, that every one of my colleagues in the majority can sleep well at night -- and I'm pretty sure you will -- knowing that this was done intentionally here today, crushing these kids' hopes and aspirations of succeeding in the only place that they call home and the only place that they pledge allegiance to, the only place that they grew up and know, all over this fear-mongering ideology of a minority voting bloc.

But, Mr. President, like the sun rises every morning, I too believe that even in the darkest hours there's still light at the end of the tunnel, because it's always darkest before the dawn. So I want to take this opportunity to call upon the Governor to make it a priority, as he has said throughout his entire campaign last year, and he has said throughout this entire

budget process.

Because when the Governor placed the DREAM in his executive budget, it lit the spark in the eyes of every Dreamer. And it sent a loud message that he too, he too believed in what they can accomplish. He sent an infusion of hope and inspiration up the ladder of success that after all those other disappointing years that this, this would be the year that the DREAM would finally become a reality.

But yet much to the dismay of all those Dreamers, the DREAM Act was talked about being left out of the budget, which led the Dreamers to go on a drastic hunger strike and call attention to the importance of this issue. And even with that, the Dream was pushed out of the final budget. Needless to say, I, as well as many others, was disappointed, infuriated, devastated. These are the words that I've used.

But we all know that the Governor has much more political capital than any of us. And when he has championed other issues and has used his political capital, as in the case of marriage equality, the SAFE Act and even this year, the ethics reform, he has leveraged it well

and sometimes, sometimes, seemingly against all odds.

So today I call upon the Governor to keep his promise and use his political capital to ensure that the DREAM is passed before the end of this session, because these Dreamers are depending on the Governor now. The ball is in his court. The fate of their futures are in his hands, and he can build up his progressive legacy. And I will stand by him, and I know many more will stand next to him to do whatever it takes to make sure that the DREAM becomes a reality.

So I implore the Governor to rise up above the politics and allow these Dreamers to wake up one morning to the reality that New York State is willing to allow them to succeed and receive TAP in order to achieve their full potential. In the words of the great Cesar Chavez, once social change begins it cannot be reversed. You cannot uneducate the person who has learned to read. You cannot humiliate the person who feels pride. You cannot oppress the people who are not afraid anymore.

Finally, Mr. President, since my

voice has been taken for granted yet another year and my leader has not been allowed in the room to talk about these issues, this budget does not merit my positive vote. And although I fully understand, as my colleague Senator Latimer pointed out, that I am in the minority and I will not affect the outcome of this final passage, as it was once said, I'm sick and tired about being sick and tired of having my vote taken for granted.

So therefore, Mr. President, I will be voting nay.

ACTING PRESIDENT GRIFFO: Senator Panepinto.

SENATOR PANEPINTO: On the bill, please, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Panepinto on the bill.

SENATOR PANEPINTO: There are good things in this bill. But I think that Senator Latimer's analogy of kumquats and peanut brittle is appropriate. I can't think of two things that less go together than ethics reform, brownfields and broken education reforms.

I would like to be able to vote for

ethics reform. I think it's something whose time has come. I wish that the ethics discussion was done in the light of day. I wish it was transparent. But I support the Governor on his ethics reform.

We should disclose our outside income, we should disclose our clients if it's appropriate. And I think there are many good things in the ethics package. I'm happy to disclose who my clients are. I'm happy to disclose how much money I make. And we all should do that. And this legislation will allow us to do that.

Unfortunately, I'm not going to be able to vote for this ethics package because it's connected to a broken education package.

There's good things in here on brownfields. I represent 40 miles of waterfront. We've got Bethlehem Steel that was there, we've had the Huntley Power Station, we've got 40 miles of industry along the water, and we benefit from the brownfields program.

Unfortunately, I can't vote for the brownfields program because it's connected to a broken educational plan. And I'm disappointed by

those things.

So let's talk about this so-called educational plan. We were supposed to have a transparent discussion about education reform. Well, our leader wasn't part of that process, our voices weren't heard, and what we get back is a process by which due process is taken away from teachers, where we shift the presumption onto someone who has been a teacher. We are eliminating or curtailing, you know, that due process in the 3020-a procedure.

More problematic than that elimination of due process is that we're infringing on the collective bargaining principles that we hold near and dear to our hearts. The American labor movement was built in New York State, and it's a disgrace that this legislation impedes on that collective bargaining process.

How does it impede? Well, this should be something that should be negotiated at the bargaining table between teachers and municipalities. But from on high, we're telling educators what to do. And we're doing it in a way that we're imposing our will on boards of

education and superintendents, and those boards are independently elected democratic bodies.

This week a board in my district had a nonbinding vote to consider whether or not they would implement Common Core testing. And what happened as a result of that? They were sent a threatening letter by the Department of Education, threatened to be put into receivership, and got a call from the Lieutenant Governor. That is not the democratic process. That's an independently elected board who we should respect.

So where are we going with this? Well, testing, the overtesting that was mentioned by Senator Latimer is where we want to go. There's no correlation between the overtesting of our children where there's a correlation of the effectiveness of teachers. The American Society of Statisticians finds no correlation between what happens in that test and the effectiveness of the teacher.

So we're going to overtest students, we're going to stress out parents, and then we're going to evaluate those teachers based upon

flawed tests. The paradigm is upside down. We're supposed to be educating children to do well on tests, not educating children to evaluate their teachers. That's not what's supposed to happen in the classroom.

So I think what's really going on is education has become the whipping boy for income inequality. We don't want to deal with the systemic income inequality in this country. In the budget proposal from the Governor we talked about a minimum wage increase and raising that minimum wage to $10.50 in Western New York and $11.50 in New York City. We talked about, you know, a fight for $15. Income inequality is the problem. Kids come to school undernourished, underclothed, and without having the tools to compete. But we don't want to deal with those issues, we want to blame teachers for what the problems of society are.

You know, if we don't deal with that disparity in income, we really are letting down our democracy. And we've got to fight to raise people up. This budget could have dealt with raising the minimum wage, it could have dealt with, you know, paid family leave, but it chose

not to. And it chose to scapegoat teachers in the process.

We could have eliminated the GEA, the Gap Elimination Adjustment. We chose not to. And in fact what we did with the Gap Elimination Adjustment is we funded 63 percent of the Gap Elimination Adjustment. Now, I haven't been in school in a long time, but that's a failing grade. Sixty-three percent is a failing grade for the GEA. We get an F for New York State because we didn't fully fund that gap elimination.

We deserve an A+ in education. And we don't have failing schools. My daughters attend a school in Buffalo, New York, that's a public school that's rated among the top ten in the country. I pay my taxes, and they go to that school and they're taught by tremendous teachers. And we don't have a broken education system, we have a broken economic system. And we don't want to deal with the broken economic system.

So I'm ashamed that we're only funding 63 percent of the GEA. That's a failing grade. We're New York. We should be funding it at 95 percent or 100 percent. That would give us

an A+. And our kids deserve an A+ in education. We shouldn't scapegoat teachers. We shouldn't overburden parents. We shouldn't stress out kids. We should fund education like we're supposed to and like the courts say we should.

So I'm voting no on the bill, although there's some good things in it. But we should not punish our kids and hold them hostage for our inability to do the right thing and fund education.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Díaz.

SENATOR DIAZ: Thank you, Mr. President.

Ladies and gentlemen, today is a very difficult day. It's a very difficult situation which we are all in. Again, I have to ask the same question, Mr. -- on the bill, I'm sorry.

ACTING PRESIDENT GRIFFO: Senator Díaz on the bill.

SENATOR DIAZ: Again, I have to ask the same question that I asked last night. Last night we were debating taxes for the rich who

could buy airplanes and boats, and there were some Senators in my party stating that those were taxes for the rich. And there were some Senators from my party saying that they were not taxes for the rich.

Today we are dealing with a bill where my colleagues, my county chairman, my speaker, my democratic colleagues in the Assembly coordinate it, talk about it, plan it with the Governor, a Democrat, with the leader of the Republican Party, and there was a three-way agreement in this bill.

So I have the same predicament that I had last night. I've got some members of my Democratic Party saying that this is a good bill they coordinated that will protect children in the school. I have some members of my Democratic Party saying this is a terrible bill, that we should not vote for it.

And we come here tonight and if we vote against the bill, some people will say we are voting against the children and we are protecting the unions and we are protecting other interests and not the interests of our children in our schools. If we vote in favor of the bill,

there are people going to say that we are anti-teacher, that we are against the teachers, and that we are voting against the unions. That's the predicament that we have, especially on this side of the aisle.

On the other hand, Mr. President, let's see what is facts. Fact number one. There are 178 failing schools in the State of New York. Fact, 178 failing schools in the State of New York. Fact, undeniable.

A second fact: 250,000 children, the majority of them black and Hispanic, have been sent for the last 10 years, knowingly, purposely, have been sent to those failing schools. For the last ten years, 250,000 children, the majority of them, not to say all of them, the majority of them black and Hispanic children have been sent to failing schools.

Fact: 79 of those 178 failing schools are located in the City of New York. Seventy-nine of those failing schools are located in the City of New York, fact.

Fact, 40 of those failing schools, Mr. President and ladies and gentlemen, 40 of those failing schools are located in Bronx

County. And nine of those failing schools are located in the district that I represent. Fact, 250,000 children have been sent to failing schools in the last ten years, 178 failing schools in the State of New York, 79 of those failing schools in the City of New York, 40 of those failing schools in Bronx County, and nine of these failing schools in my district.

Fact. Should I -- am I against the teachers or am I in favor of the children? Am I against the children or am I against the teachers? These facts and other facts, 800,000 children are being -- have been failed every year, 800,000 children.

So we are here today, I represent the City of New York, I represent a district in the Bronx County. And I'm here, ladies and gentlemen, with all due respect to everybody else -- and to everyone, I always, when I have to speak, I speak my mind and I do what my counsels tell me. But I'm here to look out for the children, not for teachers, not for unions, not for the mayor, not for the governor, not for anybody. I'm here to look out for the best of the children that I represent.

What are the reason for these failing schools and for 250,000 kids have been sent for the past ten years to failing schools? What are the reasons why 79 of those failing schools are in the City of New York? And what are the reason that 40 of them are in the Bronx, and what are the reason that nine of them are in my district?

Some people say it is because of lack of money. Some people say that happened because of lack of money. Some other people say, wait -- and I'm one of them -- money is always needed and we should work to protect and to be sure that our public school system works for our children and that black and Hispanic children stop being left out. All children, especially black and Hispanic children.

And other people say the reason is -- this is the simple reason. The City of New York, when we distribute money, every county or every district gets money assigned to those districts. But the City of New York is one district, the whole city. So when the money is distributed, the money goes to one district, the City of New York.

And ladies and gentlemen, no matter how much money we have put -- because I have been here for the last 12 years, and every single year we assign money to assist them. Every single year we assign money to assist them, and every single year the schools in black and Hispanic communities are rotten. Every single year we assist with money, but the money never gets to our children. The money never gets to the districts that really need the money. Because the money here goes to one district, and the one district is the City of New York, so the City of New York distributes the money according to how they please.

It is not until something is done to change that system and we could assign and locate the money directly to the districts, so District 7 in the Bronx, so District 9, so District 12 in the Bronx could get directly the money. Then we will have a chance to save our children. But not until we do that, not until we do that, ladies and gentlemen, no matter how much money we put, no matter how much money we send, the money never gets to our districts.

And I'm telling you here in front of

you and in front of my Lord Jesus and Savior, that's the truth. Our children, our districts don't get the necessary money that they need. But we -- we -- we send money. District 7 in the Bronx, they don't get the money -- they get some money. District 9 in the Bronx, oh, they get some money. District 12, oh, they get some money. But the real money, the money that they need, they don't get because it's supposed to go directly to the city.

So, ladies and gentlemen, if you want to stop the abuses, you want to stop all these things, let's change the system. Let's assign the money instead of assigning the money to the one district, the City of New York, let's assign the money to districts. District 7, directly, here's your pile of money. District 12, District 9, here's your pot of money. You do now what you're supposed to do. And I assure you, Mr. President, I assure you, ladies and gentlemen, that the whole thing will stop.

So money is not the problem. The problem is who gets the money. Money is not the problem, the problem is who gets the money.

Now, to do that and to try to save

our children, some people have tried to create some solutions. Before I was an elected official and before charter schools came to the system, Reverend Floyd Flake -- Reverend Wyatt Tee Walker from Manhattan and Reverend Floyd Flake from Queens and myself, the three of us got together to lobby for charter schools before charter schools.

And charter schools came about because, because the idea was let's try to do something to protect and to try to save our children, and at least until this problem with the money going directly to our district in the public system -- and, ladies and gentlemen, the public system works. And I know, if the money goes to our districts directly, it works. It will work.

Once you send the money directly to the district, the public system of the schools in my districts, in our districts will work. But they will never get the money. The money will never get to them because there's other things more important than to send the money directly to where it's needed.

So charter schools came to be, and

charter schools were a creation to be located in black and Hispanic communities to serve black and Hispanic children. At least a little bit, to see what we could do.

In this budget, some people that say that they are for the children, those that fry biscuits for the children, they fry and they're oooh, we're for the children. Yeah, because everybody use the black and Hispanic children for their needs. And everybody use the black and Hispanic children whenever it's good for them.

And I told somebody, the other day I told somebody: You know something, our community, the black and Hispanic community, our minority community, I don't know why we're doing so bad, because everybody fight for us. Everybody fight for the poor. Everybody fight for black and Hispanic children, everybody for the children.

Why are we doing so bad? Why all our schools are doing so bad? Why are we having 250,000 children sent to failing schools for the last ten years? Why? Where are those saviors? Where have been all those protectors of our children's education that knowingly, knowingly,

ladies and gentlemen, knowingly, they have sent our children to failing schools.

So there was a law invented, the Educational Income Tax Credit, to try to help another way. So no education tax credit, no charters. Because people don't want charter schools, people want more money, more money, more money. More money. No, no, no charter schools where black and Hispanic children are being -- taking opportunities and being saved. No charter schools. More money, more money. No education tax credit, because that's no good. More money. More money.

Go to the schools in my districts, in black and Hispanic neighborhoods, and you will see how they look and you'll see how they are. So go to those areas, go to other areas and compare. And you will see, ladies and gentlemen, you will see that our children are always the ones, our students are always the ones left behind. Left behind.

And I -- I -- I didn't come here to fight for nobody else's interests. I didn't come here and -- I don't go campaigning to say vote for me because I'm going to help you out. And

when I come here and say, oh, no good, this no good, this is no good. I came here -- and I always do what my conscience tell me. I have always done what I believe is right.

And ladies and gentlemen, yes, of course for the last four years I have been standing in my conference and here and telling all my colleagues the DREAM Act is not in, let's vote against it. Nobody listened for four years. Oh, no, they go, oh, no, no, he's a Democrat, we got to do it. Oh, no.

