



## **2018-19 Executive Budget Summary**

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### **Overview**

#### **FY 2019 Executive Budget Proposal Totals \$168 Billion**

Governor Andrew Cuomo's proposed 2018-19 Executive Budget includes a spending plan of \$168 billion and legislative proposals with a direct impact on the construction industry. Capital spending remains on target for transportation, economic development environmental and health care infrastructure. The Executive Budget includes additional funding earmarked for the Metropolitan Transportation Authority (MTA) which is derived from a proposed real estate improvement tax and a New York City congestion pricing plan. State University of New York (SUNY) and City University of New York (CUNY) capital funding is at prior year levels.

Legislative proposals include: radical amendments for the MWBE program; expanding design-build authority to additional state entities; establishing a Chief Procurement Officer; workplace sexual harassment reporting requirements; prohibiting political donations from state vendors; increased scrutiny for SUNY/CUNY procurements; and other initiatives listed below in this summary.

The Executive Budget process and key Budget document formats are governed by the State Constitution, with additional details and actions prescribed by state laws and practices established over time. The State's budget process is governed primarily by Article VII of the New York State Constitution. Article VII requires the Governor to submit a budget detailing a plan of expenditures and an estimate of revenues for the upcoming fiscal year, bills containing all proposed appropriations and reappropriations, and other legislation needed to implement the Executive Budget.

The following summary provides a broad overview of projected capital appropriations and required legislation for infrastructure and general business proposals. The AGC NYS team will keep you apprised of negotiations with the Executive Chamber, Legislature, industry groups and forthcoming amendments to the Executive Budget. Upon final approval AGC NYS will provide a complete summary of the 2018-19 New York State Budget.

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## Statewide Capital Spending

Statewide capital spending for FY 2019 is estimated to total approximately \$29.8 billion, including \$15.2 billion of State spending and \$14.6 billion of public authority spending. The following table shows the capital spending projections for State agencies and public authorities in FY 2019. Public authority spending is funded from authority revenues for authority purposes and thus is not captured in the State budget. It is compiled based on several sources and assumptions.

ESTIMATED CAPITAL SPENDING INCLUDED IN STATE BUDGET (thousands of dollars)		ESTIMATED CAPITAL SPENDING BY AUTHORITIES NOT INCLUDED IN STATE BUDGET (thousands of dollars)	
State Agencies	State Disbursements FY 2019	Public Authorities <sup>3</sup>	Authority Disbursements FY 2019
Arts and Cultural Facilities	5,000	Albany Port District Commission	17,390
City University of New York	430,900	Battery Park City Authority	56,740
Department of Agriculture and Markets	36,165	Buffalo and Fort Erie Public Bridge Authority	41,860
Department of Correctional Services	378,637	Capital District Transportation Authority	16,602
Department of Environmental Conservation	939,531	Central New York Regional Transportation Authority	9,696
Department of Health	1,042,865	Development Authority of the North Country	13,853
Department of Law	4,684	Housing Finance Agency	1,504,323
Department of Motor Vehicles	228,495	Job Development Authority	12,461
Department of State	12,000	Long Island Power Authority	581,717
Department of Transportation	5,050,784	Metropolitan Transportation Authority <sup>1</sup>	7,885,500
Division of Housing and Community Renewal <sup>1</sup>	517,215	New York Power Authority <sup>1</sup>	479,864
Division of Military and Naval Affairs	55,692	New York State Bridge Authority	26,606
Division of State Police	49,874	Niagara Frontier Transportation Authority	119,543
Empire State Development	1,869,244	Ogdensburg Bridge and Port Authority	23,469
Energy Research and Development Authority	22,877	Port Authority of New York and New Jersey	3,375,731
Higher Education Facilities Capital Matching Grants	12,500	Port of Oswego Authority	210
Homeland Security and Emergency Services	56,034	Rochester-Genesee Transportation Authority	39,690
Hudson River Greenway	21,500	Thousand Islands Bridge Authority	9,580
Judiciary	18,000	Thruway Authority <sup>2</sup>	409,915
Metropolitan Transportation Authority <sup>1</sup>	414,000	United Nations Development Corporation	7,600
New York Power Authority <sup>1</sup>	13,750		
Non Profit Capital Investment Program	47,500	<b>Total- Public Authorities</b>	<b>14,632,350</b>
NYS Economic Development Programs	49,369		
Office for People with Developmental Disabilities	125,493		
Office of Alcoholism and Substance Abuse Services	63,066		
Office of Children and Family Services	68,695		
Office of General Services	277,717		
Office of Information Technology	109,865		
Office of Mental Health	336,353		
Office of Parks Recreation & History	173,903		
Office of State Comptroller	5,024		
Office of Temporary and Disability Assistance	60,650		
Olympic Regional Development Authority	50,000		
Roosevelt Island Operating Corporation	25,028		
Special Infrastructure <sup>2</sup>	1,146,111		
State and Municipal Capital Facilities	342,026		
State Education Department	815,300		
State Equipment Financing	53,081		
State University of New York	999,760		
Workers Compensation Board	20,000		
World Trade Center	16,300		
Timing Adjustment <sup>4</sup>	(800,000)		
<b>Total- State Agencies</b>	<b>15,164,988</b>		

