



NYS FY 2016 Executive Budget Webinar

Wednesday, February 18, 2015

1 to 3 p.m.

Presentation by:

Heather Briccetti, President

Ken Pokalsky, Vice President

Lev Ginsburg, Director, Government Affairs

The Business Council of NYS, Inc.



Progress to date - Key Business Climate Reforms since 2011

- Four low-growth budgets
- Business tax reform and rate reductions
 - Article 9A ENI rate to 6.5%, 0% for manufacturers
- Estate tax reform
- Real property tax cap
- Recharge NY
- Academic standards & initiatives
- Unemployment insurance reforms and refinancing



Key Executive Budget Issues:

- Support
 - Spending restraint
 - Education reforms
- Amend
 - NYC tax conformance
 - Upstate development fund
 - Brownfield extension
 - Expansion/extension of “Design build”



Key Executive Budget Issues

- Oppose
 - Minimum wage
 - Telecomm and health plan taxes
 - Sales taxes on related business transactions
 - LLC restrictions
 - Environmental permit fee hikes
 - IDA restrictions
- Add
 - 18-A repeal
 - Scaffold law reform
 - Broader small business tax relief

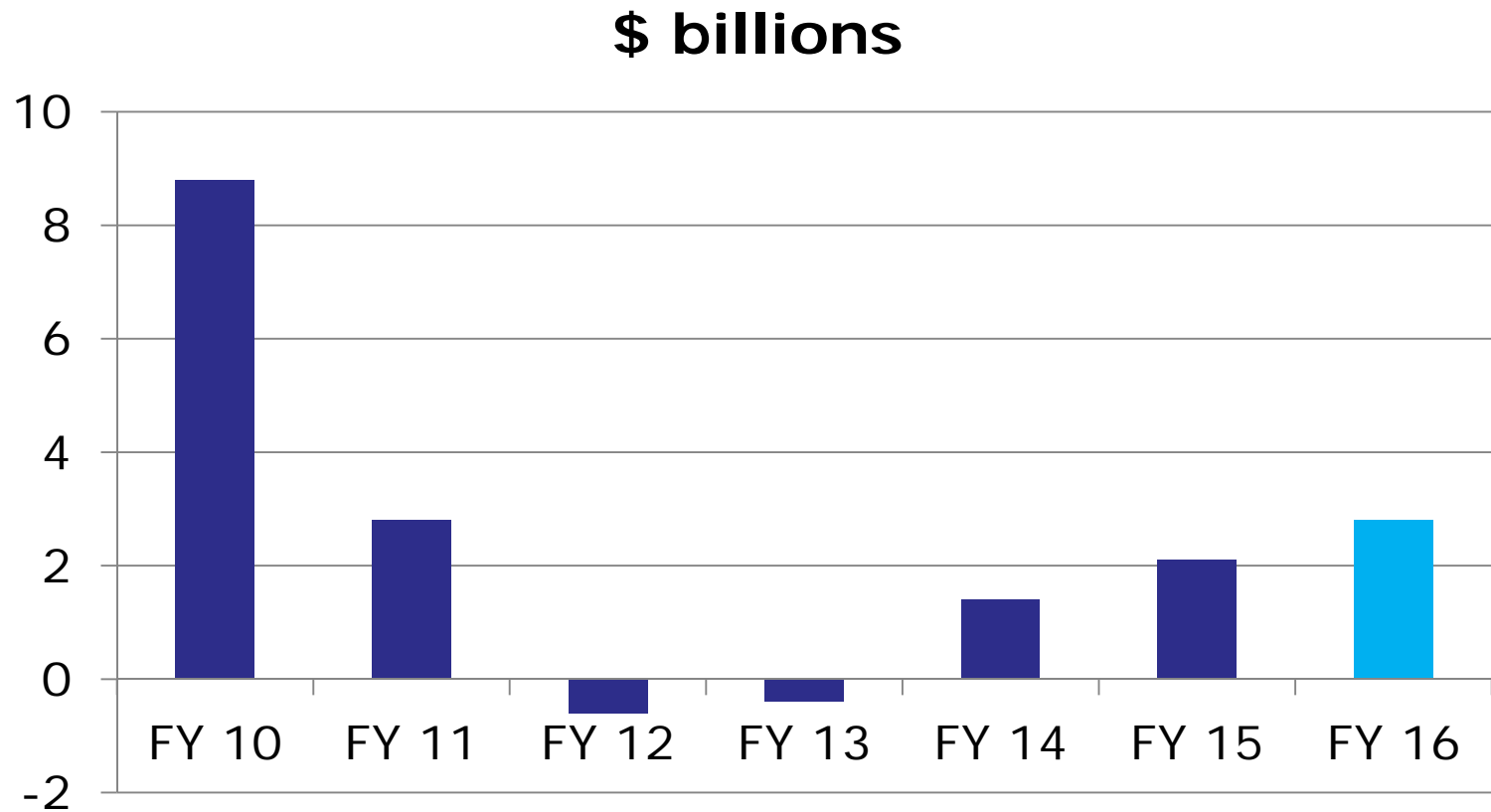


FY 2016 Executive Budget - Key Documents/Sources

- Business Council [budget testimony](#)
- Business Council [budget summary](#)
- Division of Budget [FY 2016 Executive Budget](#)
- NYS Senate [budget summary](#)
- NYS Assembly [budget summary](#)
- NYS Senate [bill search](#)

