AGC NYS 2016-17 New York State Budget Summary
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Overview

The final 2016-17 New York State Budget projects all funds spending at $155 billion including the largest multi-year state transportation plan ever approved, with over $55 billion of transportation investments statewide, including $27.14 billion for State Department of Transportation and Thruway programs and $27.98 billion for the Metropolitan Transportation Authority programs. The budget includes $350 million over the next two years for the Water Infrastructure Improvement Act to provide grants to municipalities for water quality infrastructure projects and $300 million for the Environmental Protection Fund (EPF) to protect natural resources and ensure clean water and air.

AGC NYS partnered with key legislators and staff, business, labor, local governments and others to fight for statewide transportation parity, funding for environmental infrastructure, SUNY/CUNY capital, and other construction industry related proposals. AGC NYS continues to leverage the strength of its membership by engaging members and their employees to actively lobby on key legislative issues through direct outreach to lawmakers, traveling to the State Capitol to participate at the Rebuild NY Now transportation parity rally, sending hundreds of voter letters in support of increased SUNY/CUNY and transportation capital funding, and active social media engagement.

New laws taking effect include the establishment of the New York State Design and Construction Corporation, “Transformational Economic Development Infrastructure and Revitalization Projects Act”, shifting the burden of the New York State Canal Corporation to the New York State Power Authority, extending DERA compliance requirements until December 2017, paid family leave, and a minimum wage increase.

Unfortunately, the budget did not include a significant capital program for colleges and universities, reforms to the workers’ compensation system or scaffold law reform. AGC NYS worked with Legislators and a broad group of influential lobbyists to defeat onerous prevailing wage requirements on partially funded state projects, fiscally irresponsible “Buy America” provisions, reverse bidding requirements on MTA procurements, and a tax credit proposal for New York State Thruway drivers.

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I. Appropriations

2016-17 Capital Budget by Agency and Authority (S.6404-D / A.9004-D)

City University of New York (CUNY) - $143 million (critical maintenance)
Children and Family Services - $147.7 million
Corrections and Community Supervision - $310 million
Education
Empire State Development Corporation - $1.5 billion
Environmental Conservation - $700 million
General Services - $129.8 million
Department of Health - $500 million * includes $300 million for Oneida Health Care Transformation
Higher Education Capital Matching Grants Program - $30 million
Housing and Community Renewal - $2.1 billion
Information Technology Services - $155 million
Law - $10 million
Mental Health - $323 million
Metropolitan Transportation Authority - $2.4 billion
Military and Naval Affairs - $47 million
Motor Vehicles - $216 million
Olympic Regional Development Authority - $7.5 million
Parks, Recreation and Historic Preservation - $154.7 million
People with Developmental Disabilities - $28 million
State Police - $38 million
State University of New York (SUNY) - $260 million (critical maintenance)
Temporary and Disability Assistance - $63.5 million
Transportation – $4.46 billion

Miscellaneous:
Nonprofit Infrastructure Capital Investment Program - $50 million
Special Infrastructure Account
- Jacob Javits Convention Center - $1 billion
- DOT Capital Plan - $200 million
- Thruway Stabilization Program - $700 million
- Upstate Revitalization Initiative - $170 million
- Economic Development Infrastructure - $85 million
- Municipal Consolidation and Restructuring - $20 million
- Homelessness - $50 million
- Empire State Poverty Reduction Initiative - $25 million
II. Budget Article VII - Enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2016-2017 state fiscal year. Included are the number, specific section, and effective date of each bill.

Transportation, Economic Development and Environmental Conservation (S.6408-C / A.9008-C)

Transformational Economic Development Infrastructure and Revitalization Projects Act – Part H. The "Transformational Economic Development Infrastructure and Revitalization Projects act" shall mean projects in the county of New York related to the Jacob K. Javits Convention Center, the Empire Station Complex, the James A. Farley Redevelopment, or the Pennsylvania Station New York Redevelopment. The projects will be design-build procurements utilizing cost-plus or lump sum contracting. A project labor agreement shall be included as a requirement in the request for proposals for the project, provided that, based upon a study done by or for the authorized entity, the authorized entity determines that its interests are best met by requiring a project labor agreement. The authorized entity shall conduct such a study and the project labor agreement shall be performed consistent with the provisions of section 222 of the labor law. If a project labor agreement is performed on the project the authorized entity may utilize a design-build contract for the project and section 135 of the state finance law shall not apply to the project. If a project labor agreement is not performed on the project the authorized entity shall not utilize a design-build contract for the project and sections 101 and 103 of the general municipal law and section 135 of the state finance law shall apply to the project. Effective immediately and shall expire and be deemed repealed three years after such date.

Environmental Protection Fund / Climate Change Mitigation and Adaptation Account – Part U.

Environmental Protection Fund. The budget includes funding of $300 million for the Environmental Protection Fund (EPF) to protect natural resources and ensure clean water and clean air. Effective immediately. Climate Change Mitigation and Adaptation Account. The budget amends the Environmental Protection Fund (EPF) to establish a new climate change mitigation and adaptation account. The new account is authorized to fund programs that reduce greenhouse gasses, facilitate climate change adaptation, and strengthen resiliency. Encourages state agencies and local governments to consider physical climate risks in planning and development efforts. Effective immediately.