This year again, the fifth year, this year again, no -- no -- no DREAM Act. People that were saying people three months ago, people that were saying two months ago, if there's no DREAM Act, he's going to see we will not vote for it, and you will see I will not vote for this thing, for this budget if there is no DREAM Act on it. The DREAM Act, the same people are now saying this is a good budget. I'm disappointed.

Ladies and gentlemen, some people -- people say "I'm tired." Well, I'm tired too. My first concern is the children. Children first. Children first. And charter schools have been

helping children, black and Hispanic children, in my districts in our communities. And that's my only concern.

Charter school works, public school works. Public school is good. But again, the money doesn't get to our communities. It is not that it's a public system. It is not the teachers, it is not -- it's the money, where the money goes. Let's change the system. Let's change the system. Let's change the system.

My friend here, let's change the system. Senator Rivera, let's change the system. Let's change the system in a way that the money goes directly to the districts, where our districts goes with that money. Once the City of New York gets the money, our communities don't get the money they need. Our areas don't get the money they need.

So whose fault is that? It's not the teachers. It's not the public education. It's how the money's being distributed. The money doesn't get to us. Once again, again -- and with this I'll conclude -- again, no matter how much money we assign, no matter how much money we assign to the district, one in New York,

there is one district, the money doesn't get to the districts that need it. Never gets to them. Not until we change the system in how the district is going to the city and the money goes directly to districts, then the thing will change.

Meanwhile, meanwhile my suggestion, I'm happy, I'm honored to say meanwhile, till that time comes, charter schools. Charter schools till that time comes. Education income tax credit till that time comes. But until that time comes, nothing going to happen, and I will continue fighting for charter schools.

And that's why I'm voting yes in this one. Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Díaz.

Senator Stavisky.

SENATOR STAVISKY: Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Stavisky, are you on the bill or do you have questions?

SENATOR STAVISKY: No, I would like to ask a couple of questions.

ACTING PRESIDENT GRIFFO: Okay. Senator Flanagan?

SENATOR STAVISKY: I assume Senator Flanagan.

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: Okay, Senator Stavisky, you may pose your questions.

I want to remind the members that we're closing on the time of --

SENATOR STAVISKY: I know that. I will be relatively --

ACTING PRESIDENT GRIFFO: No, no, you're fine, I'm just giving general information for the membership as a whole.

SENATOR STAVISKY: If the Senator would yield.

SENATOR FLANAGAN: Yes.

SENATOR STAVISKY: I am one of the few teachers serving in the Legislature, as I've said many times. My colleague across the aisle, Senator Marcellino, is the other one. We are both high school teachers.

Oh, I'm sorry, Senator LaValle also. And I think Senator Stewart-Cousins. And Senator Little. Then I speak on behalf of everybody.

(Laughter; cross-talk.)

SENATOR STAVISKY: One of my teaching positions was at a vocational high school in Queens, Thomas Edison. And when I was hired, I was asked "Can you teach math?" Because my license area, social studies, we had plenty of social studies teachers. But very few math teachers, which I think is a problem today. We are short of people who can teach in the STEM subjects.

How would this legislation affect my evaluation as a teacher of math teaching out of license?

SENATOR FLANAGAN: Teaching out of license?

SENATOR STAVISKY: Yes. I'm a licensed social studies teacher, but I was given a program of math to teach. I had a lot of math in college. But nevertheless, I was not licensed in math. How would my evaluation and tenure be affected by this legislation?

SENATOR FLANAGAN: Senator Stavisky, I'm going to give a two-part answer.

And I try very hard to pay attention; I'm not exactly sure. I'm not sure

that it would be any different under this proposed new law than it would be under present or existing law. And my good colleague from Staten Island reminds me that the City of New York, as many other places, endeavors to make sure that people are teaching in their certification. And I'm sure that's a continued effort on the part of the city.

SENATOR STAVISKY: Before I taught at -- if the Senator would continue to yield.

SENATOR FLANAGAN: Yes.

SENATOR STAVISKY: Before I taught at Edison, I taught at a high school. In fact, my first teaching job was at a high school in Manhattan that was all boys, it was called Haaren. It was at 59th Street and 10th Avenue. It's now John Jay College.

But the boys there came from often single-parent homes, they were often students who could not read, they were disciplinary problems. They were struggling, quite frankly. And how would my evaluations in a school where the reading level was extremely low, these are not students who would do well on standardized testing -- and yet would I continue to be

evaluated based upon my students' test scores?

SENATOR FLANAGAN: What subject are you teaching?

SENATOR STAVISKY: Social studies.

SENATOR FLANAGAN: So you're not ELA/math 3 through 8, you're outside the state tests?

SENATOR STAVISKY: That's correct.

SENATOR FLANAGAN: Okay. So I believe it's accurate that we have a framework right now of 20, 20, 60.

And there are opportunities, and I've had many discussions with districts outside of the City of New York where they have collectively bargained, non-ELA and math teachers, at the school district level -- and again, I would repeat, collective bargained that they will use either schoolwide measures or -- I had one district visit me from Senator LaValle's area in which they said they originally started out with SLOs, which you know are student learning objectives, and they didn't like that. So without any change in the law, they collectively bargained to go and be evaluated based on the test scores of the teachers 3

through 8.

I believe that what we are trying to achieve are a number of different things. And I think there's almost unanimity on some of the factors that you spoke to directly and others have raised separately. And I'm going to give you what I think and hopefully use that as maybe a modicum of what legislative intent would be.

If you have two teachers who are competent and qualified, and in one class there's 25 students who I'll use the loose description are, quote, unquote, gifted and talented, and then you have in the next classroom 25 students, there's 7 children with IEPs, there are six English language learners, there are children who are chronically in poverty, children who are undernourished and malnourished, I believe that our intention is do everything conceivable, and some of that protection exists within existing law that can be collectively bargained, but everything conceivable to make sure that those factors are taken into account.

There are comments in the legislation that speak to correspondence between the Governor's office and the chancellor,

Chancellor Tisch, in which she had written about a 20-page response to inquiries from the Governor's office. They lay out some of those concerns. And I want to make sure that IEPs, students with disabilities, English language learners, indices of poverty, including free and reduced lunch, would be part of anything that ultimately leads to a teacher's evaluation, regardless of subject.

ENATOR STAVISKY: Thank you.

On the bill.

ACTING PRESIDENT GRIFFO: Senator Stavisky on the bill.

SENATOR STAVISKY: I believe that the principal is the leader in the school. The principal in a high school, it's usually the assistant principal, will come and evaluate the teachers. And that's good. I think the principal sets the tone. And I'm convinced that a good school begins with a good principal, as well as teachers who are licensed, involved parents, school support staff, et cetera.

But what happens if the principal and the teacher do not get along? What happens if the principal just doesn't like the teacher?

That teacher is going to get an unsatisfactory or a poor evaluation. That I find troubling.

Secondly, I am concerned that teachers are not going to want to go into these school districts where children may not speak English, they may be ELL students, they may be disabled, they may have special needs. They may be disadvantaged in a whole variety of ways.

And I'm concerned that teachers are not going to go to those school districts. They're going to be more concerned about their evaluations and about receiving tenure than teaching the children. That is a concern.

Secondly, I represent a school district in New York City of immigrants. My Senate district, as I've said many times, is about two-thirds Asian-American. And these children come to the United States as children, and they don't speak English. They learn very quickly. But again, it's difficult to attract teachers, quite often, to schools that are a little different than the schools that they're used to.

The observation reports are so subjective that I'm not sure that that is the

best way to evaluate teachers in conjunction with the students' achievements on this standardized testing. I'm afraid that there is such an emphasis on high-stakes testing that it becomes unfair for these children.

All of these issues I think are of concern to me. And lumping these issues into a bill -- what was it, pretzels and -- no, no, not pretzels, peanut brittle and kumquats. Lumping ethics legislation into this bill is a mistake, because I think we all support strong ethics legislation. I don't think it's strong enough.

Brownfields. Extremely important in my Senate district, particularly in Flushing and downtown Flushing, which is a brownfield area and which is undergoing tremendous economic development, and it will continue with the brownfields cleanup that I think is going to occur in the next few years.

I think we're doing a disservice to our constituents, and I think we're doing a tremendous disservice to the children. Because with all due respect, they are our clients. They're the ones who we care about. And yes, I do care about our children. And I intend to vote

no on this bill.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Espaillat.

SENATOR ESPAILLAT: Yes, Mr. President, thank you. On the bill.

ACTING PRESIDENT GRIFFO: Senator Espaillat on the bill.

SENATOR ESPAILLAT: Yes, I will address three issues hopefully quickly. Time is of the essence.

First, on high-stakes testing. It was just brought up by my colleague the impact that it's having on the performance, the academic performance of children. And I will limit myself to the City of New York, where 50 percent of New Yorkers are now foreign-born or the sons and daughters of folks that came from other places across the world.

And language proficiency continues to be a major hurdle in the academic achievement of children. And I can tell you that because I was one of those kids that sat in the back of a classroom for three years, two to three years, not knowing what was being said. Didn't have

bilingual education back then; monolingual education. I sat in the back of a classroom for three years not really understanding what was being said.

And so in a city that has 50 percent, Senator Flanagan, of kids from outside the country -- and you can go to the neighborhoods of the City of New York, and you see them, how they change. Chinatown is no longer downtown in Manhattan, it's in Flushing. The real Chinatown is in Flushing. The Mexican community now lives in East Harlem. There are Africans in the Bronx, Southeast Asians in Queens, Russians in Brooklyn.

And so this is a city, an amalgamated city of different cultures from around the world, where the kids that make up the educational system have a problem with language proficiency. Maybe they can read, maybe they can speak, but when they begin to write the language, they have difficulties.

And if you take math, which used to be a computation science, it's no longer a computation science. It is a science designed to elicit analytical reasoning. In fact, you need

to have greater proficiency in reading to decipher a very complicated math problem where the answer is a trick answer, somewhere that you may not know where it is, certainly if you don't speak, write or read the language with proficiency.

So language proficiency continues to be a major, major challenge for our kids. And when you have a kid right off a plane being forced to take a Regents exam in English language arts, which is tough enough for you as born kids, you're setting that kid to fail. And half of the kids in our school system are in that predicament.

So unless we break away from this high-stakes test-taking model which just pushes the kids to gobble up information without really taking the time to address their linguistic needs, we're going to continue to fail. We're going to fail in English language arts. We're going to fail in math and science, which are no longer computation sciences, but they are now sciences that -- and if you speak to Kaplan and some of the other test-makers, they will tell you they hide the answer.

One day I was having a breakfast and explaining to a group of business leaders down in the Wall Street area about how difficult it was for a foreign-born kid to determine the answer, and the guy sitting right across from me said "I know, because I make those tests." He was one of the Kaplan guys. "And we design those tests to make it difficult linguistically for you to get the right answer."

And so these kids are facing major hurdles. Yes, it's not just about money. And the teachers are facing great challenges because they have to face these real-life situations every day in their classrooms.

And so the problem is more complex than meets the eye. And I can tell you, again, because I was one of those kids. I lost a grade when I came here, because back then they would take a grade away from you. I was a good math student back home. And when I came here, I was doing math above grade level. But I couldn't speak the language for three years, Lanza. I couldn't speak the language. And so I fell back.

When I got to college -- I found one of my freshman college papers at my mother's

house the other day, and I read it. And I said, man, I wasn't really there. I wasn't there yet. Not like I am right now. Maybe some of you can say that I speak Shakespearean English now, right? Right?

(Laughter.)

SENATOR ESPAILLAT: And I read it and I said, wow, you know, I was not really there. But when I looked at it, I was only six years in the country. Most of the data tells you that it takes seven years for you to master a language.

So if 50 percent of our kids are foreign-born, if they're facing these language-related issues, proficiency issues, and we continue to treat them the same way and cut them with the same scissors, we're going to continue to fail.

So I am against high-stakes testing. And I think the teachers are facing great difficulties in the classroom, greater than meet the eye. And I'm not here to defend anybody. I'm here to defend the kids. I was one of those guys.

But we need to change that model.

And maybe more money needs to come to the classroom, that's right. Maybe we need to take a look at the bureaucratic setup and how much money that's gobbling up that's not trickling down to instruction in the classroom. And so that's the first issue.

The second issue is totally different. And I now understand, you know, we may be getting into this three-card monte game again, DeFrancisco, because now I have to speak about ethics. And whereas this part of the bill also brings about some changes such as reporting outside income, a review of the per-diem process, I don't know really how much change happens there.

When I come from the garage, I swipe in. When I come from the garage into the LOB building, I swipe in. Maybe we'll have to swipe in again over here. And that's fine, I'll swipe in three or four times. Does that really take care of the ethical problem in Albany? I don't know.

And then you have the pension issue that we just took up right now.

Unless we bring about changes in

campaign finance, unless we bring about public financing of campaigns, money will continue to run this town. Money will continue to run this town.

So let's come back at another juncture, maybe not in the budget, and let's talk about public financing of campaigns and how we can level out the playing field so that I can have four people run against me. Why should we worry so much about being primaried or run against? That's what we're here to do. Let people run. Let people have the ability to raise a little money and be as competitive financially as I can be as an incumbent.

There's no issue with that. I've had 15 primaries in the last 17 years. You know about that, Senator, right? And so unless you have public financing of campaigns, we will continue to face these major issues.

And finally, Senator Peralta was very eloquent in speaking about the omission of the DREAM Act in this budget. And I will tell you what Langston Hughes said in his rendition of "Harlem":

"What happens to a dream deferred? Does it dry up

like a raisin in the sun? Or fester like a sore -- And then run? Does it stink like rotten meat? Or crust and sugar over -- like a syrupy sweet? Maybe it just sags like a heavy load. Or does it explode?"

I think it will explode.

We need to bring these kids into the educational system and give them the tools that all New Yorkers have at their disposition to be better members of our society.

I will be voting in the negative, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Sanders.

SENATOR SANDERS: Thank you, Mr. President.

My colleagues have all waxed poetically on these great issues -- on the bill, of course.

ACTING PRESIDENT GRIFFO: Senator Sanders on the bill.

SENATOR SANDERS: And there are many things that we can say, but let me say this. In roughly three hours the Empire State, God willing, will have a budget. The Empire State

will have a budget.

But a budget is really a reflection on priorities. A budget is the reflection of what the state is, who are we as a state. And with that in mind, we've gone from -- we've taken some amazing turns while I've been here. We went from the rising tide of the DREAM Act to the -- we became the rising tide that lifts all yachts.

(Laughter.)

SENATOR SANDERS: We've come a long way. We've gone from obeying the law with CFE to spiting the law with our educational budget. We've come a long way.

Although there are many good and bad things in this budget, perhaps the most glaring, the most costly, the most horrible omission that we have done has been our failure to raise the minimum wage.

Perhaps we have gotten a little bit too far away from the average man and woman on the street, trying to make ends meet and live on the minimum wage. Perhaps we have forgotten what it's like -- and maybe we've never known what it's like to try to feed a family on the minimum wage, a wage that has not increased in many

years.

