Overview

Governor and Legislature Reach $153.1 Billion Budget Deal

Governor Andrew Cuomo and state Legislators reached a $153.1 billion agreement on the 2017-18 State Budget. The state capital program includes funding for water and wastewater infrastructure, transportation capital, regional economic development programs, and SUNY/CUNY buildings. Policy proposals enacted include reauthorizing design-build, delaying the Diesel Emissions Reduction Act, increasing divisible load permits, toll evasion, workers’ compensation reform, ride sharing, waterfront revitalization, 421-a affordable housing program, extending the MWBE program through 2018, establishes an inspector general at the Port Authority of New York and New Jersey and Metropolitan Transportation Authority.

Over the past several weeks, the members and staff of AGC NYS were in discussions about key construction issues in an effort to stave-off a package of legislative proposals that would have crippled the construction industry and resulted in job-losses. Some of the proposals not included in the final Budget include defining all state-funded work as ‘public work’, expanding the use of project-labor agreements, and the unintended ramifications of ‘Buy American’ mandates.

For the third consecutive year, the Rebuild NY Now coalition traveled across the state holding a series of press conferences and hosted another rally at the Legislative Office Building to raise public awareness about environmental infrastructure investment. This year, Rebuild NY Now partnered with the environmental community in support of clean water infrastructure proposals from the Governor and the State Legislature. The success of the Rebuild NY Now campaign and universal support from lawmakers resulted in a record $2.5 billion for clean and waste water infrastructure.

The following summary provides a broad overview of projected capital appropriations and required legislation for infrastructure and general business proposals for the 2017-18 State Budget.

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FY 18 Capital Appropriations

Department of Transportation

The 2017-18 Budget continues the third year of the 2015-16 thru 2019-20 NYSDOT Five-Year Capital Program. The NYSDOT 17-18 capital program is a record $5.97 billion an increase of $1.571 billion over the 16-17 capital program. Both the Senate and Assembly majorities received $70M that they could each distribute to the capital program. The Senate Majority directed almost all of their allocation to funding local infrastructure. The Senate Majority allocated $10 million in CHIPS (EWRF) funding bringing the CHIPS increase to $65 million and funded the $50 million increase in BRIDGENY. The remaining legislative funds went to other unspecified capital projects.

While this year’s budget was nine days late, it provided significant increases in capital highway spending for both the DOT and local governments. Some of the highlights include:

- DOT's capital program increased by $1.571 billion from last year to a record $5.97 billion
- State/Local Capital Construction receives most of the increase (an additional $1.503 billion raising DOT construction spending to $3.747.5 billion)
- Aid to local highways saw a $65 million increase in Extreme Winter Recovery Funds (EWRF) that will be distributed through the CHIPS formula – bring local pavement funding to a record $628 million
- Local Bridges also saw a $50 million increase in BRIDGENY funding, $20 million of which will be directed to culverts projects of $50,000 or more

<table>
<thead>
<tr>
<th>2017-18 DOT CAPITAL PROGRAM</th>
<th>SFY Proposed Budget 17-18</th>
<th>SFY Proposed Senate Budget 17-18</th>
<th>SFY Proposed Assembly Budget 17-18</th>
<th>SFY Enacted 4/1/17 17-18</th>
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Metropolitan Transportation Authority

The Budget reflects the third year of the $55 billion transportation capital plan, which is enhancing and expanding the Metropolitan Transportation Authority (MTA) network, and improving roads, bridges, airports rail facilities, ports and transit systems. The Budget restored a $65 million reduction to operating aid to offset the Agency’s loss in payroll tax revenue, from $309 million last year to $244 million.

Environmental Conservation and Parks

Water Infrastructure: $2.5 billion over five years.

