Governor and Legislature Reach $168.3 Billion Budget Deal

Governor Andrew Cuomo and state Legislators reached a $168.3 billion agreement on the 2018-19 State Budget. The state capital program includes funding for roads and bridges; the Metropolitan Transportation Authority (MTA); New York City Housing Authority (NYCHA); Hudson River Park; regional economic development programs, and State University of New York (SUNY) and City University of New York (CUNY) buildings.

Policy proposals enacted include: design-build procurement for the New York City Department of Design and Construction (NYCDDC), New York City Department of Transportation (NYCDOT), and NYCHA, for specific projects; delays implementation of the Diesel Emissions Reduction Act until December 31, 2019; extends the current Minority and Women Business Enterprise Program (MWBE) until December 31,2019; protections against workplace sexual harassment; decouples federal and state affordable housing tax credits; and other new laws impacting a wide range of business and personal interests.

This year, many policy proposals were excluded including: enacting the Governor’s radical MWBE proposal, a 2% cap on school building aid, and regulatory reform proposals advanced by the Senate Republicans.

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1. FY 2019 Capital Appropriations

Department of Transportation

The budget continues the fourth year of the 2015-16 through 2019-20 DOT five-year capital program. The enacted DOT capital program of $4.5B is higher than the original five-year plan funding level for SFY 18-19 of $4.3B. The State/Local Construction program is $150M more than originally proposed in the five-year plan and there is an additional $65M in Extreme Winter Recovery that will be distributed through the CHIPS formula.

The 2018-19 DOT Capital Program includes:

- Core DOT Highway Program - $2.354 billion
- CHIPS - $438 million
- Extreme Winter Recovery Funding - $65 million (distributed through the CHIPS formula)
- Marchiselli - $39.7 million
- PAVE-NY - $100 million
- BRIDGE-NY - $100 million

### Five-Year NYSDOT Capital Program

<table>
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<tr>
<th></th>
<th>SFY Enacted 15-16</th>
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### Metropolitan Transportation Authority

The budget appropriates $1.6 billion and reappropriates $5.9 billion for the MTA. Additional funding includes:

- Capital and operating - $836 million ($418 M state - $418 M city)
- Manhattan Congestion Pricing - $400 million

### Economic Development

- Regional Economic Development Councils - $750 million
- Capital District Life Sciences - $600 million
- State Aid to Municipalities Program - $495 million
- Hudson River Park - $100 million ($50 M state - $50 M city)
- Downtown Revitalization - $100 million
Housing

- New York City Housing Authority - $550 million
- Neighborhood Preservation Program - $8.4 million

Environmental Conservation and Parks

- Environmental Protection Fund - $300 million
- Algal Bloom Monitoring and Treatment - $65 million
- Olympic Regional Development Authority - $62.5 million
- Niagara Falls Wastewater Treatment Facility - $20 million

State University of New York

- Re-appropriates $3.4 billion for all prior year appropriations, totaling $3.4B for SUNY’s capital programs.
- Educational Facilities Program - $550 million
- High priority critical maintenance projects - $196.6 million
- SUNY Stony Brook and Upstate Medical - $100 million
- Upstate University Hospital Ambulatory Care Integration Project - $75 million
- Community Colleges (State share for new projects) - $74.3 million
- Residence Halls (pay-as-you go) - $50.0 million
- SUNY Educational Opportunity Centers - $10.0 million

City University of New York

- Re-appropriates $2.4 billion for the senior and community colleges, and $264.8 million for CUNY 2020 Challenge Grant Funding, for a total of $3 billion available in appropriations for CUNY in FY 2018-19.
- $369.7 million in new funding: $284.2 million in senior college critical maintenance appropriations; $48.5 million in matching appropriations for community college projects that have already received funding from the City of New York; and $37 million for operating expenses incurred by the capital construction program of the University.
Specific CUNY appropriations:

- $284.2 million for critical maintenance at senior colleges;
- $48.5 million for critical maintenance projects at the community colleges, to match funding received from the City;
- $37 million appropriated for operating expenses incurred by The Dormitory Authority of the State of New York (DASNY) and the City University Construction Fund (CUCF) while overseeing construction activities for CUNY’s facilities; includes $21 million for DASNY and $16 million for CUCF;
- $2.67 billion in re-appropriations consisting of: $2 billion re-appropriated for senior colleges; $412 million re-appropriated for community colleges and Medgar Evers College; and $264.8 million re-appropriated for CUNY 2020 Challenge Grant Program.