This is going to be costly to us as a society because raising the minimum wage, my friends, is one of the best economic stimulus that you can have. Any economist is going to tell you that one of the best ways of stimulating an economy is raising the minimum wage.

Why? Because unlike the billionaires that we seem to have catered to, the low-wage workers, they don't buy jets, they don't buy yachts. They buy food, they buy clothing. They go to the local stores, not to the hedge funds. They don't put their money away. They're taking care of immediate needs. And therefore you have stimulated your economy better than any of these ideas of giving more to the rich.

Trickle-down. How about bubbling up instead of trickling down?

My friends, let me just point to one thing. And I'm going to be quick, Mr. President. I'm going to get us to 12 o'clock. Scott Stringer, who's the comptroller of New York City, he gave two, but I'll just read a small one. He said "A minimum wage of 13.13 is likely to benefit New York City's working poor

substantially. The Comptroller's office estimated that nearly 1.2 million New York City workers who would benefit from the increase would experience a weekly impact on average earnings large enough to improve their housing stability and health security."

Meaning that we could have saved ourselves a lot of money. We're spending a lot of money trying to prop up people inside, keep you in your house. Why don't we just pay them enough so they can pay their own rent and won't need a subsidy? We're spending enough to try to catch up after the fact when we should deal with their health now. So we missed our opportunity, my friends, and America is going to suffer for years to come.

So as I conclude, Mr. President -- I told you I was going to be quick. You owe me some time. But that's all right, I'll get it the next budget.

So as I conclude, may we in the Empire State return to our mission, return to helping people pull themselves up by their bootstraps instead of stepping on their bootstraps as we rush to cater to the

well-heeled.

Thank you very much, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Sanders. I appreciate that.

Senator Hoylman.

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

ACTING PRESIDENT GRIFFO: Senator Hoylman on the bill.

SENATOR HOYLMAN: Thank you.

And thank you for your fairness throughout tonight's proceeding.

I'm going to be speaking briefly on Part CC of ELFA, the ethics disclosure portion. And while there is some of it I think we will we all appreciate -- taking steps for additional disclosure of income, disclosure of clients, exceptions to disclosure, per diem reform, pension forfeiture, the use of personal campaign funds, independent expenditures, different issues addressed and not addressed -- I would like to say that fundamentally, Mr. President, I don't think this addresses the problem that we have in our Legislature.

And the problem is practicing

lawyers, frankly. I can say that; I'm one. I'm a lawyer. But we lawyers, we're paid, it is our profession, we are trained, we learn how to find loopholes.

So you can't tell me, Mr. President, that the lawyers in this chamber and the lawyers who work for lawyers in this chamber aren't already poring over this legislation trying to find ways to subvert it. And that's the problem.

Fundamentally, you can't serve two masters. Either you represent the people of the State of New York or you represent your clients. You can't have it both ways.

Yes, it is profitable, as we know, to have outside clients. But the problem, Mr. President, is that when you are a lawyer -- and I think the nonlawyers know this too -- you have confidentiality with your clients, a fiduciary relationship. You have secrets, secrets that you share with your clients, that are only between you and the client. Where do the people of New York come into that equation?

Now, this bill attempts to address that by requiring certain practices of law to reveal their clients given certain thresholds of

expenditure. But again, fundamentally, we haven't addressed the root problem.

Now, there isn't any need to permit outside income, in my opinion, especially after this bill, because this Legislature and the Governor have wisely taken steps to establish a pay commission. So for all the lawyers who feel like they don't make enough money here, well, that will be addressed.

So I'm hoping, Mr. President, that this is another step that we can rely on to fundamentally alter this chamber and have only professionals who serve the people rather than outside interests.

I think that we should also understand why lawyers might get hired by clients, lawyers who work in the Legislature. I mean, let's face it, you're a Senator. That's access. And we should address that head-on by banning the practice of law while being members of the Legislature.

We don't have to reinvent the wheel, either. Congress has already done it. They had their Watergate moment. I think we're actually undergoing ours, to a certain extent. In

Congress you cannot practice law and you're limited in outside income to 15 percent of your base salary. We should follow suit. The Attorney General and others have suggested even greater restrictions on outside income. I think it's time that the Legislature addresses that too.

Now, frankly, I think this is the only place in America where we seem to feel sorry for lawyers. And we shouldn't. There's more of us than them. And we should end the lawyer exceptionalism in the New York State Legislature. Let's ban fiduciary relationships. Let's end outside income. Let's serve the people of New York and only the people of New York.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Hoylman.

I just want to extend a reminder to everyone that we have exceeded the time. I am going to exercise some flexibility and allow debate to continue. We do have several more members and several other bills before the house, so I'd just ask members to be respectful of that, so each will have the opportunity to be heard.

I'll call on Senator Comrie now. Senator Comrie?

SENATOR COMRIE: Mr. President, on the bill.

ACTING PRESIDENT GRIFFO: Senator Comrie on the bill.

SENATOR COMRIE: I'm rising today to vote no on the bill. There are many issues that need to be addressed that have not been addressed that affect our community. I'll focus on some that affect my district.

I'll focus on agreeing with most of -- everything that Senator Latimer said. My district has a high turnover of foster-care children in many of our schools, where some of my schools have a 40 percent turnover in foster-care children in the building within a year. There's no way that a teacher, without additional resources that are needed -- that could be gleaned if we had respected the CFE decision -- would be able to get those resources so that they could make sure that there were smaller class sizes, that we wouldn't have to deal with overcrowding in our schools and that we could address those needs for children that are moving

from building to building within the course of a year.

The issues of teacher evaluation, teacher tenure and teacher funding are all issues that frankly could be worked out better for all people if there weren't -- if there was not such a negative attitude towards trying to come to a compromise instead of pointing fingers of blame at people.

And it's at a point where we need to stop blaming the system, stop blaming, trying to find a victim, but really, as Senator Díaz said, try to help the children, try to make sure that our children get the resources that they need -- understanding that we have failing schools, understanding that we have failing systems all over the state -- and that the resources are adequately put in the areas that are failing.

We need to make sure that there's more funding also for the people that were most hurt that we had a $5 billion windfall from. That people are calling a windfall, but it's really money that was taken from people that should be given redress. This money was gleaned and stolen from people, $5 billion from people

that were in foreclosure, people that were dealing with -- that were hoodwinked by the system, people that were criminalized and also, further, given no help when they were trying to get help.

And it's only through this one opportunity that we've gotten from our Attorney General and the legal system to try to help these people, and there's barely any money to redress these issues or to give any opportunity to continue affordable housing in this budget or housing support in this budget as well.

And opportunity for people to come back and do the things necessary to ensure that people can stay in their homes and that people can maintain an opportunity to allow young people to also be able to afford to live in their communities. In my community, most of the young people are looking to move out because they can't afford to buy a home in the community they grew up in.

And also, while we are working -- the Summer Youth Employment Program, which is a program which also has thousands of kids every year crying and calling up our offices looking

for work because they've applied for the Summer Youth Employment Program. We've actually increased no additional slots this year. That's a travesty when we have such a budget surplus, when we could do something to help our communities.

And this is not even talking about the $5 billion money from the settlement. We had a general budget surplus in the budget. We're not reaching back and lifting up people. We're not reaching back and making sure that all communities can benefit from the largesse in this state. We're not reaching back and making sure that our young people that are trying to get their first job can go out and benefit.

I was the lucky recipient of a summer youth employment job back when I was a youth, and that changed my life. It changed my focus. It changed my opportunity to understand what work was, what responsibility was, how to show up on time and how to be responsible.

If we don't give these kids this opportunity -- especially these kids that are focused on the Internet, focused on social media -- an opportunity to get a real job, an

opportunity to have responsibility in large numbers, we're going to lose more generations of kids to selfishness and to things that are just totally anti-educational.

We need to make sure that our youth employment programs are better invested. Our community reinvestment funds also, and after-school programs, have been woefully underfunded in this budget.

There are many other items, but I'm fighting a head cold and it seems to have gotten worse today. So I'm going to just say that, you know, I'm disappointed in this budget. I'm disappointed that our conference wasn't represented in the budget so that we could be able to make sure that all of our voices were heard in the room.

And I understand that there was past history, but I'm working on the present. I'm working on the future. I don't want to hear about what happened in the past. You know, every time I get into a group somebody wants to tell me history. I'm worried about the future and the future of this state where we have 8 million people that are not represented in a room. Where

we have a legislature that is trying to work on developing ideas and policies and we can't have everybody in the room having a real discussion, that's a failed legislature.

So I'm voting no on this. Thank you very much, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Rivera.

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

ACTING PRESIDENT GRIFFO: Senator Rivera on the bill.

SENATOR RIVERA: Fact. A few weeks ago there was an article in the New York Post that identified a series of failing schools. Fact. My picture was on this article. And of the schools that were identified as being failing in this list that was identified in this article, 13 of them are in my district.

Fact. When you look at these schools -- actually, there's 12 of them, not 13, 12. I've visited seven of them in the four years that I've been in the Senate, a couple of them just in the last year.

Fact. If we take all the money that

the Campaign for Fiscal Equity owes these schools, it adds up to about $26 million.

Fact. When I spoke to the principals of these schools and I asked them whether they could use -- let's say at I.S. 219, New Venture School, whether they could have used, I don't know, $968,758.87, well, let's just say that the exclamation that came out is not something that necessarily I can say on this floor.

But fact. This money, which is not in this budget, would help all these institutions, all these schools. Of them, six are Renewal Schools, one is a Community School. And there's real challenges that face the children in those schools.

When we're talking about the money that is owed to these schools, it's not that we're saying just like money can make everything better. But you cannot tell me that if P.S. 92 had another million dollars -- actually, $1,088,101.67, they probably could have done something with that. They probably could have tutoring, extracurricular activities, after-school programs, social service programs,

supplies. These resources are necessary. This is not in this budget.

Second, this budget also -- fact, I should say. Fact. This bill and the proposal, the education proposal that we have before us, doesn't just talk about testing, it doubles down on testing.

We've had many discussions on this floor and in the public conversation about education as far as high-stakes testing and how we should be really reconsidering whether it's the way that we want to actually measure success of students or teachers. And now we are doubling down.

Third, fact. What this bill does is it establishes a sort of reform -- and I use that term loosely -- which are ultimately punitive, extremely punitive to the folks that are on the front lines every single day to try to make the lives of these school kids better.

These are all facts. And the concern, the main concern that I have about that part of this budget -- and certainly Senator Latimer outlined them at length -- is that it might indeed perpetuate the status of these

schools. I do not call them failing, I call them challenged. And they're challenged just like the neighborhoods that they are in. These are the schools that I represent. These are the children that I represent. These are the parents that I represent.

Another fact. The overwhelming majority of the students in the entire State of New York go to public schools.

Fact. There's certain charter schools in my district that are successful. Others are not.

Fact. Maybe 5 percent of the total number of children in the entire school system in the state go to charter schools. And if we are to, in this body, say that we care about the children of the state, we should be thinking about how we reform the system, certainly not in this way, but in a way that impacts that 95 percent.

Two more points, Mr. President, and I shall conclude.

Senator Peralta talked about it at length, and we've talked about it on this floor many, many times as far as what the DREAM Act is

and what it is not. It does not take away anything from anyone. The DREAM Act gives access to students that are individuals, children, that came here without wanting to. Their parents brought them here. And they have already been successful in the educational system of our state. And we're saying to them: Well, now you can't be anything else. Congratulations on being successful in high school, but you can't go to CUNY or SUNY.

It doesn't take away anything from anybody. It doesn't take away anything from any other student. It just provides access to them.

Fact. Lastly, the ethics proposal that we have in front of us is also, unfortunately, woefully, not addressing the real concerns that we need to address in this body. And many of my colleagues have talked about this in detail.

So I will just say that I join them in saying that for all of these reasons, certainly as it relates to no DREAM Act in this budget, a weak ethics reform, and an education proposal that in the three instances that I mentioned -- no CFE funding, doubles down on

high-stakes testing, and establishes reforms that are ultimately punitive as opposed to trying to really fix the system -- Mr. President, I think that this is a bad budget bill, and I'll be voting in the negative. And that is a fact.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Hamilton.

SENATOR HAMILTON: Mr. President, would the sponsor of the bill please yield to a question?

ACTING PRESIDENT GRIFFO: Senator Flanagan, do you yield?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: Senator Flanagan yields.

SENATOR HAMILTON: Senator Flanagan, how you doing today?

SENATOR FLANAGAN: Good.

SENATOR HAMILTON: Senator Flanagan, I'd like to know how would you rate, on a letter grade, the State Education Department?

SENATOR FLANAGAN: I'm sorry, could you repeat the question?

SENATOR HAMILTON: The State

Education Department, their overall performance of educating our kids, which letter grade would you give them?

SENATOR FLANAGAN: Oh, Senator Hamilton, I think that -- you know, I look at things over a continuum of time.

SENATOR HAMILTON: Right.

SENATOR FLANAGAN: I am unabashed in suggesting a couple of things. I don't always agree with the State Education Department. I have great admiration for the people who serve as Regents even when I may not agree with them. I have a special admiration for the chancellor, because these people dedicate hundreds and hundreds of hours of their time that frankly they don't need to.

Within the Education Department there are some highly incredibly talented individuals who do yeomanlike work for children all across the State of New York, children with disabilities, children in preschool programs. So I can look in isolation and pick out some extraordinarily talented people who -- I was on the phone today with SED for 45 minutes before we had this debate already talking about where

things may go.

So respectfully, I would say I believe that it's important for us as members and as a Legislature to have a good working relationship with the State Education Department, even when we aren't always in sync.

SENATOR HAMILTON: Yes, Mr. President, would the sponsor please yield to a question?

SENATOR FLANAGAN: Yes, I do.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR HAMILTON: Senator Flanagan, how would you rate the State Education Department by letter grade?

SENATOR FLANAGAN: Senator Hamilton, I think I've answered the question. See, one of the good things about this body is it's deliberative and we get to answer questions in the way we think appropriate. Which I've done.

SENATOR HAMILTON: Okay. So overall, since you won't give me a letter grade --

ACTING PRESIDENT GRIFFO: Senator

Hamilton, are you on the bill?

SENATOR HAMILTON: Would the sponsor of the bill please yield to a question.

ACTING PRESIDENT GRIFFO: Are you on the bill or do you want to ask a question?

SENATOR HAMILTON: I'm on the bill. I'm on the bill. I'm just trying to get to the --

ACTING PRESIDENT GRIFFO: No, do you want to speak on the bill or do you --

SENATOR HAMILTON: I want to speak on the bill. I want to ask a question to the bill, yes.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator Flanagan, do you yield to a question?

SENATOR FLANAGAN: I yield, yes.

ACTING PRESIDENT GRIFFO: All right. Go ahead, Senator Hamilton.

SENATOR HAMILTON: If he'd please yield to a question.

SENATOR FLANAGAN: Yes.