- At least $1 billion for water and wastewater infrastructure administered by the Environmental Facilities Corporation;
- At least $245 million for water quality projects such as sewer treatment, storm overflow and non-point source pollution, including $25 million for road salt management;
- $200 million for New York City watershed projects;
- At least $150 million for inter-municipal water infrastructure projects;
- Up to $130 million to address hazardous waste and other water contamination;
- At least $75 million to replace septic systems and cesspools;
- Up to $50 million for green infrastructure;
- Up to $50 million to help large animal farms, mainly dairy operations, comply with new pollution control requirements;
- At least $20 million to replace lead pipes;
- Up to $10 million for emergency water infrastructure projects;
- $110 million for land acquisition (non-capital) to protect water sources; and
- Up to $10 million for IT to implement water infrastructure programs.

Environmental Protection Fund: $300 million. Appropriations include $41 million for solid waste programs, $86 million for parks and recreation, $154 million for open space programs, and $19 million for the climate change mitigation and adaptation programs.

The Empire State Trail: Provides $200 million to complete the Hudson River Valley Greenway and Erie Canalway trails and creates the Empire State Trail, the largest state multi-use trail in the nation.

NY Parks 2020 Initiative: $120 million in New York Works capital funding – an increase of $30 million from FY 2017. The additional $30 million will target projects that will strategically leverage private funding to improve New York State Parks Recreation and Historic Preservation facilities and services.

Adventure NY Program: $30 million to improve access to State lands, rehabilitate campgrounds, and upgrade DEC recreational facilities. This funding will also enable DEC to continue to address critical infrastructure needs, including dam safety and flood control projects.

Economic Development

Downtown Revitalization Initiative Round II: $100 million to ten communities that are currently experiencing population loss and/or economic decline to develop revitalization plans for their downtown area, developed in collaboration with policy and planning experts.

Life Sciences Investment: $300 million in capital funding as part of a $650 million initiative to grow a new, world-class life science research cluster.
**Long Island Rail Road:** $80 million will be made to enhance 16 Long Island Rail Road stations. The Budget also includes $20 million to develop a direct LIRR connection to MacArthur Airport. Additionally, the Budget includes $20 million to build a stop on the LIRR Ronkonkoma Branch at the center of Long Island’s innovation corridor at Brookhaven National Laboratory.

**Extreme Weather Hardening of the Nassau Expressway:** The Budget includes an additional $130 million in new transportation funding to accelerate the reconstruction and elevation of a segment of the Nassau Expressway (Route 878) in Nassau County.

**Town of Woodbury Transit and Economic Development Hub:** Accelerates funding of the $150 million reconstruction project to build the Town of Woodbury Transit and Economic Development Hub.

**JFK Transformation:** $564 million to reconfigure the Grand Central/Van Wyck interchange and the Van Wyck. The transformation of this vital artery is an essential component of the Port Authority’s JFK Master Plan, which is reimagining JFK International Airport for the next century of growth and provides the impetus for private sector investment, driving the total investment potential as high as $10 billion.

**Bruckner-Sheridan Interchange Reconstruction:** $700 million toward the $1.8 billion plan to reconstruct the Bruckner-Sheridan Interchange.

**Moynihan Train Hall at the New Penn-Farley Complex:** $700 million multi-year commitment to transform the historic James A. Farley Post Office into a world-class transportation hub.

**Kosciuszko Bridge Replacement:** $270 million to construct the Kosciuszko Bridge Phase II, which is a new westbound (Brooklyn-bound) main span. The State is replacing the 77-year-old bridge with two new state-of-the-art bridges, one Queens-bound and one Brooklyn-bound.

**Schenectady Amtrak Station:** $15 million for the construction of a new passenger rail station, and improving the parking, lighting and landscaping, as well as the walkways leading to the Bus Rapid Transit areas on State Street and the new parking area on Liberty Street.

**Buffalo Billion Phase II:** $400 million in capital funding toward the $500 million Buffalo Billion Phase II.

**State Fair Modernization:** $70 million in capital funding to continue modernizing the State Fair. Phase Two includes $50 million to continue upgrades at the New York State Fairgrounds and $20 million to construct a new on-ramp to I-690 West and other improvements to the State Fairgrounds’ Orange parking lot.