<sup>1</sup> These agencies have both state and authority disbursements.

<sup>2</sup> Thruway Authority has both state and authority disbursements. On the state side they are captured in the Special Infrastructure agency.

<sup>3</sup> Authority numbers are self-reported. Excludes conduit financing entities: DASNY, EFC and ESD.

TOTAL ESTIMATED CAPITAL SPENDING IN FY 2019 (thousands of dollars)	
Total- State Budgeted Capital Spending	15,164,988
Total- Public Authorities (Not in State Budget)	14,632,350
<b>Total</b>	<b>29,797,338</b>

<sup>4</sup> Accommodates potential under spending projected to occur as a result of normal timing related to the delivery of capital projects and will not hinder the advancement of scheduled capital projects.

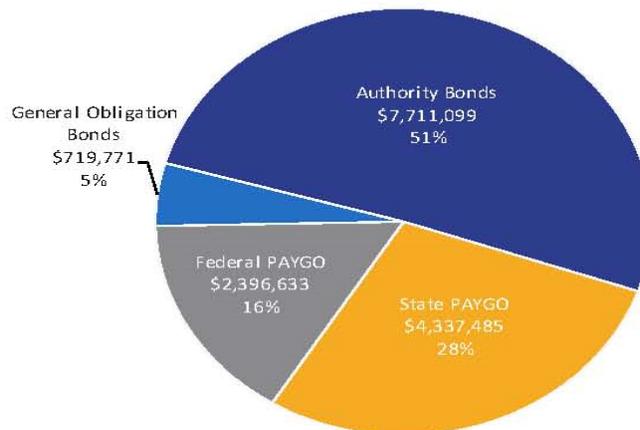
## Capital Projects Appropriations

The Executive Budget includes \$13.7 billion in capital appropriation authority, all of which will be committed and spent over a multi-year period.