SENATOR HAMILTON: I see in the bill we put a lot of emphasis on the teachers and turning schools around. But I want to get to the

point -- there seems to be no emphasis on the State Education Department on turning the system around.

Right now we have black and Hispanic students only graduating at a 60 percent ratio. Only 15 percent of black and Hispanic students are ready for college. So we are putting emphasis on the teachers, but we're not putting emphasis on the person or the entity that's in charge of the State Education Department.

So my question is, how much time do we give the State Education Department to turn around the system?

SENATOR FLANAGAN: Well, I would respectfully suggest that if it were only the State Education Department alone, that that would be a completely different story.

But the State Education Department is funded by the State of New York as well as the federal government, so it's a shared responsibility that extends to the Governor, the Senate and the Assembly, and frankly, by extension, stakeholders throughout the State of New York. That includes superintendents, teachers, administrators, students as

ambassadors, PTAs, school boards.

So there's a lot of people involved in this process, and I would not -- I don't want to nor would I rest that sole responsibility on the State Education Department.

SENATOR HAMILTON: Would the sponsor please yield to a question?

SENATOR FLANAGAN: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR HAMILTON: There has to be some accountability somewhere, and it starts from the top. And I know we have stakeholders that are part of the system. But if we're going to put emphasis on teachers that are not performing well, we have to put emphasis on the people who are at the top of delivering the curriculum, on delivering evaluating teachers.

So if we have a system that's failing us, how much time do we give a commissioner as far as turning the system around, when we know every year of a child's life is important?

So the question is how many years -- if the children are failing, if only 15 percent

of black and Hispanic kids are ready for college, how much time should we give the commissioner to turn the system around at least to get them to 50 percent? Or even less. To get them at, say, 30 percent, how much time should we give the commissioner for that, Senator?

SENATOR FLANAGAN: Well, Senator Hamilton, the first thing I'd like to do is get a commissioner. We might be in a better spot if we had a commissioner --

SENATOR HAMILTON: Good point. Good point.

SENATOR FLANAGAN: -- which is the charge of the Regents and the State Education Department.

And I believe that you could look at any one of these issues or any day and make it a snapshot in time. There are a variety of factors that affect what the State Education Department does.

And I can tell you, while he's now down in Washington, I had many, many conversations with former Commissioner King about education, educational policy.

I've spoken with Senator Robach, my

colleague who represents Rochester, about the graduation rates of black and Hispanic males in the City of Rochester.

I live on Long Island; I'm troubled by that. And I think we all share that, not only that concern but that responsibility.

But, Senator Hamilton, since you've asked me a few questions, I would wonder -- Mr. President, through you -- if you would yield.

SENATOR HAMILTON: Yes, I would, Senator.

ACTING PRESIDENT GRIFFO: Senator Hamilton yields.

SENATOR FLANAGAN: Senator Hamilton, we had an occasion recently to visit with the New York State Assembly on a joint legislative session that involved the election of new Regents. Did you attend that session?

SENATOR HAMILTON: Yes.

SENATOR FLANAGAN: And --

SENATOR HAMILTON: I supported -- I supported Lester Young, from Brooklyn, who has been in the forefront of educating young black men in our community in Central Brooklyn.

And also for Mrs. Cashin, also, who

was around when I was on the school board who helped us keep the fifth best school in New York State, the Crown School for Law and Journalism. So yes, to answer your question.

SENATOR FLANAGAN: So would it be fair -- Mr. President, through you -- Senator Hamilton, did you support all the Regents appointments?

SENATOR HAMILTON: Did I support all the Regents appointments? I guess I did support all the Regents appointments. Yes, I did.

SENATOR FLANAGAN: Okay, so would you -- Mr. President, through you.

ACTING PRESIDENT GRIFFO: Senator Hamilton, do you yield?

SENATOR FLANAGAN: Senator Hamilton, would you concur, then, that the Regents play a significant role and that they are essentially the body that sets up educational policy in the State of New York?

SENATOR HAMILTON: Can you please repeat the question, please? I didn't hear it.

SENATOR FLANAGAN: Would you agree that the Regents play a pivotal role in education

in New York, particularly in light of the fact that they set educational policy?

SENATOR HAMILTON: Yes, they do play a pivotal role. And of the people who were voted in this year, four were new. And they do it for free, yes, they do.

But you're switching the issue here of going from the State Education Department and the time it takes for them to turn around the system. If we're doing it for schools at two years and they go into receivership, how much time do we give to the State Education Department so they can go into some type of receivership so our children can get an education and be able to be productive citizens in our state?

SENATOR FLANAGAN: Mr. President, through you. Senator Hamilton, are you suggesting that the State Education Department be placed in receivership?

SENATOR HAMILTON: No, I do not, Senator Flanagan. What I'm saying is we have to put time limits on failing educators, failing State Education Departments {sic} who are not serving our children in this state. And if we're doing it for the schools, we should do it for the

State Education Department when we do get a commissioner.

But at some point in time we have to have a limitation on failure at the top of the educational system.

SENATOR FLANAGAN: Mr. President, through you. Senator Hamilton, you represent the City of New York, and I certainly understand that and respect that.

SENATOR HAMILTON: Yes.

SENATOR FLANAGAN: Do you believe that the mayor and the City Council play a significant role in educational policy in the City of New York?

SENATOR HAMILTON: Under -- yes, under the old policy, Mayor Bloomberg had the system for 12 years, and it's failing. That's why I believe we have to have a holistic way of educating our children, with parents, stakeholders in the community and the school system working together. Not just a top-down approach, but from a bottom-up approach, because the parents know what's best for their children.

A parent living in Brooklyn should not have to go to Manhattan to find out what's

going on with their child. So I'm not for mayoral control in New York City, I'm for having parents and all the stakeholders in our community effecting the change and making sure our children learn.

SENATOR FLANAGAN: So I just want to make sure I understand. Are you saying you're opposed to mayoral control?

SENATOR HAMILTON: I say I'm opposed to it the way that mayoral control is set up right now, yes, I am.

SENATOR FLANAGAN: So you would expect that we would have changes in the law?

SENATOR HAMILTON: Excuse me, is it my -- do I have a bill on the floor?

ACTING PRESIDENT GRIFFO: You asked -- Senator Hamilton, you have the floor. But you asked Senator Flanagan to yield --

SENATOR HAMILTON: Yes, I will, I will answer the question, yes. I'm sorry.

SENATOR FLANAGAN: So let me ask on a parallel. You believe that there are issues that the State Education Department has failed to address, and you are inquiring of me, to some extent, how long they should have to fix those

issues.

I'm going to ask you a parallel. You suggested that you are not enamored with mayoral control as it exists. How long do you believe the mayor should have to make the changes that you're talking about, since the mayor wants mayoral control and the graduation rates are not at the level that anyone believes they should be, including the mayor?

SENATOR HAMILTON: Well, to answer your question, Senator Flanagan, that's why I'm not for total mayoral control. I believe we should go back to the school boards, who have three-year terms. And with those three-year terms, if the school board is not being productive in educating our children, they will be voted out of office.

The same way I think we should have three-year terms or a three-year period of analyzation for the commissioner in the State Education Department to see if they can make a turnaround in the school system. And if they can't, then we need to get someone else.

SENATOR FLANAGAN: Okay. So, Mr. President, through you, if Senator Hamilton

would continue to yield.

ACTING PRESIDENT GRIFFO: Senator Hamilton, do you yield?

SENATOR HAMILTON: Yes, I will answer the question.

SENATOR FLANAGAN: The Board of Regents hires the commissioner. Senator Hamilton?

SENATOR HAMILTON: Yes.

SENATOR FLANAGAN: The Board of Regents hires the commissioner. Are you suggesting that there be a three-year contract period for the commissioner, whomever that person may be?

SENATOR HAMILTON: No, I -- I -- Senator Flanagan, I believe the question was how much time should we give the mayor of New York City to be at the head of the school system.

And you asked me was I for mayoral control, and I said I'm for mayoral control but not in its present form. And I said that we should go back to having school boards, which are elected by the people and responsive to the people, with three-year terms.

SENATOR FLANAGAN: Okay,

Mr. President, through you. What I heard, part of your answer was that the commissioner should be under a three-year review. So I'm just trying to make sure -- see, I believe differently.

I believe that the Board of Regents should have the wherewithal to remove a commissioner who's not fulfilling their duties and responsibilities. So I don't believe in a contract. And the Board of Regents is the management team for the State Education Department.

But I appreciate Senator Hamilton's indulgence.

ACTING PRESIDENT GRIFFO: Senator Hamilton, do you want to continue on the bill?

SENATOR HAMILTON: Yes, I would like to continue on the bill. But due to time, I just want to thank Senator Flanagan for your time in answering the questions.

And I just want to end in just saying I'm not voting for this bill. I think the teachers are being scapegoated and it's going to drive good teachers away from school districts that are low-performing for being in fear of losing their jobs.

And I just want to say -- I want to congratulate -- this is the last day of Women's History Month, and I want to congratulate the women of Seneca Falls who in 1848 had the first suffrage meeting here in New York State. And it took 70 years later for women to get the right to vote, in August of 1920. And now we're almost a hundred years from when the women had the right to vote in this great country, and our great leader, Andrea Stewart-Cousins, is still not the room. Hopefully, within a hundred years of women having the right to vote, we would have a woman in the room making decisions.

And because Andrea Stewart-Cousins, who is representing 8 million people, was not part of the process, I cannot support this bill. And I just hope that we can have a woman making history in this great room, being part of the good old boy network.

Thank you very much.

ACTING PRESIDENT GRIFFO: Senator Breslin.

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

ACTING PRESIDENT GRIFFO: Senator

Breslin on the bill.

SENATOR BRESLIN: I will be very short, as the time is late and time is short.

When I first got to the Senate, I had many teachers and principals from New York City telling me about the conditions of their schools. I thought they were, at best, apocryphal -- until I went down and visited. And what I found were schools that had coal-burning stoves, asbestos, doors locked, kids who ran from class to class because they didn't have a seat in the next class, books that were out of date, half the teachers not certified. And I could go on and on. And we were effectively denying hundreds of thousands of kids every year the right to an education.

That was the genesis of the CFE decision. And after the CFE decision by the Court of Appeals, there was an order of payments to bring those schools up to par. That order has been violated year after year after year after year.

And now it's moved north. There's a small-city case that was just concluded in Albany that will cover a lot of the small cities outside

the CFE district. A decision not yet been rendered. I assume, based on the precedent of New York, it will be essentially the same and will have that same condition.

And what do we do? Day after day, by this legislation and by our conduct over the number of years since the CFE decision, is first blame the kids and then blame their teachers, and put harsh conditions upon them through testing and evaluations.

I believe it's time to stop, recognize the problem. I now have five cities in my district, cities with problems that I saw some 15 years ago in New York City. The problems of we need smaller class sizes, we need to take care of mental health, we need to take of care of physical health. We have disruptive kids, we need those smaller class sizes with some additional assistance.

And without the dollars, it doesn't work. And we have to stop blaming the teachers and the students, come up with the dollars, use them effectively, and it makes the difference.

I've visited schools in the five cities I represent -- in Troy, Rensselaer,

Watervliet, Cohoes and Albany -- and they all have similar problems. And you see those kids that could be so effective, and we're denying them the opportunities to continue on, get a good education, and not be a burden on our society. And it's a problem that we can solve, and it costs too much not to solve it.

Thank you, Mr. President. I'll be voting in the negative.

ACTING PRESIDENT GRIFFO: Thank you, Senator Breslin.

Senator Krueger.

SENATOR KRUEGER: Good evening, Mr. President. I will not ask any questions, given the lateness the time frame for this budget bill.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: Thank you.

So the Regents called for a $2 billion increase in education aid. We're getting $1.3 billion, substantially less.

I've actually immensely enjoyed the debate here this evening around the Governor's proposed changes in how to evaluate teachers and

how to give them tenure and when to fire them. It's sort of amazing to me that the first discussion we're having like this is the night the budget must be passed. This is one of the last bills to come out and be introduced to us with a message of necessity.

It's extraordinarily complicated issues. And we keep dumbing down our own assignment. We just keep defaulting to more teach to test, test more, punish for failure in tests, everybody -- teachers, parents, children. Don't ask the questions what is working in education, only criticize and attack.

I am incredibly proud of the fact that I come from New York City. District 2 schools in Manhattan, parents are fighting to get their children into our schools. So for all the horror stories, let me just remind you New York City also has some of the best schools in the nation.

But there is of course a correlation between money available for schools, for students, the poverty reality of the students coming to school, the need for special services if English is their first language, if they have

special needs which disproportionately, if they live in poverty, they will have.

And it doesn't really seem like any of the proposed changes in this bill will address any of that. It certainly will scare teachers away from ever wanting to work in schools with poor students or special-needs children. They'll probably be delighted to work in my district, where in fact I have disproportionately middle- and high-middle-income children coming from families with very high attainment and educational levels already.

In fact, if you look at the private schools in my district, they're all running away from testing and saying we have to get back to focusing on one size does not fits all and children need art and music and creativity and to be able to learn at their own pace in unique ways. And then I watch our public schools being told: Never let that happen.

And if this bill, if it becomes law, which I guess it will, will increase not only that structure to test, to test, to test, to die, but it will also expand on the inequity between school systems with families and resources who

recognize that's just the opposite of what they're doing for their own children.

So I do think the discussion is seriously worthy of much longer and extended evaluation. I do not believe that this proposal tonight in this bill will result in anything good for education or our children. I've watched now in the I guess 13 years I've been in the Senate as New York City went into mayoral control and then we had a series of changes by our previous mayor. I watched constant change, everybody always had a new answer -- except it just kept meaning more testing and not necessarily any better outcomes.

So I think the rush to say now we have it down, we'll make all these changes, it will get better -- I do not believe it will.

I also, like many of my colleagues, am particularly disturbed at what's not here in this budget tonight. A minimum wage increase would have had the most significant impact of anything we could do in our budget this year, including significance for families with children living in poverty. Because if anyone thinks you can focus on school if your family is facing

eviction or you're not sure what you're going to get for dinner tonight, you don't understand poverty.

And my colleagues have also waxed poetic about their frustration about the fact that the DREAM Act is yet again not in a budget this year. And it really has no negative impact on anyone else. It just means children will be able to grow up, go to college, get better jobs and be taxpayers.

I don't know the history of everyone in this chamber. I'm the grandchild of immigrants. My grandfather came here at the age of 10, ended up going to public university for free. He had no papers, he was escaping the pogroms of Russia. He then signed up to be a soldier in World War I at the age of 16 -- no, I'm sorry, 17, because he did finish college first, by 17. He then completed his military duty in World War I and went off to be one of the first Jews to graduate Harvard Law School.

He wasn't legal. He got an education. He did everybody proud. That's all anyone is asking for with the DREAM Act.

And the ethics. You know, more

disclosure, more transparency really isn't going to be a game-changer for the problems up here. And ironically, the transparency doesn't even go into effect until 2017. Seriously not a game-changer.