**Photonics Venture Challenge in Rochester:** $10 million, multi-year Photonics Venture Challenge in Rochester.

**I ❤️ New York Welcome Centers:** The state will establish welcome centers – one in each region of the state.

**Master Plan to redevelop Frontier Town into the “Gateway to the Adirondacks” at Northway Exit 29 in North Hudson:** $32 million for a DEC campground and day use area along the Schroon River, equestrian camping and trail riding area, visitor information center, event center with tourist accommodations, and interactive exhibits in historic structures highlighting the past, present, and future of the Adirondack forest products and local food industries.

**Transform Gore, Whiteface and Belleyare Mountains:** $28 million in new capital funding to transform ORDA facilities.

**Utica Hospital:** $300 million for the Mohawk Valley Health System to build a modern and efficient hospital in downtown Utica.
Owasco Treatment Center: $2.15 million toward the design, engineering, and construction of upgrades to the drinking water treatment systems in the City of Auburn and Town of Owasco.

Upstate Airport Economic Development and Revitalization Competition: Plattsburgh International Airport will receive $38.1 million to jumpstart the airport’s $43 million overhaul and Syracuse Hancock International Airport will receive $35.8 million towards their $48.8 million transformation.

State University of New York

The Five-Year Capital & Financing Plan provides $550.0 million for system-wide critical maintenance. The Budget reauthorizes $3.4 billion in spending authority provided in previous years for the educational facilities, hospital, community college and residence hall programs.

- System-wide Critical Maintenance - $550.0 million
- Community Colleges - $55.1 million
- NYSUNY 2020 - $55.0 million
- SUNY Polytechnic Institute Colleges of Nanoscale & Engineering - $207.5 million
- Hospitals - $100 million (Upstate Medical University and Stony Brook ($50 million each).

City University of New York

The Budget appropriates $456.6 million in new funding. The budget re-appropriates $2.4 billion for the senior and community colleges and $210 million for CUNY 2020, for a total of $3.1 billion available in appropriations for CUNY.

FY 17-18 CUNY appropriations and reappropriations:

- $224.2 million for critical maintenance at senior colleges;
- $80.4 million for critical maintenance projects at the community colleges;
- $60.0 million for strategic initiatives at the senior colleges;
- $55 million for the CUNY 2020 Challenge Grant Program;
- $37 million appropriated for operating expenses incurred by DASNY and CUCF while overseeing construction activities for CUNY’s facilities; includes $21 million for DASNY and $16 million for CUCF;
- $2.6 billion in re-appropriations for senior colleges, community colleges and Medgar Evers College; and
- $210.0 million re-appropriated for CUNY 2020 Challenge Grant Program.

Article VII Legislation

LEGISLATION

Design-Build: Reauthorizes the use of design-build procurement for the NYSTA, NYSDOT, OPRHP, DEC and NYSBA until 2021. The reauthorization makes several changes including raising the project eligibility costs from $1.2M to $10M, using weighted criteria during the RFQ process, and requires final scores to be published on the authorized state entity’s website.

A new section of the design-build law grants authority to agencies or authorities identified below solely in connection with the following authorized projects, not less than $5M, to utilize design-build contracts:
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<thead>
<tr>
<th>Authorized Projects</th>
<th>Authorized State Entity</th>
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<tbody>
<tr>
<td>Frontier Town</td>
<td>Urban Development Corporation</td>
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<tr>
<td>Life Sciences Laboratory</td>
<td>Dormitory Authority &amp; Urban Development Corporation</td>
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<tr>
<td>Whiteface Transformative Projects</td>
<td>New York State Olympic Regional Development Authority</td>
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<td>State Fair Revitalization Projects</td>
<td>Office of General Services</td>
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<tr>
<td>State Police Forensic Laboratory</td>
<td>Office of General Services</td>
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Authorized projects undertaken by the authorized state entities listed above solely in connection with the provisions of this act shall be subject to section 135 of the state finance law, section 101 of the general municipal law, and section 222 of the labor law; provided, however, that an authorized state entity may fulfill its obligations under section 135 of the state finance law or section 101 of the general municipal law by requiring the contractor to prepare separate specifications in accordance with section 135 of the state finance law or section 101 of the general municipal law.