CAPITAL SPENDING BY FUNCTION AND FINANCING SOURCE						
CAPITAL PROGRAM AND FINANCING PLAN						
FY 2018 THROUGH FY 2023						
(thousands of dollars)						
Spending	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Transportation	6,225,342	5,693,279	5,234,265	4,737,458	4,612,637	4,597,996
Education	443,780	815,300	476,800	289,807	228,849	151,863
Higher Education	1,443,237	1,443,160	1,390,878	1,386,162	1,377,842	1,377,842
Economic Development & Gov't. Oversight	1,594,423	2,041,405	1,906,198	1,836,298	1,635,188	1,498,783
Mental Hygiene	535,950	524,912	525,449	532,474	533,768	582,770
Parks and Environment	985,742	1,113,434	1,088,377	1,103,815	1,133,017	1,173,613
Health	402,227	1,042,865	838,115	703,870	604,915	423,973
Social Welfare	417,963	719,088	629,281	600,730	544,586	539,599
Public Protection	606,530	540,237	461,209	432,748	440,253	438,135
General Government	310,906	419,582	289,913	222,297	169,317	148,157
Other	392,632	811,726	456,726	181,787	859,749	1,322,126
<b>Total</b>	<b>13,358,732</b>	<b>15,164,988</b>	<b>13,296,211</b>	<b>12,027,446</b>	<b>12,140,121</b>	<b>12,254,857</b>
Off-Budget Spending <sup>(1)</sup>	(683,839)	(675,055)	(641,329)	(634,540)	(636,889)	(625,540)
<b>Net Cash Spending</b>	<b>12,674,893</b>	<b>14,489,933</b>	<b>12,654,882</b>	<b>11,392,906</b>	<b>11,503,232</b>	<b>11,629,317</b>
Financing Source	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Authority Bonds	6,128,582	7,711,099	6,842,754	5,923,483	6,694,813	7,315,229
Federal Pay-As-You-Go	2,232,493	2,396,633	2,196,787	2,154,744	2,154,744	2,154,744
State Pay-As-You-Go	4,208,035	4,337,485	3,847,564	3,708,251	3,119,596	2,674,153
General Obligation Bonds	789,622	719,771	410,106	240,968	170,968	110,731
<b>Total</b>	<b>13,358,732</b>	<b>15,164,988</b>	<b>13,296,211</b>	<b>12,027,446</b>	<b>12,140,121</b>	<b>12,254,857</b>

<sup>(1)</sup> Represents spending which occurs directly from bond proceeds held by public authorities.

FY 2019 Capital Spending by Financing Source  
\$15.2 Billion  
(thousands of dollars)



## Department of Transportation Capital Proposal

As there are still some New York State Department of Transportation (NYSDOT) programs that we are awaiting specific details on, this review is based upon what we know to date and our prediction for how the program will roll out.

The Executive Budget proposal continues the fourth year of the 2015-16 through 2019-20 NYSDOT five-year capital program. In the proposal, the Governor proposes a slight increase to the 2018-19 NYSDOT capital program from \$4.250B to \$4.303B. The NYSDOT's core capital program increases by about \$250M. Last year the NYSDOT's capital program was increased in the budget by \$1.6B, and the governor now projects that increase to be \$1.85B.

The **2018-19 DOT Capital Program** includes:

- Core NYSDOT Highway Program \$2.454B
- PAVE-NY program continues at \$100M, along with CHIPS and Marchiselli at \$478M
- BRIDGE-NY program continues at \$100M

<b>Five-Year NYSDOT Capital Program</b>	SFY 15-16	SFY 16-17	SFY 17-18	SFY 18-19	SFY Proposed Executive Budget 18-19	SFY 19-20
State/Local Construction	\$1,813	\$2,187.5	\$2,585.5	\$2,204.5	\$2,454	\$2,332.5
Van Wyck – Kew/Hunts Pt - Bruckner	-	-	\$1,162	-	-	
Engineering/Administration	\$617	\$731	\$773	\$704	\$539	\$760
Preventative Maintenance	\$365	\$371	\$373	\$371	\$356	\$371
Right of Way	\$62	\$67	\$67	\$67	\$45	\$67
Facilities/Equipment	\$18	\$18	\$18	\$18	\$32	\$18
Other Federal	\$25	\$25	\$25	\$25	\$25	\$25
Rail	\$64	\$76.5	\$72	\$76.5	\$72	\$76.5
Aviation	\$14	\$21.5	\$17	\$21.5	\$17	\$21.5
Non-MTA Transit	\$57	\$84.5	\$84.5	\$84.5	\$85	\$84.5
CHIPS/Marchiselli/Local PAVE NY	\$528	\$578	\$643	\$578	\$578	\$578
Airport Program	-	\$200	\$0	\$0	\$0	\$0
Local Bridge Program	\$100	\$100	\$150	\$100	\$100	\$100
<b>Plan Total</b>	<b>\$3,663</b>	<b>\$4,460</b>	<b>\$5,970</b>	<b>\$4,250</b>	<b>\$4,303</b>	<b>\$4,434</b>

## MTA Capital Proposal

The state's MTA appropriation for operating assistance increases by approximately \$345M to a total of \$4.8B. This includes \$195M for the state's share of the subway action plan. The Executive Budget adds an additional \$175M in new MTA capital as part of the state's share of the subway action plan.