But the campaign finance, the LLC loophole closing, the rules about limitations on income and how you get it, those all disappeared.

So I'll be voting no on this bill for any number of reasons -- no minimum wage, no DREAM Act, bad education policy, and not even a half a loaf on ethics.

So I wish we were dealing with a different bill. I wish we were having more substantive discussions about all these issues. But we just get that one vote on this bill. So I'll be voting no, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Stewart-Cousins.

SENATOR STEWART-COUSINS: Thank you, Mr. President. On the bill.

ACTING PRESIDENT GRIFFO: Senator Stewart-Cousins on the bill.

SENATOR STEWART-COUSINS: You know, I preface my remarks by saying that I am a

product of public school education. I have had the opportunity to teach in public schools. My children attended public schools. My grandchildren attend public schools.

One of the great motivators of running for the Senate was because of the impact that I know the state has on education and how much had to be done. And I really, really believed that we would be able to make that difference.

This budget and its approach is really, really -- frankly, I think all of my colleagues have spoken so eloquently about it. But I think of it in terms of my district, as we all think in terms of our own districts.

I have Yonkers and White Plains and New Rochelle and Greenburgh and Scarsdale. And there couldn't be more stark differences between some of these school districts. I have Scarsdale, which is an extremely high-performing school, probably one of the highest-performing schools in the nation. And Yonkers, according to what we have been told, has at least 7 so-called failing schools.

The thing that brought these

different pieces of my district together was the Common Core conversation. That Common Core conversation -- of not whether there should be a a Common Core, because I think most of us understand why standards matter and why we should know what achievements our children have. What brought all of these people together was the implementation of Common Core. What brought all of them together was the rush to get it done so that we could get to the Race to the Top money so that we could proceed to make sure that we proved that we could do it better than everybody.

And as the rollout occurred, and as we had the listening tours with the -- you remember the Regents and everyone else coming all together, parents in my district flocked to beg, beg for a reprieve for their children, for their children's teachers. Not because they didn't want Common Core, but they didn't want an expeditious implementation of an untested mechanism to be able to dictate the future of their children and the future of their children's teachers.

And at the end of the day, we all realized, listening to all of our parents, how we

needed to move this back. And we said our children will be exempt from the negative impacts of the testing. But we all agree that there's far too much testing going on. We want our kids to have fun while they learn. It shouldn't be the place you go to take a test.

Now, here I am looking at a budget that says that how our teachers will be rated will be created under the authority of the commissioner of the State Department of Education.

And I know Senator Flanagan mentioned, and we all know, we don't actually have a commissioner right now. We've got an acting commissioner. And this person has until June 30th of 2015 to now put together the evaluation system that's going to rate the teachers that are going to teach our kids.

And this person is going to be able to consult with experts and practitioners in the fields of education, economics, and psychometrics and take considerations of some of the parameters that were in a letter to the chancellor and the Board of Regents. And they're going to consult in writing with the Secretary of the United

States, Arne Duncan, as to what exactly happens.

I don't know about you, but I've been down this road. I understand what faulty and fast implementation does. And I don't blame our teachers, who are sitting in classrooms, sometimes overcrowded, sometimes underresourced, trying to teach children who are now going to have to depend on people putting this together in a couple of months without, I'm sorry, the department commissioner in place.

Now, that's the global. And then I have the City of Yonkers, one of those places that out of all of my district that has, yes, these failing schools, all in the same geographic area. All of those people have spoken about the impacts of poverty and all of the things -- English language learners, all of these things.

The superintendent, the mayor comes begging for $89 million; they'll take 50, of course. There's nothing like that in this budget. The Assembly, to their credit, was able to get some capital money for the city. But as of right now this district, with these failing schools, is looking at how to proceed with a school district that still doesn't have music,

still doesn't have art, still doesn't have JV, and does not know how any of these things will happen -- but they do know that their teachers will now have a new system of tests to figure out whether or not they're effective.

I need -- and so many of us with these failing so-called schools and these kids who are struggling, we need to find an answer for those children. We need to divert the resources to those children. We need to make sure that when we stand here and suggest we are passing a budget that is going to help our education system because there's more money and so on, that we are at least wrapping around those children who at this point are waiting desperately for us to do something.

I won't be voting for this budget.

ACTING PRESIDENT GRIFFO: Senator Klein.

SENATOR KLEIN: Thank you, Mr. President.

I'm going to speak on the ethics portion of the bill.

ACTING PRESIDENT GRIFFO: Senator Klein on the bill.

SENATOR KLEIN: First and foremost, I want to thank my colleagues, especially the colleagues on the Republican side of the aisle, who I know worked very, very hard, especially the practicing attorneys, in fashioning a bill that will truly reform our system when it comes to outside income.

I know I had many conversations with a lot of the members, and I know specifically Senator Lanza I know worked very, very hard in trying to come up with something that would certainly meet the standards of ethics reform.

I also want to thank my colleague Senator Hoylman, who introduced a piece of legislation which is reform model along the lines of Congress, which effectively bans outside income, especially the practice of law.

I have been in public life now for 20 years, and I also remember very distinctly when I passed the bar. I think many of us can always reflect on sort of memorable occasions in our lives, times we kind of never forget. And certainly one of the two proudest moments in my life was when I was admitted to the bar and when I was elected to public office for the first time

20 years ago. Those two memories I think shaped who I am today.

But I think a public official learns very quickly that serving the public is a full-time job. And over the years, my constituents always come first.

As I said before, I know a lot of my colleagues, just by their actions here and how they speak up on legislation that they care about, how they serve their constituents, especially my Republican colleagues. I can only imagine how they treat the practice of law and how they treat their clients. I understand that they find that responsibility a very important one. You owe a very special duty to a client. You owe them a very special duty to handle their cases to the best of your ability.

So I know the disclosure laws that are put forth today are probably some of most effective in the country when it comes to disclosure. But I think in recent weeks, and especially over the past year, outside income, unfortunately, has casted a taint on both houses of the State Legislature. I believe right now our future is really in jeopardy.

And I've always been someone who's prided myself on looking to negotiate, looking to compromise. I firmly believe that compromise is not a dirty word. It's a function of government, it's a function of the real world. But you know something? When it comes to outside income, when it comes to the practice of law, when it comes to representing my constituents, I think we have to make one choice. And I think that choice is a full ban on outside income.

As I said before, I firmly believe that the current climate in Albany leaves public officials with a simple choice: Serve the public who elected you on a full-time basis, or keep a full-time career out of office.

As I said, my career in the law has meant an awful lot to me. I worked my way through law school, worked for two members of Congress, served as chief of staff to both. I founded a small law practice in the Bronx with two law school buddies. We did wills, we did estates, it was a family sort of practice, neighborhood practice.

But I think at the same time, as much as I cared about the practice of law, the

most that I cared about handling individual clients, I think right now this is sort of a crossroads. And I think the message we have to send right now to the public must be clear. We are lawmakers, and we are not above the law.

And while I think the disclosure requirements, having to actually go to OCA and have them sort of spot a conflict before it exists, probably would be something -- in a different time, that would solve our problem. But I don't think I am exaggerating when I think we're going to be back here a month from now, a year from now, dealing with the same type of problem over and over and over.

So I think the only way we can effectively handle that is to ban outside income and become a full-time legislature. I vote no on this legislation, Mr. President.

ACTING PRESIDENT GRIFFO: Seeing and hearing no other Senator that wishes to be heard, debate is closed, and the Secretary will ring the bell.

The Secretary will read the last section.

THE SECRETARY: Section 3. This

act shall take effect immediately.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: I'm going to have Senator Kennedy explain his vote. And remind the members of Rule 10(3)(e), that we'll have a two-minute limit.

Senator Kennedy.

SENATOR KENNEDY: Thank you, Mr. President.

We started this year with all eyes on Albany and on an issue that's been delayed far too long, comprehensive ethics reform. And the bill we have before us today falls woefully short of what would restore the public's trust in government.

We're not holding our legislative body accountable for the reform promises made just a few months ago. Further action is still needed to place limits on outside income and close the LLC loophole if we want to truly move toward regaining public trust at the Capitol. We must advance serious reforms until we get it right.

And on education, I don't think there's a legislator among us who would not agree our education system is in need of reform. But this is simply not the way to go about it. We cannot gamble with state aid district by district based on a brand-new and untested evaluation system that was cobbled together at the last minute.

Never before have we expected schools to implement such a system in such a short period of time. It's been difficult enough as districts waited for their school aid runs, but this places an even more dire, undue burden upon them.

And of course the students are the ones caught in the middle of this. They're the ones who are punished if the teachers and school districts can't agree on evaluation systems. They're the ones who will lose out on an education. They're the ones who we will have failed.

Over the past month I've visited several schools in Buffalo, Cheektowaga, Lackawanna, throughout Western New York. If the teachers and school districts can't agree on the

evaluation systems and the ones that are put in place, the kids are going to lose out on the programs that we're trying to implement here.

We are worried about the schools and the direction of education in New York State. Together, we can help these students. We've made incredible strides to help bring school funding back by undoing some of the damaging effects of the Gap Elimination Adjustment. But our schools still lack the full funding they deserve. And the proposal to allow a state takeover and --

ACTING PRESIDENT GRIFFO: Senator Kennedy --

SENATOR KENNEDY: -- eventual privatization of what's being deemed failing schools doesn't even appear to provide --

ACTING PRESIDENT GRIFFO: Senator Kennedy, how do you vote?

SENATOR KENNEDY: -- the funding that some of the schools in the City of Buffalo desperately need.

On behalf of students, teachers, educated taxpayers across Western New York and New York State, Mr. President, I vote no.

ACTING PRESIDENT GRIFFO: Senator

Kennedy to be recorded in the negative.

Senator DeFrancisco to explain his vote.

SENATOR DeFRANCISCO: It's nice to hear such passion --

ACTING PRESIDENT GRIFFO: Let's have some order, please.

SENATOR DeFRANCISCO: It's nice to hear such passion as this late hour. And I hope I don't get as passionate.

But I think the comments by Senator Hoylman during the debate were really out of line, basically saying that the problem in this chamber or in the Legislature are lawyers. Well, there are good lawyers, there are bad lawyers. There are lawyers who go to Harvard, and there are lawyers that are fortunate enough to go to Duke.

(Laughter.)

SENATOR DeFRANCISCO: And every single one of them --

ACTING PRESIDENT GRIFFO: Senator Hoylman, why do you rise? We're on explanation of votes. I'd ask members to sit down.

Senator DeFrancisco, you can explain

your vote. Please do not refer to any member by name. Please continue.

SENATOR DeFRANCISCO: Okay, I won't refer to him by name, then.

But the fact of the matter is we're glowing over a $5.4 billion surplus because of good, solid, ethical lawyering.

And because you're a lawyer doesn't mean you're a corrupt lawyer. There are corrupt lawyers, there are corrupt businessmen, there are corrupt teachers, there are corrupt everything. There's good and there's bad. To suggest that the problem is lawyers is outrageous. There have been lawyers in legislative bodies for years, since the beginning of this government, who have made great contributions to this country.

So if an individual is ethical, follows the rules as they existed, we should not eliminate a class of people and end up with a class that's excluded. We hear a lot about discrimination in this body --

ACTING PRESIDENT GRIFFO: Senator DeFrancisco, how do you vote?

SENATOR DeFRANCISCO: I vote in a minute.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator DeFrancisco. Senator DeFrancisco.

SENATOR DeFRANCISCO: And I'm just finishing this sentence. And to discriminate by those who are so heavily against discrimination is outrageous.

This bill will work, and lawyers should not be excluded. They should be complimented when they do a good job. They should be prosecuted if they act criminally, just like anybody else in this body.

Thank you.

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

Senator Hoylman.

SENATOR HOYLMAN: Mr. President, I'll be voting no because if this Legislature does become full-time, I will remain in this Legislature as a lawyer, just not as a practicing attorney who has private clients, profiting on the side.

So I vote no. Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator

Hoylman to be recorded in the negative.

Announce the results.

THE SECRETARY: In relation to Calendar 316, those recorded in the negative are Senators Addabbo, Breslin, Comrie, Dilan, Espaillat, Gianaris, Hamilton, Hassell-Thompson, Hoylman, Kennedy, Klein, Krueger, Latimer, Montgomery, Panepinto, Parker, Peralta, Perkins, Rivera, Sampson, Sanders, Savino, Serrano, Squadron, Stavisky and Stewart-Cousins.

Ayes, 36. Nays, 26.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator LaValle.

SENATOR LaVALLE: Mr. President, can we go to Supplemental Calendar 28A and return to Calendar Number 314.

ACTING PRESIDENT GRIFFO: Senator LaValle, we will return to Supplemental Calendar 28A, Calendar Number 314, on which debate had been closed and the bill was temporarily laid aside awaiting a message.

SENATOR LaVALLE: Is there a message of necessity at the desk?

ACTING PRESIDENT GRIFFO: There is

a message of necessity now at the desk.

SENATOR LaVALLE: I move to accept the message.

ACTING PRESIDENT GRIFFO: All in favor of accepting the message signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The message of necessity has been accepted and the bill is before the house. Debate has been closed.

The Secretary will read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Gianaris to explain his vote.

SENATOR GIANARIS: Just to remind my colleagues, Mr. President, this is the bill we debated earlier in the night. It was laid aside

temporarily and we're now taking it up for the vote. It's the state operations bill.

ACTING PRESIDENT GRIFFO: Thank you, Senator Gianaris.

Announce the results.

THE SECRETARY: Ayes, 60. Nays, 2. Senators Parker and Perkins recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator LaValle.

SENATOR LaVALLE: Can we go back to motions and resolutions.

ACTING PRESIDENT GRIFFO: We will return to motions and resolutions.

SENATOR LaVALLE: On behalf of Senator DeFrancisco, Mr. President, on page number 1 I offer the following amendments to Calendar Number 319, Senate Print Number 4612A, and ask that said bill retain its place on the Third Reading Calendar.

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

SENATOR LaVALLE: Mr. President,

can we now call a meeting of the Finance Committee in Room 332.

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

The Senate will stand at ease.

(Whereupon, the Senate stood at ease at 9:58 p.m.)

(Whereupon, the Senate reconvened at 10:18 p.m.)

ACTING PRESIDENT GRIFFO: The Senate will come to order.

Senator LaValle.

SENATOR LaVALLE: Mr. President, is there a report of the Finance Committee at the desk?

ACTING PRESIDENT GRIFFO: There is a report of the Finance Committee before the desk.

SENATOR LaVALLE: I ask that it be read.

ACTING PRESIDENT GRIFFO: The Secretary will read.

THE SECRETARY: Senator DeFrancisco, from the Committee on Finance,

reports the following bill:

Senate Print 4610A, Senate Budget Bill, enacts various provisions of the law necessary to implement.

The bill is reported direct to third reading.

SENATOR LaVALLE: Mr. President, I move to accept the report.