NYS "All funds spending growth"

- Proposed FY 16 budget driven by capital spending





FY 2016 Executive Budget - Key Numbers

- 1.7% “state operating funds” growth
- 2.8% “all funds” growth (federal and capital)
- General fund operating surpluses thru FY 2019
 - \$1.6 billion in aggregate (0.5% of total spending)
- \$1.4 billion school aid increase (6.6%)
 - \$1.1 billion (4.8%) on school year basis
- \$0.7 billion Medicaid increase (3.6%)



FY 2016 Executive Budget - Financial Settlement Spending

- \$1.5 billion Upstate Revitalization fund
- \$1.28 billion for NYS Thruway
- \$850 million for state financial reserves
- \$500 million for broadband expansion
- \$400 million for upstate hospitals
- \$450 million for downstate transit projects
- \$150 million for “resiliency” projects
- \$150 million for municipal consolidations
- \$115 million for public infrastructure



FY 2016 Executive Budget - Taxation

- We support:
 - NYC business tax conformance
 - 2 major issues of concern
 - Brownfield program extension
 - Small business Article 9-A rate reduction
 - Job training tax credit
 - Extended youth works tax credit program
 - \$70 million in Excelsior credits for REDCs



FY 2016 Executive Budget - Taxation

- We oppose:
 - “Part Y” Sales tax reforms
 - Section 184 extended to mobile communications
 - IDA funding restrictions
 - “Marketplace provider” sales tax collection mandate



FY 2016 Executive Budget - Taxation

- Other Issues
 - \$1.7 billion residential RPT circuit breaker
 - Education investment credit
 - Excelsior extended to “entertainment companies”
 - Tax enforcement provisions:
 - Tax “clearance” required for state or local grants, professional and business license
 - Warrantless wage garnishments
 - Reciprocal tax collection agreements
 - Permanent charitable deduction limits



FY 2016 Executive Budget - Economic Development

- \$1.5 billion Upstate Revitalization Fund
- \$150 million for REDCs
- \$110 million for SUNY 2020 and CUNY 2020
- \$45 million for NY Works Economic Development Fund
- \$35 million for Global NY Development Fund
- \$33.5 million NY energy manufacturing consortium
- \$32.2 million for the EDF
- Funding for other regional projects



FY 2016 Executive Budget - Regulatory Fees

- Increased Title V air permit fees
- Increased SPDES permit fees
- Increased oil spill fund fees
 - Expands eligible spending categories
- \$19.7 million utility/gas assessments
 - To fund NYSERDA and climate change programs
- \$36 million RGGI fund transfer
- Repeals 21 DOL “nuisance” fees



FY 2016 Executive Budget

- Health Care / Health Insurance

- \$69 million health plan assessment
- Authorizes limited services clinics
- Pharmaceutical mandates
- Adopts Medical Assistance Cap
- Establish private equity pilot program for health delivery improvements



FY 2016 Executive Budget - Education

- \$3 million for third round of P-TECH schools
- Amends teacher and principal tenure process
- Updated teacher evaluation/improvement program
- Creates “failing school district” program
- Increases the charter schools cap by 100
- Adopts the “Dream Act”
- Streamlines college curriculum approvals
- Adopts college loan forgiveness program



FY 2016 Executive Budget - Other Issues

- Minimum wage increase
 - \$10.50 statewide, \$11.50 NYC by 2016
- Campaign finance reform
 - Corporate/LLC limits at \$1,000 per year
- Extension and expansion of “design build”



Next Steps/Key Dates/ Tentative Schedule:

- February 20th - 30 day amendments due
- March 1st - Consensus Revenue Forecasts
- March 9th – Senate/Assembly budget resolutions
- March 12th – Passage of one-house budgets
- March 12th – Start of Conference Committees
- March 19th – End of Conference Committees
- March 23rd – Begin passing budget bills
- March 26th – Budget adopted
- April 3rd – Beginning of Passover
- April 5th – Easter Sunday



Contact us:

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 - Technology/Telecomm
- Lev Ginsburg
 - Health, WC, UI, Legal Reform
- Sonia Lindell
 - Education/Workforce, Procurement
- Tom Minnick
 - HR, Construction, Transportation
- Ken Pokalsky
 - Tax, Econ. Development
- Darren Suarez
 - Energy, Environment
- Cate Tully
 - Financial Services



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