## **Economic Development Capital Proposals**

**Life Sciences.** Building on last year's \$620 million Statewide life sciences initiative and initial investment in a life science public health laboratory, the Executive Budget includes \$600 million to support construction of a world-class, state-of-the-art life sciences public health laboratory in the Capital District.

**Regional Economic Development Councils.** The Executive Budget includes core capital and tax-credit funding that will be combined with a wide range of existing agency programs for an eighth round of REDC awards totaling \$750 million. The core funding includes \$150 million to fund high value regional priority projects and \$70 million in State tax credits set aside from the Excelsior Jobs tax credit program.

**New York Works Economic Development Fund.** A second round of investment equaling \$200 million for the New York Works Economic Development Fund will provide additional statewide capital grants to support projects that facilitate the creation of new jobs or retain existing jobs, or fund infrastructure investments necessary to attract new businesses or expand existing businesses.

**Downtown Revitalization.** The FY 2019 Executive Budget provides \$100 million for the Downtown Revitalization Initiative Round III.

**Long Island Transformative Investments.** The Executive Budget includes the continued investment of \$550 million from existing capital resources in transformative projects on Long Island.

**High Technology Innovation and Economic Development Infrastructure Program.** The Executive Budget includes \$300 million for initiatives that foster research and development of innovative technologies and leverage private investment in advanced science and technology, economic development initiatives, infrastructure, manufacturing, and other economic development initiatives that leverage private investment in regional projects that create or retain jobs.

**Photonics Attraction Fund in Rochester.** New York State will dedicate \$30 million to a Photonics Attraction Fund, administered through the Finger Lakes Regional Economic Development Council, to attract integrated photonics companies to set up their manufacturing operations in the greater Rochester area.

**Industrial Hemp Production.** The FY 2019 Executive Budget provides \$650,000 for a brand-new \$3.2 million industrial hemp processing facility in the Southern Tier.

**Fund the Innovation Hot Spots and Incubators Program.** The Executive Budget authorizes \$5 million in new funding to continue the fostering of innovation by offering start-up companies valuable business support services to help commercialize academic research and promote further collaboration between business and academia.

**Support High Technology Grants.** The Executive Budget authorizes over \$35 million to support ongoing university-based matching grants, and other high technology research and development programs administered by the Department of Economic Development's Division of Science, Technology and Innovation.

**Clarkson-Trudeau Partnership.** An additional \$5 million is included in the Executive Budget to support the partnership between the State, Clarkson University and the Trudeau Institute to form a world-class biotech enterprise and further establish the North Country Region as a premier center of biotechnology research and development.

**Olympic Regional Development Authority (ORDA) Capital Improvements.** The Executive Budget includes \$62.5 million in new capital funding for ORDA, including \$50 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts, \$10 million for critical maintenance and energy efficiency upgrades, and \$2.5 million appropriated from the Office of Parks, Recreation and Historic Preservation budget as part of the New York Works initiative.

**Promote Tourism in the North Country Through New Lodging.** Empire State Development will commission a study to identify lodging development opportunities in the Adirondacks and Thousand Island regions, and provide \$13 million in capital funding through the REDCs and Upstate Revitalization Initiative to spur development activity.

**Continue Commitment to Critical Economic Development Investments.** The Executive Budget includes nearly \$35 million to support ongoing economic development initiatives including the New York State Economic Development Fund, the Minority- and Women-Owned Business Development and Lending Program, the Urban and Community Development Program, and the Entrepreneurial Assistance Program.

**Brownfield Opportunity Area (BOA) Reform.** The Executive Budget includes legislation that would make enhancements to the BOA program to allow plans that are financed with local or other state funding to also apply for designation as well as reform the current BOA process to bolster efficiency.