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

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

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

SENATOR LaVALLE: Mr. President.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: On our desks we have Supplemental Calendar 28C. I move that we go to Calendar Number 317.

ACTING PRESIDENT GRIFFO: The Secretary will read Calendar Number 317 from

Supplemental Senate Calendar 28C, noncontroversial.

THE SECRETARY: Calendar Number 317, Senate Print 4610A, Senate Budget Bill, an act to amend Chapter 41 of the Laws of 1985.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: Mr. President, is there a message of necessity at the desk?

ACTING PRESIDENT GRIFFO: There is a message of necessity at the desk.

SENATOR LaVALLE: I move we accept the message.

ACTING PRESIDENT GRIFFO: All in favor of accepting the Governor's message of necessity indicate by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The message of necessity has been accepted, and the bill is before the house.

SENATOR GIANARIS: Lay it aside.

ACTING PRESIDENT GRIFFO: Lay the bill aside.

SENATOR LaVALLE: Can we now have the controversial reading of Calendar Number 317.

ACTING PRESIDENT GRIFFO: The Secretary will ring the bell, and the Secretary will read.

THE SECRETARY: Calendar Number 317, Senate Budget Bill, Senate Print 4610A, an act to amend Chapter 41 of the Laws of 1985.

ACTING PRESIDENT GRIFFO: Senator Gianaris.

SENATOR GIANARIS: Mr. President, I believe there's an amendment at the desk. I ask that the reading of the amendment be waived and that we call on Harvard lawyer Senator Hoylman to speak on the amendment.

(Laughter.)

ACTING PRESIDENT GRIFFO: One second, please.

SENATOR GIANARIS: Apparently it's arriving. There's an amendment on its way to the desk, Mr. President. And since the reading will be waived anyway --

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

SENATOR DeFRANCISCO: By the way, I

want to object to Senator Gianaris mentioning a member's name on the floor.

(Laughter.)

ACTING PRESIDENT GRIFFO: Duly noted.

Senator Gianaris, there is an amendment now before the desk. And as I review the amendment, I believe it is not germane to the bill at hand and therefore out of order.

SENATOR GIANARIS: I would like to appeal the ruling of the chair, and I would like to gratuitously mention Senator DeFrancisco's name, but then ask that Senator Hoylman be called on, on the appeal.

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator Hoylman, you are recognized on the appeal of the ruling of the chair.

SENATOR HOYLMAN: Thank you, Mr. President.

I contend my amendment to this legislation is germane because it does maintain the same purpose and addresses the same areas of law as the underlying bill, no matter where I went to law school.

Mr. President, the budget sweeps $41 million from New York's Regional Greenhouse Gas Initiative proceeds, directing $15 million to prop up as window dressing to an increase in the Environmental Protection Fund while dumping $26 million into the General Fund for unspecified purposes which could be used for anything -- supporting tax credits for billionaires buying airplanes, to take one example.

My amendment, Mr. President, would create a lockbox, a lockbox for the RGGI funds, prohibiting the Legislature from inappropriately diverting those funds for anything other than the purposes for which they are intended under the RGGI compact.

And for those of you who are less familiar with RGGI, the Regional Greenhouse Gas Initiative, it actually found its origin in this chamber. It was first proposed by Governor Pataki as a way to harness the free market of the Northeastern states -- Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. With the goal to cap and reduce carbon dioxide emissions from the power sector, the biggest users of

carbon-based energy sources like coal and natural gas, this fund was created which allows the investment in alternative forms of energy, to create jobs and reduce greenhouse gases.

At the same time, Mr. President, my amendment also increases by $15 million the amount of the real estate transfer tax that is deposited in the Environmental Protection Fund.

So the EPF, the Environmental Protection Fund, is traditionally funded by the real estate transfer tax. And that makes sense, Mr. President, because those who create growth in the State of New York -- a lot of those are real estate developers, and we commend them for that -- the idea is that they will offset by paying into the Environmental Protection Fund.

But the problem, Mr. President, is that by robbing RGGI to pay for the EPF, we're trying to equate apples and oranges, because RGGI does something very different than the EPF. The EPF is sometimes concerned with water resources or land preservation. RGGI, though, Mr. President, is big-picture addressing of climate change. And that is so important.

Last year New York's share of RGGI

proceeds was about $691 million, and that's been used for everybody from energy efficiency to renewable energy to direct bill assistance to consumers to carbon abatement programs.

And what's so crucial about it is that we've been doing things like reducing fossil-based electric generation, generating over 800,000 megawatt hours from renewal sources. We've saved about $917 million for New Yorkers in residential energy bills. It's truly been a success.

The problem, Mr. President, is that by robbing RGGI to pay for the EPF, we undermine New York's best and sharpest tool to address climate change. And this amendment, Mr. President, would give us the confidence that we won't be moving money from RGGI into the EPF -- which doesn't address big-picture climate change issues -- nor would we be moving money into the General Fund which could be used for anything, but the money in RGGI would be safeguarded to address the issue of global warming.

The budget, as we've heard it tonight, it's a moral document. And it really is

immoral if we don't do everything in our power to make sure that we combat global warming.

So I urge you, Mr. President and my colleagues, to support this amendment, put RGGI in a lockbox and protect it, and protect the environment.

Thank you.

ACTING PRESIDENT GRIFFO: Thank you, Senator Hoylman.

The vote before the house is on the procedures of the house. All those in favor of overruling the ruling of the chair please say aye.

(Response of "Aye.")

SENATOR GIANARIS: Show of hands, Mr. President.

ACTING PRESIDENT GRIFFO: A show of hands has been requested and so ordered.

Announce the results.

THE SECRETARY: Ayes, 24.

ACTING PRESIDENT GRIFFO: The ruling of the chair stands.

The bill in chief is before the house. Read the last section.

THE SECRETARY: Section 3 --

SENATOR GIANARIS: Mr. President, I believe Senator Rivera --

ACTING PRESIDENT GRIFFO: Senator Rivera.

SENATOR RIVERA: Thank you, Mr. President.

I have a couple of questions about Part J, which is related to the $700 million for Brooklyn hospitals, if the sponsor would yield for a few questions.

SENATOR DeFRANCISCO: Yes, I would.

ACTING PRESIDENT GRIFFO: Senator DeFrancisco yields.

SENATOR DeFRANCISCO: Well, actually, Senator Hannon probably would be best to answer your questions.

ACTING PRESIDENT GRIFFO: Senator Hannon has already spoken, so he's also recognized.

And, Senator Hannon, do you yield?

SENATOR HANNON: Yes.

ACTING PRESIDENT GRIFFO: Senator Hannon yields.

SENATOR RIVERA: Thank you, Mr. President.

Again, I'm referring to Part J in the budget bill that we have before us, which relates to a healthcare facility transformation program in Kings County in particular.

Through you, Mr. President. As you're aware, Senator Hannon, the healthcare delivery system in Brooklyn is certainly in a very precarious position, and this $700 million which is identified in this budget to help that situation along, the way that that's going to happen is sketched out here. And I want to have a brief conversation -- through you, Mr. President -- about how exactly it's done so that for the record we know how that process is going to play itself out.

So through you, Mr. President, if Senator Hannon could describe basically what this that provision does regarding that $700 million.

SENATOR HANNON: Thank you.

I'm really going to take a little bit of a long-winded answer, because this is dealing with capital appropriations for hospitals, and all of Part J is throughout the state.

The first part deals with Brooklyn.

The second part deals with Oneida, the County of Oneida. The third part deals with the Essential Healthcare Provider Support Program, which is again funded in this. Then there's a critical access program under Section 4 of Part J. And finally, there is a new Section 6 which deals with, to mix up some terms that have been used before, VAP and IAAF.

And the reason I mention all of those is to lay the groundwork for the fact that this is a statewide program, the very last one, what I just called VAP-IAAF -- and I'm not going to go into the explanations of the acronyms -- that deals with 28 hospitals that inexplicably the administration left with no cash as of tomorrow morning. And so our enactment of this is necessary to make sure that they continue to have their doors open.

When you get going back to the direct part of your question, there is a lot of parallels between Brooklyn and Oneida. And parallels in regard to how the awards will be determined, how the capital project will have long-term sustainability, the extent to which the proposed project fits into the federal waiver

program, the relationship between the capital project and primary care outpatient services. Those are all parallel in both Oneida and Brooklyn.

For Brooklyn itself, there is a provision contained in Section 3 of Part -- Section 1 of Part J which talks about for Brooklyn, (a) there's no competitive bid needed. And second, it has to be an area of high levels of healthcare disparities, a large number of Medicaid enrollees, any number of certain healthcare conditions present in the population, low levels of income, high rates of unemployment, et cetera.

There are no specific hospitals mentioned. Hospitals are used in the plural, located in Kings County. There is some anticipation that this would include Brookdale, Kingsbrook, Interfaith, University Hospital at Brooklyn. That's not specified. Instead, there are criteria. Nothing I say is going to change the nature of that criteria. It's what's in the printed portion.

I would think that would be responsive to your question.

SENATOR RIVERA: It would. Mr. President, if the sponsor will continue to yield.

SENATOR HANNON: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR RIVERA: Thank you, Mr. President.

Secondly -- and yes, you are -- you are referring to the part of the bill, and you mentioned some of it as far as the criteria that's necessary to apply, for any of these institutions to apply.

If you could briefly tell us a little bit about the criteria to award. And particularly I wanted to ask -- through you, Mr. President -- since there is a part of it that speaks about "including but not limited to," related to the criteria as far as the awards are concerned, I just wanted to discuss that briefly.

SENATOR HANNON: When you say "including but not limited to," you're referring to what section of the bill?

SENATOR RIVERA: Section 4, which is line 44.

SENATOR HANNON: Well, first of all, as I said, this is all discretionary grants. There's no request for proposals, there's no bid.

The criteria, long-term sustainability of the applicant or, or, preservation of essential health services. The extent to which the proposed project meshes with the federal waiver. The relationship between the proposed project and identified community need. The way the project furthers primary care and other outpatient services. The extent to which the proposed capital project benefits Medicaid enrollees and uninsured enrollees. And the extent to which the applicant has consulted the community.

SENATOR RIVERA: Through you, Mr. President, I have one more question, if sponsor will continue to yield.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR HANNON: Yes.

SENATOR RIVERA: Thank you, Mr. President.

I wanted you to briefly speak about Section 5, which has to do with the oversight as

far as this legislative body is concerned, and the reports that would be necessary from the department as it relates to the awarding of these funds.

SENATOR HANNON: There's a provision for quarterly reporting to the chairs of Senate Finance and Health, to Assembly Ways and Means and Health, and they must be submitted no later than 60 days after the close of the quarter.

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

ACTING PRESIDENT GRIFFO: Senator Rivera on the bill.

SENATOR RIVERA: Thank you, Mr. President.

I thank Senator Hannon for indulging me in a couple of these questions. This is just to make sure that we get this on the record.

We've had the discussion many times on this floor about the precarious situation that the healthcare delivery system in Brooklyn finds itself in. And we have in this budget, much like I debated with Senator Hannon yesterday, although I certainly would have liked for us to be part of

the conversation -- we'll get back to that point in a second -- I do believe that this part of this budget does deal adequately with the idea of addressing these concerns that we have in Brooklyn.

There is another whole section that deals with Oneida County. I will not touch upon it only because it basically does the same thing that we're talking about in Brooklyn, except it does so with $300 million and it substitutes Oneida County for where Kings County is in this section.

But the important part that I wanted to make sure that I underlined here, certainly to give credit where credit is due, I certainly thank Senator Hannon for making sure that this was in here; certainly Assemblymember Dick Gottfried, on the other side of the other chamber, as far as the inclusion of this; and many other folks that are involved in this.

The only thing that I would ask you to do, and I would say it for the record, is that I would implore that as this process goes forward, even though as it says here in Section 5 the only people that are supposed to get reports

on a quarterly basis are the chairs of Senate Finance, Assembly Ways and Means, Senate Health and Assembly Health Committees, most of the individuals that are -- that represent, if not all of the individuals that represent the constituents or the patients that would be impacted, hopefully positively by this infusion of money, are on this side of the aisle.

We've heard from Senator Parker, certainly from Senator Montgomery and Senator Hamilton, among others, about the real serious concerns that they have with their constituency and how they're impacted by the current failures of the healthcare delivery system in Brooklyn.

I do believe, Mr. President, that this is an adequate way to start dealing with this problem. Certainly it's not the end or the final solution, but it is certainly -- I'm sorry, I do not want to use that term. It is not the ultimate solution, but it is one that I believe does move the ball forward.

But I would again implore, for the record, that there be an inclusion of the individuals on this side of the aisle that represent these constituencies in Brooklyn to

make sure that whatever ultimately happens regarding the $700 million, it impacts their constituency in the most positive way that is possible.

Thank you, Mr. President. I'll be voting in the affirmative.

ACTING PRESIDENT GRIFFO: Senator Krueger.

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

ACTING PRESIDENT GRIFFO: Senator Hannon, would you yield?

SENATOR KRUEGER: Oh, I think it's perhaps Senator DeFrancisco, since it's not health.

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: But if Senator Hannon wants to be the sponsor --

ACTING PRESIDENT GRIFFO: Senator DeFrancisco?

SENATOR DeFRANCISCO: Yes.

SENATOR KRUEGER: Thank you.

On Part B, the START-UP NY airport facility section, can you explain how a law that

was supposed to apply to college campuses and then was expanded to land purchased by colleges, even if it wasn't adjacent to the college campuses, is now expanding to airport facilities and for what purpose?

SENATOR DeFRANCISCO: How it's happened is by this bill. It expanded the properties where START-UP NY would be eligible. And the two leaders and the Governor believe that these airports would be a good location to have start-up businesses, and that's why it's being amended.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So like other geographic areas within the START-UP NY program, businesses that locate here won't pay property taxes, employees won't pay personal income taxes, the exact same deal for tax-free businesses?

SENATOR DeFRANCISCO: That is correct.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Are there businesses who have already been identified to receive this largesse from the state?

SENATOR DeFRANCISCO: I don't know that answer. I don't believe so, but -- I've been told that there's none presently there. But those areas want to have the opportunity to try to attract businesses and get this largesse from the state.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: So we used to have an Empire Zone model that sort of kept expanding and expanding to eat up significant parts of New York. Is this the continuation of

an expansion of START-UP NY to turn into the Empire Zone program?

SENATOR DeFRANCISCO: The rules and regulations are different for START-UP NY than they were from the Empire Zone program, but I can see where you could see an analogy. But that's what was agreed upon by the Governor and the two leaders.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Part D creates the New York City Corporate Tax Reform Package of 2015. Is this supported by the City of New York, this version?

SENATOR DeFRANCISCO: Yes. In fact, it was drafted, the sheet that you have that kind of gives a summary, it was actually drafted in conjunction with the New York City Finance Office. And this is just changes in the way that corporate tax is structured, and it apparently is revenue-neutral.