Retrofit Technology for Diesel Fueled Vehicles (DERA) – Part X. Any diesel powered heavy duty vehicle that is owned by, operated by or on behalf of, or leased by a state agency and state and regional public authority with more than half of its governing body appointed by the governor shall utilize the best available retrofit technology for reducing the emission of pollutants. The commissioner shall promulgate regulations for the implementation of this subdivision specifying that all vehicles covered by this subdivision shall have best available retrofit technology for reducing the emission of pollutants. The commissioner shall promulgate regulations for the implementation of this subdivision specifying that all vehicles covered by this subdivision shall have best available retrofit technology on or before December 31, 2017. Effective immediately.
Minimum Wage Increase – Part K. Regional increases to the minimum wage and the effective dates are as follows: For workers in New York City employed by large businesses (those with at least 11 employees), the minimum wage would rise to $11 at the end of 2016, then another $2 each year after, reaching $15 on 12/31/2018. For workers in New York City employed by small businesses (those with 10 employees or fewer), the minimum wage would rise to $10.50 by the end of 2016, then another $1.50 each year after, reaching $15 on 12/31/2019. For workers in Nassau, Suffolk and Westchester Counties, the minimum wage would increase to $10 at the end of 2016, then $1 each year after, reaching $15 on 12/31/2021. For workers in the rest of the state, the minimum wage would increase to $9.70 at the end of 2016, then another $0.70 each year after until reaching $12.50 on 12/31/2020 – after which will continue to increase to $15 on an indexed schedule to be set by the Director of the Division of Budget in consultation with the Department of Labor. Effective December 31, 2016.

Various Housing Purposes – Part P. Provides for the utilization of $150 million in excess Mortgage Insurance Fund (MIF) reserves. Rural Rental Assistance Program ($22.3 million); Mitchell-Lama Portfolio ($42 million); Neighborhood and Rural Preservation Programs ($9 million); Housing Trust Program ($3.75 million); Rural and Urban Community Investment Fund Program ($31.25 million); Low Income Housing Trust Fund Program ($10 million); Homes for Working Families Program ($12.75 million); Rural and Urban Community Investment Fund Program ($31.25 million); Low Income Housing Trust Fund Program ($10 million); Homeless Housing and Assistance Corporation ($15.6 million); Mobile and Manufactured Home Replacement Program ($2 million); and Naturally Occurring Retirement Communities ($350,000). Effective immediately.

MTA and DOT Capital Plan – Part NN. Commits the state of New York (state) and the city of New York (city) to fund, over a multi-year period, $10,828,000,000 in capital costs related to projects contained in the Metropolitan Transportation Authority (MTA) 2015-2019 capital program (capital program). The state share of $8,336,000,000 shall consist of $1,000,000,000 in appropriations first enacted in the 2015-2016 state budget and additional funds sufficient for Metropolitan Transportation Authority (MTA) to pay $7,336,000,000 of capital costs as provided herein. The city share of $2,492,000,000 shall consist of $657,000,000 to be provided by the city from 2015 through 2019, and additional funds sufficient for MTA to pay $1,835,000,000 of capital costs for the capital program. The $7,336,000,000 of additional funds to be provided by the state may be used by the MTA to pay direct capital costs and/or the state may fund such $7,336,000,000 of capital costs through financing mechanisms undertaken by the MTA. Effective immediately.

Commits the state to obligate at least $25,150,000,000 in funding for the department of transportation (DOT) capital plan over a multi-year period. This commitment shall consist of $3,763,341,000 in obligations for fiscal year 2016, at least $17,402,562,000 in obligations over the course of the remaining four years of the fiscal years 2016-2020 DOT capital plan, and at least $3,985,042,000 in obligations in fiscal year 2021. All such obligations shall be subject to annual appropriation and approval by the director of the budget. Effective immediately.
### 2015-19 NYSDOT Capital Plans
(includes locally administered federally aided projects)

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NYC Transit and MTA Procurement – Parts OO and Part PP. Makes various changes to NYC Transit and MTA procurements and financing programs. Effective immediately.

NYS Design and Construction Corporation – Part RR. Establishes the New York State Design and Construction Corporation, as a subsidiary of the Dormitory Authority. The intent of the subsidiary is to provide additional project management expertise, monitoring, and oversight on public works projects each having a total or aggregate construction value in excess of fifty million dollars undertaken by state agencies, authorities and departments. The board of the corporation shall consist of three members as designated by the governor, and the governor shall designate the chair from among the members of the corporation's board. Effective immediately and shall expire and be deemed repealed on July 1, 2022.

Paid Family Leave – Part SS. When fully phased-in, employees will be eligible for 12 weeks of paid family leave when caring for an infant, a family member with a serious health condition or to relieve family pressures when someone is called to active military service. Benefits will be phased-in beginning in 2018 at 50 percent of an employee’s average weekly wage, capped to 50 percent of the statewide average weekly wage, and fully implemented in 2021 at 67 percent of their average weekly wage, capped to 67 percent of the statewide average weekly wage. This program will be funded entirely through a payroll deduction on employees. Applies to all private sector employers. Employees must be employed for 26 weeks before they are eligible for paid family leave. Effective January 1, 2018.
**NYS Canal Corporation to NY Power Authority – Part TT.** Transfers the NYS Canal Corporation from the NYS Thruway Authority to the NY Power Authority. Effective January 1, 2018.

Revenue (S.6409-C/A.9009-C)

**Personal Income Tax Cut – Part TT.** Lowers personal income tax rates for “middle class” New Yorkers. With the “middle class” tax cuts of 2012, rates were lowered from 6.85 percent to 6.45 percent for taxpayers in the $40,000-$150,000 income bracket, and to 6.65 percent in the $150,000-$300,000 income bracket. Under the enactment of this law, the rate will drop beginning in 2018 and will continue to drop to 5.5 percent when the cuts are fully phased in. These new lower tax rates will save “middle class” New Yorkers nearly $6.6 billion in the first four years, with annual savings reaching $4.2 billion by 2025. When the tax cuts begin, they will benefit 4.4 million filers, growing to 6 million filers when fully phased in. Effective immediately.