**Establish the One World Utica Welcome and Opportunity Center.** The Executive Budget provides \$1.5 million to invest in the expansion of the formerly vacant Utica School of Commerce building to establish a “One World Welcome and Opportunity Center” in the heart of downtown Utica, which will provide workforce and vocational training to the Mohawk Valley region.

## **Environmental Conservation Capital Proposals**

**Environmental Protection Fund.** The Executive Budget continues EPF funding at \$300 million, the highest level of funding in the program’s history. Appropriations include \$39 million for solid waste programs, \$86 million for parks and recreation, \$154 million for open space programs, and \$21 million for the climate change mitigation and adaptation program.

**Advance the NY Parks 2020 Initiative and Create a New State Park.** The Executive Budget allocates \$90 million in New York Works capital funding to OPRHP. This funding will aid the ongoing transformation of the State’s flagship parks and support critical infrastructure projects.

**Complete the Hudson River Park.** The Executive Budget includes \$50 million in capital funding for the Hudson River Park, which will help fulfill the Governor’s commitment to complete the park, in partnership with New York City.

**Support DEC Capital Projects through NY Works.** The Executive Budget includes \$40 million for DEC to address a variety of capital needs to improve access to State lands, rehabilitate campgrounds, and upgrade its recreational facilities, all as part of the Adventure NY program. This funding will also provide for health and safety repairs to State infrastructure, including dams, wetland restoration, State lands, and fish hatcheries.

**Contain and Treat the Grumman Contamination Plume.** New York is fast tracking construction of a new, state-of-the-art well system to fully contain and treat the plume of contamination caused by industrial waste from the U.S. Navy and Northrop Grumman Bethpage manufacturing facilities in Oyster Bay, Nassau County. The full containment and treatment system is estimated to cost at least \$150 million to construct. The Executive Budget includes sufficient appropriations to support expected outlays in FY 2019, and the State will pursue reimbursement from the U.S. Navy and Northrop Grumman.

**Attack Harmful Algal Blooms.** Using resources from the Clean Water Infrastructure Act and the Environmental Protection Fund, the State will implement a \$65 million initiative to combat harmful algal blooms in Upstate New York water bodies. The resources will be used to develop action plans to reduce sources of pollution that spark algal blooms, and provide grant funding to implement the action plans, including the installation of new monitoring and treatment technologies.

**Overhaul Niagara Falls Wastewater Treatment Facility.** The Executive Budget invests \$20 million to launch phase one of the comprehensive infrastructure and operational improvements at the Niagara Falls Wastewater Treatment Facility. Phase one of the overhaul will focus on making critical improvements to the wastewater system to deter future discharges and protect water quality for residents and visitors.

## **State University of New York/City University of New York Capital Proposals**

The Executive Budget does not include additional significant capital investments for SUNY/CUNY. Critical maintenance for SUNY was reduced from \$550 million to \$350 million.

## **Health Care Capital Proposal**

**Capital Financing for Essential Health Care Providers.** The Executive Budget includes an additional \$425 million capital investment for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, working capital and other non-capital projects. Of this amount, \$60 million will be directed to community based providers (i.e., clinics, home care, Assisted Living Programs (ALPs), primary care providers), and \$45 million will be directed to Residential Health Care Facilities. This investment will bring the total amount of capital support provided to health care providers for transformation efforts to \$3.7 billion over 5 years.

## **Executive Budget - Article VII Legislation**

### **Transportation, Economic Development and Environmental Conservation**

**Part B: Allow the sale of locally-sourced food and beverages at roadside rest areas operated by DOT.** This bill would amend Highway Law § 20 to remove certain restriction on commercial facilities at

roadside rest areas and permit the sale of locally-sourced food and beverage product samples. Under current law, however, the State's roadside rest areas can only offer food and beverage products through vending machines. This bill would authorize TASTE NY facilities to be located at the State's roadside rest areas. This will further expand the State's initiatives to promote local agriculture, food, and beverage.

**Part L: This legislation would establish a process for the recoument of costs for major capital construction by MTA within a city of a population of one million or more.** This bill would require that any heightened tax revenues due to increased property valuation should, at a reasonable level, be directed toward funding the MTA's capital programs.