SENATOR KRUEGER: Thank you.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

Section G, New York State Water Infrastructure Improvement Act of 2015, we had actually discussed this in a previous bill, that it's $5 million per municipality, 60 percent match, $200 million, $50 million available, and then $75 million in the two outyears.

But can the sponsor tell me what the estimated actual demand for water infrastructure improvement is throughout the State of New York?

SENATOR DeFRANCISCO: Well, I'm sure it's substantial.

The mayor and the City of Syracuse have been talking about this all during the budget process and before that. We basically have, in Syracuse, a water main break about every three days. And it's an aging infrastructure.

The infrastructure's been neglected in many, many areas for a long, long time. And

so there's going to be a substantial demand with respect to this figure.

I would think, quite frankly, you know, that more money hopefully will be put into this pot as soon as possible. But at least it's a start.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: The sponsor might recall there was an attempt by the state to draw down money from a federal loan program for water infrastructure improvement that we were attempting to use for the New NY Bridge. I think originally it was over $500 million, then cut in half, and now we still have the EPA determining whether they will give us anything.

Might the sponsor agree with me that we'd be better off using water infrastructure improvement money to improve our water infrastructure?

SENATOR DeFRANCISCO: Not

necessarily.

I was on the board that approved half of the use of that fund for the Tappan Zee Bridge. I thought we could -- that clearly half of the fund was -- half of the requested amount of money was justified in view of the environmental issues that had to be resolved as part of the Tappan Zee project. So I think that was perfectly legitimate, to cut the request down in half.

And I think as far as whether this could have done it, this fund could have done it, it wasn't there at the time. But -- so I think it was correct to do what was done.

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

SENATOR DeFRANCISCO: Yes.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: There's a number of sweeps in this bill in Part I, specifically the RGGI sweep, which takes $41 million from RGGI and moves the proceeds into a General Fund. RGGI is not technically a budget item, and it's not

technically an authority that we traditionally sweep from. It was set up actually as a cap-and-spend program, not through statute.

Does the sponsor potentially share my concern that it's not actually legal for us to sweep money into our budget from a nonbudgetary and non-public authority funding stream?

SENATOR DeFRANCISCO: No, I don't share your concerns.

SENATOR KRUEGER: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: You know, it's late. I respect my colleague, but I do not agree with his analysis of my questions on this bill.

I never supported the START-UP NY program and voted against it. And I raised the point, I believe at the time, that I was worried we would start to expand it until it became the 21st century new model of Empire Zones, where we ate up our tax revenue by giving people exemptions for everything under the sun, under any geographic circumstance that somebody said it sounded like a good idea to let them be tax-free

or them be tax-free.

You know, I'm particularly frustrated to learn that somehow the small business tax reduction that was in the original proposed budget bill is not in the final budget bill this year. I think that I can make a much stronger case for a reduction in taxes for small start-up businesses who disproportionately create new jobs in New York State. But alas, that tax reduction disappeared.

But we continue to expand on these what I call more special-interest and luxury-item tax exemptions. I would far prefer to see us be able to reduce everyone's taxes across the board rather than these continuing carve-outs for airports or, I guess last night, airplanes and yachts. It's another one of these specialized carve-outs.

I'm also concerned that we are putting so little into the infrastructure needs of our communities. As I said on the earlier bill, there's I think up to a $36 billion demand for water infrastructure improvements in this state. We come up with $50 million this year, out of $5 million a pop for a municipality.

I suspect we will hear loudly from our local governments by tomorrow that that's not really going to do it, we're not going to save our upstate cities and towns and our aging infrastructure, including down in my city, in Manhattan, some of the oldest infrastructure in the State of New York.

And yet I know we have more money out there, but we don't ever use it for these kinds of purposes. And I don't know the legal argument. I think we will see about whether we actually have the authority to take RGGI money and put it on budget into a general fund. I hope somebody does challenge us on that, because I think it's a very bad precedent and a very bad decision. And it potentially opens the door for a large number of challenges if we start to take money that is not technically ours to take to balance our budget through sweeps.

And having said all that, there's things in here that I'm glad to see. And I'm torn about whether, at this late date, to vote no or yes. I sort of want to split my vote, I vote yes on half the bill and I vote no on the other half. But I'm not allowed to.

What do I do, yes or no? What should I do folks, yes or no?

(Laughter.)

ACTING PRESIDENT GRIFFO: Senator Krueger, can you please conclude.

SENATOR KRUEGER: You know, I'm going to vote no. Even though there's good things in this bill, there's too many dangerous precedents for me to be comfortable with it.

So I'm voting no, Mr. President. Thank you all for your help.

ACTING PRESIDENT GRIFFO: Senator Comrie.

SENATOR COMRIE: Mr. President, I wanted to ask a question of the sponsor regarding hospital funding, if I may.

ACTING PRESIDENT GRIFFO: Senator Hannon, will you yield?

SENATOR HANNON: Yes.

SENATOR COMRIE: Thank you, Senator.

I wanted to know some more specifics about how hospitals can apply for the funding that have projects that are already in the pipeline, that are ready to go, shovel-ready

projects, as I would say.

And I would just want to preface that, if I may. Queens County has been historically underbedded since the Berger Report in 2006. Since 2006, we've lost three major hospitals in the borough and we're even more severely underbedded than before. We have four hospitals that have shovel-ready projects, and I'd like to know how they can be considered as priorities in this available dollars.

SENATOR HANNON: Two points to the answer.

The first part is how do you do it, you write a letter to the commissioner of the Health Department and talk about what projects you have. They'll start to consider that, put you in a queue.

The second part to the answer --

ACTING PRESIDENT GRIFFO: Excuse me, Senator Hannon.

Can we have some order, please.

Senator Hannon, please continue.

SENATOR HANNON: The second part to the answer is to be aware that this state has now applied for and received $8 billion from the

federal government for a waiver for something that's very awkwardly called the DSRIP program, design change and all of that.

That waiver, when we took the money, we said we will reduce hospital admissions by 25 percent in five years. And the Medicaid director said "And I hope to reduce it by 50 percent."

When you apply to the Health Department for monies that were appropriated tonight, they're going to be evaluating the application in conjunction with the waiver in conjunction with the goal of reducing admissions. And I would just say to you that the fact that there are less beds is not automatically a need for getting more.

And in fact, just the fact that people want to improve their hospitals is not enough to meet the conditions of the waiver, since the waiver requires a lot of community health. And we put a provision in here for revolving payments for community health projects.

So there's going to be a whole different view than we've had before. We talked about it, trying to do it equitably in terms of

projects and throughout the state. But it's also the nature is different.

And so all of you, whether you're in Oneida or you're in Brooklyn or someplace else, ought to be paying attention to this waiver, because every one of your healthcare providers in each area of the state is going to be subject to this waiver, and organizing together. So it's a great thing to think about in the next three weeks.

SENATOR COMRIE: Thank you.

On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Comrie on the bill.

SENATOR COMRIE: I appreciate the information from Senator Hannon.

I just want to further emphasize that Queens County has been severely underbedded in hospital beds and hospital procedures. Many Queens residents have to travel to Brooklyn just to get the opportunity to have full diagnostic services done.

I believe that these hospitals that are looking and have shovel-ready projects are already dealing with overpopulation. Jamaica

Hospital, which is a crisis care center and emergency center for Queens and Brooklyn, needs projects, and they have shovel-ready projects just to improve their ability to take in emergency patients. Their ambulatory surgery suite, their cardiac catheterization suite, their ambulatory imaging suite are all in need of update so that they can maintain the flow as they are dealing with an overabundance of patients every day.

Flushing Hospital Center, the same thing. They're trying to get an emergency triage suite and an observation suite. New York Medical Hospital is also trying to improve their facilities so that they can keep up with the deluge of patients. So I would hope that in these monies that are available that Queens County can be given every consideration.

And Queens Hospital also, which is having an overabundance of patients due to the closing of Mary Immaculate Hospital, Peninsula Hospital, and other hospitals in Queens, is seeing patients at a higher level than they ever have before. And even though they've been working to try to acquire more space, I would

hope that they can be given the opportunity to ensure that they are getting part of this extra money.

And that this entire Senate would work to make sure that Queens can find a way to improve their services on emergency care, because most of the requests for the shovel-ready projects are for emergency care services to deal with the high numbers that these hospitals are getting now, and those services will not be transferred to the other types of centers that are being requested in the Derma {ph} report. So I would hope that we could consider that.

Thank you. Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Dilan.

SENATOR DILAN: Mr. President, I would like to ask a question of the chairman of the Health Committee for a quick --

ACTING PRESIDENT GRIFFO: Chairman of the Health Committee, did you say?

Senator Hannon, do you yield?

SENATOR HANNON: Yes.

SENATOR DILAN: Yes, just for a

point --

ACTING PRESIDENT GRIFFO: Senator Dilan.

SENATOR DILAN: Mr. President, just for a point of clarification, the Senator mentioned several hospitals in Brooklyn. I just want to know, is this application process open to all hospitals in Brooklyn?

SENATOR HANNON: Yes.

SENATOR DILAN: It is.

SENATOR HANNON: If you meet those criteria.

SENATOR DILAN: The reason I asked the question is because I know that you mentioned certain hospitals. And I just wanted clarification that all hospitals in Brooklyn are eligible.

SENATOR HANNON: Those hospitals I mentioned are not in the bill, they're just the ones that have been mentioned the most. They're the ones that frankly have made some headlines of being in financial trouble.

SENATOR DILAN: Thank you very much.

On the bill.

ACTING PRESIDENT GRIFFO: Senator Dilan on the bill.

SENATOR DILAN: Yeah, just a point also. I'd just like to indicate for the record that this is an issue that all members of the entire Brooklyn delegation have been working on, and I'd that to be noted in the record.

Thank you.

ACTING PRESIDENT GRIFFO: Senator Montgomery.

SENATOR MONTGOMERY: Thank you, Mr. President.

Would the chair of the Health Committee answer a question?

SENATOR HANNON: Yes.

ACTING PRESIDENT GRIFFO: Senator Hannon yields.

SENATOR MONTGOMERY: Thank you. Through you.

Senator Hannon, I just have a couple of questions that I would like to ask you, one on the funds that are established based on Part J. Obviously we're very happy to see the $700 million that's a targeted amount. But you then talk about several other funds as part of

this legislation.

And the two questions that I have is I don't see the amounts associated with those funds, one.

And two, since there are specific criteria established related to eligibility for the $700 million, are other hospitals that don't meet that criteria going to be eligible for the other funds that you have established in this bill? The Community Health Revolving Loan Fund, there's an Essential Healthcare Provider Support Program fund. Are other hospitals going to be eligible for all that?

SENATOR HANNON: There's different criteria for different groups.

SENATOR MONTGOMERY: For different groups.

SENATOR HANNON: And Oneida obviously is not Kings. The revolving loan fund is basically for primary care. That's $19.5 million, all of which is found in the approp bill, capital.

And then there's the community -- no, that's for the community health revolving fund. Then the sole community hospitals, which

wouldn't be a criteria for anybody in the metropolitan area. And then there's others -- then there's rural, and there's 355 of the 400 for the rurals. So it is divvied up.

The key, which I mentioned before, is this waiver money. As that waiver money is established and made available to members of the geographic region belonging to what's known as a preferred provider group, PPS, then they will be able to share in that as they meet certain project milestones that they themselves have submitted.

So there is a source of additional monies. I do believe one of the hospitals in Brooklyn did not become part of a PPS, I believe that's Brookdale. But that was their own choice and their own standards.

So there is monies available, and that needs to be looked at carefully. The hospital community is well aware of all of this.

SENATOR MONTGOMERY: Okay. The second question that I have is related to the temporary adjustment to reimbursement rates. And I would like to know, exactly how does that work? Does that have any relevance to those of us,

those hospitals in Brooklyn that have had this huge disparity in their reimbursement rates? Which in a sense, in a way, has triggered some of the fiscal problems that they have. And so is this an attempt to address that problem, or is this something else that I'm misreading it?

SENATOR HANNON: The first criteria for VAP, which is -- for lack of a better term, but I'm going to use what the negotiators have been using, which is VAP, Vital Access Provider, dash, IAAF. Those are the hospitals, the 28 hospitals that shared in the $250 million from the first part of the waiver. And they were given that when they had less than 15 days of cash on hand and were deemed to be essential to their communities.

There are several that are in Kings County: Brookdale, Interfaith, Kingsbrook and Wyckoff Heights. And Downstate was part of a public program. The rest of it were hospitals around the state. So it's not just Brooklyn that's suffering.

But these hospitals would get these monies, and one presumes relatively proportionally to what they got last year. But

that's not to say they can just assume it's going to happen. The criteria in the bill is they must show long-term viability. And these are the hospitals that for decades have not shown that. So there's a lot of work that they have to do immediately.

SENATOR MONTGOMERY: Right. Right. Mr. President, on the bill.

ACTING PRESIDENT GRIFFO: Senator Montgomery on the bill.

SENATOR MONTGOMERY: Yes. I asked a question specifically about the issue of the rate adjustment because, while certainly we want to do as much as we can to save hospitals that have been in trouble for many years and are trying to survive -- and they're the VAPs, that we understand -- we have lost several hospitals, one very recently. Last year we lost a major hospital in Brooklyn, facility, and so there's been a lot of pressure on the remaining hospitals in the region to fulfill some of what we've lost based on LICH closing, Long Island College Hospital closing.

So we now have a situation where many of our hospitals have for many years been

short-changed in terms of their reimbursement rates. That is a problem that creates a structural imbalance in terms of their fiscal position. And so we cannot necessarily assume that just because the hospital is not going into bankruptcy tomorrow, it's not in a weakened position, because the reimbursement rates are so very different between Manhattan hospitals and Brooklyn hospitals.

So I hope that we can look at that as a major issue in terms of our healthcare system. So as we move to transform the system, we really need to create an equitable reimbursement rate process so that our system in Kings County, which serves the largest number of people, is the largest, most populous county in the whole state, does not suffer this very, very weak, vulnerable healthcare delivery system because we have a structural imbalance.

So I would like to just say that this is an opportunity. I'm very happy to see that you've put that funding into Kings County, $700 million. We're very happy that you and the Governor and all of us have worked very hard to save, as much as we can, our hospitals. But we

do recognize that going forward, we're going to need to look very carefully at that reimbursement rate system so that we don't continue to have to come to this every year or so to rescue these health institutions.

So thank you, Mr. President. I'll be voting yes.

ACTING PRESIDENT GRIFFO: Hearing and seeing no other Senator that wishes to be heard, the debate is closed and the Secretary will ring the bell.

Read the last section.

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

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Announce the results.

THE SECRETARY: Ayes, 59. Nays, 3. Senators Krueger, Parker and Perkins recorded in the negative.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator LaValle.

SENATOR LaVALLE: Mr. President, on our desks someplace is Supplemental Calendar 28B.

ACTING PRESIDENT GRIFFO: We'll refer to Supplemental Calendar 28B.

SENATOR LaVALLE: And if we can go to the noncontroversial reading of Calendar 319.