The request for proposals shall include a statement that entities shall designate in writing those portions of the proposal that contain trade secrets or other proprietary information that are to remain confidential; that the material designated as confidential shall be readily separable from the entity’s proposal. Nothing herein shall be construed to prohibit the authorized entity from negotiating final contract terms and conditions including cost. All proposals submitted shall be scored according to the criteria listed in the request for proposals and such final scores shall be published on the authorized state entity’s website.

**Diesel Emissions Reduction Act:** Implementation delayed until December 31, 2018.

**Divisible Load Permits:** Increased from 25,000 to 27,000 annually.

**Toll Evasion:** Authorizes the Commissioner to enter into reciprocal agreements concerning the suspension and revocation of registrations with other states.

**DOT/Canal Corporation:** Authorizes the sharing of employees, services and resources through shared services agreements between the DOT and Canal Corporation.

**Ride Sharing for Upstate New York:** Authorizes Transportation Network Companies, such as Uber and Lyft, to operate across New York and creates uniform licensing standards. The Department of Motor Vehicles will have broad oversight of rideshare companies and will ensure compliance with all laws, rules, and regulations required as part of a TNC’s operational license.
Inspector General of New York for Transportation: Establishes a new Office of Inspector General of New York for Transportation that would be responsible for investigating and prosecuting any criminal and unethical actions as it pertains to senior level officers and employees of transportation entities. A Transportation entity is defined as a public entity located within a city of a population of one million or more involved in the transportation of persons, goods or other items within or to and from the state where at least one individual involved at a senior level in operations, financing or management of such entity is appointed by the Governor. In addition to investigatory and prosecutorial powers, this new Inspector General may refer any findings to another investigatory or prosecutorial body, as well as prepare and release public reports related to its findings.

DASNY: Authorizes the DASNY to enter into design and construction management agreements with the DEC and OPRHP through April 1, 2019.

Local Waterfront Revitalization Program: Allows Local Waterfront Revitalization matching funds from the Environmental Protection Fund to be increased from 50 percent to 75 percent for all projects and 85 percent for projects in Environmental Justice communities.

Workers’ Compensation Reform: According to the Governor and Legislative leaders, the Budget includes meaningful workers’ compensation reforms that provide cost savings for businesses and better protections for injured workers. The new reforms ensure that the most significantly injured workers have the right to be considered for lifetime benefits. Reforms also ensure swift access to hearings for injured workers not receiving benefits, create a clear formulary for prescription drugs, and provide relief for first responders exposed to a traumatic event at work. Concurrent with expanded worker protections, businesses will be achieving overall savings, bringing much needed relief to municipal and private employers. Changes include establishing more definitive limits on caps and updating medical guidelines to reflect advances in modern medicine.

M/WBE: Certain provisions of the law shall expire April 15, 2018, provided, however, that if the statewide disparity study regarding the participation of minority and women-owned business enterprises in state contracts is completed and delivered to the governor and the legislature on or before June 30, 2017, then the provisions of sections sixty-two through sixty-six of this act shall expire on December 31, 2018.

421-a program aka "Affordable New York": Developers of new residential projects with 300 units or more in certain areas of Manhattan, Brooklyn and Queens will be eligible for a full property tax abatement for 35 years if the project creates a specific number of affordable rental units and meets newly established minimum construction wage requirements. The units must remain affordable for 40 years. For all other affordable developments in New York City, the period of affordability and abatement eligibility would be tied to the number of affordable units. This new program will create an estimated 2,500 new units of affordable housing per year. Expires in 2022.