**Part M: Relates to the capital needs of the city's subway system.** This bill would outline the process for funding the capital needs of the city's subway system for emergency and non-emergency purposes.

**Part N: This legislation would provide procurement reform to the MTA and its affiliates.** This bill would make the following procurement reforms: increase the sealed bidding threshold for MTA to \$1 million for purchases and public works; eliminate the 15 Day Notice Period required under the Omnibus Procurement Act; and vest special termination powers with the MTA Board of Directors.

**Part Q: Reauthorizes and extends the provisions of law relating to participation by minority and women-owned business enterprises in state contracts and expands upon those provisions based upon the findings of the 2016 Disparity Study.** This bill would dramatically expand to all state funded projects and extend the provisions of law relating to participation by minority and women-owned business enterprises (MWBE) in state contracts for five years, and implement certain findings and recommendations of the 2016 MWBE Disparity Study. Currently, AGC NYS is reviewing the significant negative impacts of this proposal and will have a detailed summary shortly.

**Part R: Expand definition of an authorized entity that may utilize design-build contracts in the Infrastructure Investment Act.** This bill would expand the set of authorized entities that may utilize design-build contracts, as established in the Infrastructure Investment Act, to include the Dormitory Authority, the New York State Urban Development Corporation, the Office Of General Services, the Department Of Health, and New York State Olympic Regional Development Authority.

## **Good Government and Ethics Reform**

**Part H: Expand the Inspector General's Authority to Include Affiliated Organizations of SUNY & CUNY.** This bill would enhance state oversight by expanding the definition of a "covered agency" under the State Inspector General's jurisdiction to include the affiliated nonprofit organizations and foundations of SUNY and CUNY. This would grant the State Inspector General authority to investigate complaints of corruption, fraud, criminal activity, conflicts of interest, or abuse within each university and its affiliates, and to refer potential criminal findings within these entities for prosecution.

**Part I: Clarify State Inspector General's Authority over State Procurements.** This proposal would define where the State Inspector General is able to investigate officers and employees and contracted parties relating to such state procurements. It would establish the State Inspector General's authority to investigate complaints of corruption, fraud, criminal activity, conflicts of interest, or abuse within these entities related to state procurements, and to refer potential criminal findings for prosecution.

**Part J: Implement and Enforce Financial controls at SUNY and CUNY Foundations.** This proposal would require the adoption of significant written financial control policies by the affiliated nonprofit organizations and foundations of SUNY and CUNY in order to create internal accountability and minimize the potential for corruption, fraud, criminal activity, conflicts of interest or abuse within these organizations.

**Part K: Establishment of a NYS Chief Procurement Officer.** This bill would authorize the creation of a Chief Procurement Officer in the Executive Chamber, who shall serve as the principal officer tasked with oversight of state procurements. The Chief Procurement Officers' duties would include: oversight of the integrity and uniformity of procurement practices across the State; disclosing reportable matters to the State Inspector General; ensuring state procurement staff are prepared and positioned to conduct effective and ethical procurements; and serving as a member or chair of the Procurement Council.

**Part L: Amendment of Government Vendor Contributions.** This bill would prohibit campaign contributions by persons or entities that are actively bidding on or have recently bid on any government procurement contract. The prohibition would apply to contributions to office-holders and candidates associated with the branch of government requesting the procurement, and the prohibition would extend until the close of the bidding period, or until six months after the final contract award for the winner.

## **Women's Agenda**

**Part I: Amends various laws to combat sexual harassment in the workplace.** This bill would enact a multi-facilitated proposal to target sexual harassment in the workplace. The proposal includes: requiring any contractor that does business with the state to report on the number of sexual harassment violations and nondisclosure agreements executed by the contractor; contractors must also report on its training practices related to sexual harassment prevention; and prohibits an employer from requiring, as a condition of employment, an employee to sign a written contract restricting his or her ability to seek justice in any forum relating to unlawful discriminatory practices based on sexual harassment.