ACTING PRESIDENT GRIFFO: On Supplemental Calendar 28B, we will have the noncontroversial reading of Calendar Number 319.

The Secretary will read.

THE SECRETARY: Calendar Number 319, Senate Budget Bill, Senate Print 4612B, an act to amend a chapter of the Laws of 2015.

ACTING PRESIDENT GRIFFO: Senator LaValle.

SENATOR LaVALLE: Is there a message of necessity at the desk?

ACTING PRESIDENT GRIFFO: There is a message of necessity at the desk.

SENATOR LaVALLE: I move we accept the message.

ACTING PRESIDENT GRIFFO: All in favor of accepting the Governor's message of necessity signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?
(No response.)
ACTING PRESIDENT GRIFFO: The message is accepted and the bill is before the house.
Read the last section.
THE SECRETARY: Section 2. This act shall take effect immediately.
ACTING PRESIDENT GRIFFO: Call the roll.
(The Secretary called the roll.)
THE SECRETARY: Ayes, 61. Nays, 1. Senator Parker recorded in the negative.
ACTING PRESIDENT GRIFFO: The bill is passed.
Senator LaValle.
SENATOR LaVALLE: Mr. President, that was our last bill that we needed to pass.
Mr. President.
ACTING PRESIDENT GRIFFO: Can I have some order, please, in the chamber.
SENATOR LaVALLE: Thank you.
ACTING PRESIDENT GRIFFO: Senator LaValle.
SENATOR LaVALLE: Can you recognize

Senator Stewart-Cousins, please.

Excuse me, Senator LaValle?

SENATOR LaVALLE: Sorry. We have on our desk another resolution calendar.

We are opening for sponsorship, by Senator Breslin, Resolution 1332. It's a resolution extending admiration to William A. Toomey, III. Mr. President, I move we adopt this resolution.

ACTING PRESIDENT GRIFFO: What we'll do, Senator LaValle, is have the Resolution Calendar before the house, and we'll adopt the calendar.

All in favor of adopting the Resolution Calendar before the house signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT GRIFFO: Opposed?

(No response.)

ACTING PRESIDENT GRIFFO: The Resolution Calendar is adopted.

The resolution that Senator Breslin has sponsored is open for cosponsorship. Should you choose not to be a cosponsor, please notify the desk.

Now we will have remarks from the leaders?

SENATOR LaVALLE: Now we're ready to recognize Senator Stewart-Cousins.

ACTING PRESIDENT GRIFFO: I'd ask for some order in the house, please, as we call upon the leaders for closing remarks for the 2015-2016 budget.

Senator Stewart-Cousins.

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

And again, thank you, Senator Skelos and Senator Klein. And of course I want to congratulate Governor Cuomo for once again getting a budget passed on time, at least in this house, through the Senate.

And I really wanted to thank my wonderful conference. During this budget process, you were incredible. You raised such important issues. You debated with intelligence, passion and compassion. And I was also so heartened by the way you stood up for me every day as we talked about my being in the negotiation room.

So again, I couldn't be more

grateful and more proud of all of you, and I thank you all.

And I'd also want to, in terms of the budget, give a special thanks to my ranker, Senator Krueger, for all of your hard work. And of course the staff on both sides of the aisle. What happens during these weeks and months are really just incredible feats, and you all do it and you all make us look really smart and really good. So I want to thank all of you.

So I bet you all know what I'm going to say. I'm going to say what my colleagues said. What happened in this budget and the story of this budget is more a story of who was included and who was left out. And it's also more of a story of what didn't happen as opposed to what did.

So we'll talk about some of the things that didn't happen, because I know you all are going to hear the things that did.

But for our part, we failed to raise the minimum wage that would have lifted thousands of New Yorkers out of poverty. We failed to provide desperately needed property tax relief for homeowners and business owners across

New York State, yet we gave tax breaks to yacht owners and airplane owners.

We failed to deliver relief for renters and provide adequate funding for affordable housing. We failed to address the inequality in how we fund our schools. And instead of using comprehensive bottom-up approaches, we once again rely on SED and a quick testing fix.

We haven't gone far enough to ensure that every child has the opportunity to access quality affordable higher education. We failed to pass the DREAM Act.

Scandal after scandal has rocked Albany, yet we failed to pass a meaningful ethics package that would have gotten to the heart of the problem.

We didn't include paid family leave or Raise the Age legislation, and we even failed to provide the transparency and openness that the public deserves when we deal with such a massive undertaking. We simply rushed bills to print and then to the floor with little or no real public debate or input.

And always this time of the year we

pat ourselves on the back for what we've accomplished and we talk about the importance of on-time budgets. And I agree, they are important. But I know that we also can't forget that we still have a lot of work to do, and we've got three months in the session left.

And in these three months I hope that the voices of my conference and the over 8 million people we represent are allowed to participate in negotiations that will continue to build our economy, create jobs, and cut the tax burden. I hope together we'll be able to find real solutions for our education system and not simply more testing or demonizing our teachers.

I hope that together we'll be able to pass even stronger ethics reforms and a real public financing system. I hope that we'll be able to enact Raise the Age legislation and create more affordable housing across New York State. I hope together we will extend and strengthen our rent control rations, pass paid family leave, and enact a real minimum wage indexed to inflation to lift people out of bone-crushing poverty.

Ladies and gentlemen, as we embark

on our break, I wish you happy Easter and Passover and a good rest. And I hope that when we come back, we'll be able and ready and willing to together take on the rest of New York's problems and continue to work together.

Thank you.

(Applause.)

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

Senator LaValle.

SENATOR LaVALLE: Mr. President, would you recognize Senator Klein.

ACTING PRESIDENT GRIFFO: Senator Klein.

SENATOR KLEIN: Thank you, Mr. President.

I know the hour is late, but a lot of work and a lot of time and effort went into crafting this budget. And I know the Republican side of the aisle, their staff, led by Robert Mujica, has worked so hard.

But certainly the staff of the Independent Democratic Conference -- although a small conference, we have very demanding and focused members -- worked very hard as well. I

want to thank our chief of staff, John Emrick, our finance director, Francesc Marti, deputy finance director Sarah Bangs, and David Frazier, our policy director Dana Carotenuto, our counsel Shelley Andrews, Candice Giove in communications.

I think they deserve a tremendous round of applause. Thank you.

(Applause.)

SENATOR KLEIN: I also want to say a very special thank you to my colleagues in the Independent Democratic Conference.

We unveiled a very ambitious plan called Invest New York in the beginning of the year. We were focused. We accomplished a lot of it. Some of it has not been done, but that means we have to roll up our sleeves and work even harder over the months ahead.

And I want to thank Senator Cousins, and especially I want to thank Senator Skelos. I think Senator Skelos proves each and every day that he's a leader. He proves that he's interested in getting things done. You know, a lot of people talk the talk about working together in a bipartisan fashion; I think Senator Skelos does that, he believes in it, and he

accomplishes it each and every day.

I think this is certainly monumental once again. It's about 11:20. Hopefully the Assembly does the same; we're about to pass the fifth on-time budget. I know some will say it's merely a talking point. Others who understand good government realize by doing this we lower our bond rating. By doing this we tell financial institutions we're serious about doing the people's business.

And I think, first and foremost, I think the people understand that now the State Senate and government works. When we used to pass budgets two months, three months late, now we do it on time and it's become a matter of course. And I think it's our seriousness in governing.

I think today we have a budget where we invest $1.3 billion more in education. When it comes to our schools and our students, we're increasing our investments, making sure students in K through 12 also have the support they need.

Childcare subsidies, I think we recognize that working families around the State of New York need help in decent, affordable

childcare. There were many years that went by that we actually, because of the financial crisis, made severe cuts to childcare subsidies.

This is the second year in a row we've increased our state support for daycare, recognizing that families need help with daycare. And it's not only about daycare, it's an economic development tool. How are we ever going to expect working moms or working families to go out and work if they can't rely on decent, affordable childcare at home? And we've accomplished that.

I think our investment in housing has been the most we've done in a long time. As we talked about before, $100 million, $100 million to NYCHA, which makes sure we're taking our investment in NYCHA, our low-income housing seriously. And there's going to be strings attached, and there should be. Because I think NYCHA can do a better job in making sure they deliver decent and affordable housing for the thousands of tenants across New York City.

Something that I'm particularly proud of, as I worked on it for a long time and we actually made our initial investment this year, is the Mitchell-Lama housing program.

Many of you probably know anywhere in the State of New York that the Mitchell-Lama housing program is the greatest housing program ever created in the State of New York. It worked well. It understood a very simple premise, that you can have different income groups, various income levels living under one roof. And they've called that their home for many, many years.

Unfortunately, we haven't built any new Mitchell-Lama housing in over 30 years. Well today, as part of this budget, we established Mitchell-Lama 2020, a $50 million investment for new housing, $50 million investment to rehabilitate existing Mitchell-Lama housing, recognizing that we need housing for all levels of the income spectrum in our state.

We're talking about a lot of very, very important things and I think a lot of very important accomplishments. But like any budget, you celebrate your victories and you roll up your sleeves and you work hard to get the things that you weren't able to get.

I still believe that we need an increase in the minimum wage. I think there's no excuse for thousands of hardworking taxpayers

across this state still living paycheck to paycheck. And I think it was mentioned here before that one of the greatest economic development tools is an increase in the minimum wage. When we increased the minimum wage to $9, I predicted that it would not only help our economy but it would create jobs, putting more money back into our local communities and stores.

Paid family leave. I'm very proud of the fact that we had a committee hearing that was chaired by the Labor chair, Jack Martins, where we heard both sides of a very important issue. We heard from the business community, we heard from working families and labor groups. But I'm confident that we can come up with a paid family leave package that doesn't burden business but at the same time helps our workers.

Because I think we have to remember a very simple truth, that no New Yorker should ever have to choose between what their heart is telling them to do and what their bank account allows them to do.

I think before the end of this legislative session we have to once again do property tax relief. We have to recognize that

the American dream of homeownership around our state is slipping. Senior citizens can't afford to live in their family home, young families can't afford to buy a home because of the high cost of property taxes. And I'm very confident that we can get together and once again pass meaningful property tax relief.

You know, there's a lot of other things that we need to do, but I think I'll leave it at that. And I just want to say we should be very proud today because we did address many, many of the needs of New Yorkers. We once again did it in a bipartisan fashion. And I'm very, very proud to be part of the fifth on-time budget in a row.

Thank you, Senator Skelos.

(Applause.)

ACTING PRESIDENT GRIFFO: Thank you, Senator Klein.

Senator LaValle.

SENATOR LaVALLE: Mr. President, would you recognize Senator Skelos.

ACTING PRESIDENT GRIFFO: Senator Skelos.

SENATOR SKELOS: Thank you,

Mr. President.

Let me start off by saying the Governor, because he is so thrilled with this budget, he's invited all of us -- seriously -- back to the mansion to celebrate how wonderful this budget is. So you're all invited. It's down the street. And I'm sure there will be some libations there. So he just wants to thank everybody for supporting him in his budget.

I want to start off by thanking Senator Klein and certainly Senator Stewart-Cousins.

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

Excuse me, Senator Skelos.

Members, please. Thank you.

Senator Skelos.

SENATOR SKELOS: -- and Senator Stewart-Cousins, all working together to make sure that we did have an on-time budget.

I want to thank Senator DeFrancisco, chair of Finance. His journey to this point is long and many times boring as he sat through all those budget hearings, listening to testimony upon testimony, but working diligently answering

the questions today.

So, Senator DeFrancisco, we thank you for the great, great job that you've done as chair.

(Applause.)

SENATOR SKELOS: All of our staff -- IDC, minority, majority -- we're all blessed to have great people that work day and night to make sure that we get to this point of having a budget completed to serve the people of this state.

I want to thank counsel Dave Lewis, communications director Kelly Cummings, but in particular I want to thank Beth Garvey.

(Applause.)

SENATOR SKELOS: Now, as you know, there will be a change in her life shortly, to the better.

But -- and I've said this before, Beth, in all honesty, until I really experienced going through this budget cycle with you, I didn't appreciate the ability that you have and how important you are to the functioning of this Senate. So we thank you, Beth.

(Applause.)

SENATOR SKELOS: Robert Mujica. What can I say about Robert? I'd better say more than I said about Beth, because I don't want him to get jealous.

But he is, I really believe, the most talented person that I've ever met in government. Respected by all in this chamber, Republican or Democrat, and certainly respected by the Governor and the Assembly, in his ability to bring issues together, especially as they relate to the budget, and get a positive result for the people of this state.

So, Robert, all of us thank you for the great work that you've done.

(Applause.)

SENATOR SKELOS: So with your help, and hopefully the help of the Assembly -- I think they've completed one bill so far, hopefully more -- this will be our fifth on-time budget. And really, we're all to be congratulated for that.

Many of our priorities, our Republican priorities for a brighter future for the taxpayers and their families, are in this budget. For the fifth year in a row, our budget

lives within a 2 percent spending cap and rejects tax increases. In just five years, we've turned a $10 billion deficit to a surplus, and certainly that positions us well for the future.

I'm pleased that we have done away with nearly 60 percent of what remains of the Gap Elimination Adjustment which was imposed upon our schools a number of years ago, and boosted overall state aid by $1.4 billion. As a result, students will once again have the resources they need to learn and to thrive.

As a state, we make private-sector job creation a priority and ensure that every region of the state is helped with its needs, as we should: $1.5 billion for upstate revitalization and critical capital funds for Long Island, New York City, and the Hudson Valley.

The Governor and the Legislature have worked together to strengthen the state's ethics codes and disclosure laws, increase transparency, and restore the public's trust.

Despite these victories, there's a lot more to do. We have yet to reach an agreement on the creation of an education

investment tax credit. We need to lift the cap on charter schools so that all kids have the ability to learn and have opportunities. We need to make the property tax cap permanent, among other things. And certainly, based upon the discussions that we had today, we will explore how and if mayoral control should be continued in New York City, in what will be in the best interests of the students of New York City.

I will be asking all of us to work together for the next couple of months, and I think this budget is certainly a good start. Before we close our session in June, let's finish the job for taxpayers, job creators, and all New Yorkers.

I thank you very much. Have a happy Easter and a happy Passover.

I'm serious about the Governor's invite --

(Laughter.)

SENATOR SKELOS: -- so if we go, enjoy yourself, be careful going home, and have a great break.

And there being -- any business at the desk?

ACTING PRESIDENT GRIFFO: There is no further business before the desk, Senator Skelos.

SENATOR SKELOS: Thank you. Then I move we stand adjourned until Tuesday, April 21st, at 3:00 p.m., intervening days being legislative days.

(Standing ovation.)

ACTING PRESIDENT GRIFFO: On motion, the Senate will stand adjourned until Tuesday, April 21st, at 3:00 p.m., intervening days being legislative days.

The Senate is adjourned.

(Whereupon, at 11:30 p.m., the Senate adjourned.)