2. Article VII Legislation

Transportation, Economic Development and Environmental Conservation (A.9508-C/S.7508-C)

**Part C: Enhance Public Transportation Safety Board (PTSB) enforcement power in compliance with Federal requirements.** Amends the Transportation Law to comply with new Federal law requirements regarding State Safety Oversight (SSO) services. If the State’s SSO program is not fully compliant with Federal requirements by April 15, 2019, Congress has directed the FTA to withhold all Federal transit assistance to the State ($1.6 billion/annually).

**Part H: Extends the authorization of Autonomous Vehicle testing in the State of New York.** Extends the authorization of autonomous vehicle testing in the State of New York.

**Part U: Brownfield Opportunity Areas Program.** Removes references to the optional pre-nomination study. Expands the nomination process to include plans that are financed with local or other State funding, thereby authorizing the Secretary of State to accept and designate such plans. This proposal expands community input into the application process.


**Part UU: Hudson River Park.** Commits the state of New York and city of New York to together fund $100M in capital expenses related to projects necessary for the completion of Hudson River Park.
Health and Mental Hygiene (A.9507-C/S.7507-C)

Part KK: Sexual Harassment. Establishes new reporting requirements in bids; prohibits mandatory arbitration clauses in employment contracts; prohibits nondisclosure agreements in employment contracts; requires contractors to submit an affirmation that they have sexual harassment prevention guidance policies and training for employees; and prohibits sexual harassment for non-employees. The NYS Department of Labor and Division of Human Rights will develop a model sexual harassment guidance document and training program. These provisions will take effect in six months.

Revenue (A.9509-C/S.7509-C)

Parts JJ, KK, LL: New York State response to federal tax reform including but not limited to personal income tax filing, charitable gifts, property taxes, and other provisions.

Part MM: Employer Compensation Expense Program. Employers would be able to opt-in to a new ECEP structure. Employers that opt-in would be subject to a 5 percent tax on all annual payroll expenses in excess of $40,000 per employee, phased in over three years beginning on January 1, 2019. The personal income tax system would remain in place, and a new tax credit corresponding in value to the ECEP would cut the personal income tax on wages and ensure that State filers subject to the ECEP would not experience a decline in take-home pay.

Part PP: Decouples Federal and State Affordable Housing Tax Credits. Separates the financing streams to encourage affordable housing development.

Part VV: Metropolitan Transportation Authority Funding. Commits the state and City of New York to fund $836 million for capital and operating costs. The state and city will be required to allocate $418 million each.


Part MMM: New York Pennsylvania Station Public Safety Improvements Act. The Metropolitan Transportation Authority and the New York State Urban Development Corporation (UDC) should coordinate and consult with community leaders, business groups, and federal and city government to design a solution. New York State will provide funds to UDC to begin with the planning of such redevelopment.

Part NNN: Manhattan Congestion Surcharge. Establishes a funding stream for the MTA through a surcharge on for-hire vehicles below 96th Street. The surcharge is $2.75 for for-hire vehicles, $2.50 for yellow cabs, and $0.75
for pooled trips. This funding will go into an MTA "lock box," and will provide long-term funding to sustain for the Subway Action Plan, outer borough transit improvements, as well as a NYC general transportation account.

**Part OOO: Extends the New York State M/WBE Program Until 2019.** Extends the current New York State Minority and Women Owned Business Program until December 31, 2019.

**Part QQQ: New York City BQE Design-Build Act.** Authorizes design-build procurement for the New York City Department of Design and Construction and the New York City Department of Transportation for the Brooklyn Queens Expressway from the vicinity of Atlantic Avenue to Sands Street.