

2015-2016 State Budget Analysis

On April 1st the 2015-2016 New York State Budget was adopted in the late hours of the night. It squeaked by as “on time” (even though technically it was late by a few hours) for the fifth consecutive year in a row. Many of the items announced in the State of the State and in the Governor’s budget were included, with some new additions by the Legislature that were included as part of the negotiations. Overall, the budget includes a \$142B spending plan that keeps overall spending growth below 2%, and provides for a \$300 million rainy day fund.

If you have been following along in the news, you know that this budget season was remarkably controversial. To name a few major issues happening just since January: a change in Assembly leadership that shook up who was actually in the room for the “three men in the room” negotiations and the Governor’s mixing of policy and budget by tacking education and ethics reforms to the passage of the budget. In many ways it is a miracle the budget was on-time, and also a shame that the Legislature’s hand was forced on many issues that required significantly more debate. It is also clear that the Governor is in legacy mode focusing on huge sweeping policy changes, and will continue to invest in his priorities heavily.

So in short this year you can expect more of the same, with a few interesting tidbits. Instead of rushing to copy the Governor’s press release to send you, we’ve spent the last week carefully reading the Budget Bills to understand the impact for the range of NYATEP members and combed through the details. Some areas will see slight increases, such as community colleges and specific workforce programs that have received small carve-outs (likely by the Legislature). Others, like adult education remain flat, despite the proven need for funding (please note this year they have pulled the State Education budget out of Aid to Localities and created a new bill). All in all, there is significant room for improvement in the State’s investment in workforce development.

To help you read between the lines of the [Press Release](#), we’ve attached a quick look chart so you can see what is in, what is out, and what is new this year. If you would like to check out the budget bills, you can do so on the NYS Department of Budget’s website: <https://www.budget.ny.gov/budgetFP/enacted1516.html>

What are the major takeaways?

To help you quickly digest the major impacts of the budget on workforce we’ve created a quick look chart that allows you to compare last year to this year. See the Quick Look 2015-2016 NYS Budget Chart.

“Restore Economic Opportunity for All” & Workforce Investments:

The Governor is looking to target his investments in the highest need areas and continues to rely on tax credits as a workforce development tool.

- Expansion of the **Unemployment Strike Force** to the highest areas of unemployment (St. Lawrence, Oswego, Orleans, Montgomery, Franklin and Steuben Counties) (\$12 million);
- **NEW! Anti-poverty taskforces** (\$725,000) including Rochester, Syracuse and Binghamton;

- **NEW! Student loan relief:** *Per the Press Release:* “The Budget includes student loan support that is designed to help eligible New York State residents who graduate from college and continue to live in the state to pay nothing on their student loans for the first two years out of school. For graduates earning less than \$50,000 per year, the Get on Your Feet program will supplement the federal Pay As You Earn (PAYE) income-based loan repayment program. The amount a participant will benefit is based on the amount owed and their adjusted gross income. The program is estimated to assist 7,100 graduates in its first year and more than 24,000 participants annually by 2019-20.”
- **NEW! Homeless Services** (\$432 million); over multiple years and programs;
- **NEW! Anti-hunger Taskforce** (\$4.5 million);
- **NEW! Nonprofit Infrastructure Capital Investment Program** (\$50 million); Funding will be distributed via the Dormitory Authority includes the criteria for eligible human services organizations. Per the State Rehab Association, this also includes \$10M capital fund for IT, EHR, billing systems, technical assistance, and hardware associated with including BH services in Medicaid managed care -available to OMH, OPWDD and OASAS funded providers.
- **Cornell Cooperative Extension** (\$4.5 million);
- **Balancing Incentive Program (BIP)** to assist OPWDD to make strategic investments to transform services and supports to more integrated community-based opportunities. The following amount is just for the employment portion.(\$56 million);
- **Urban Youth Jobs Tax Credit** (no resources included –read more below) *It’s a tax credit, so the \$10 million stated is the state’s anticipated credit disbursement/decrease in tax revenue over two years and is just renamed from the NY Youth Works;*
- **NEW! Employee Training Incentive Program:** (no resources included – read more below) *Specifically, the bill would provide for a tax credit for employers that procure skills training for their employees necessary to cultivate a talented workforce that will root participating employers to New York State. The tax credit would equal 50% of eligible training costs, up to ten thousand dollars per employee receiving eligible training (no resources included).*

Issues that came up in the Article VII’s

In Executive Budget, tucked into the Article 7’s, two provisions caught our attention. The first (which was not included in the Enacted Budget) was related to curriculum development at SUNY and CUNY. The second included legislative language **REQUIRING experiential learning** before graduating from SUNY or CUNY schools:

From Executive Budget Article VII: “The state university of New York board of trustees shall pass a resolution by December thirty-first, two thousand fifteen, providing that students enrolled in an academic program of the state university of New York shall be required to participate in an approved experiential or applied learning activity as a degree requirement. Such resolution shall define approved experiential or applied learning activities, methods of faculty oversight and assessment, responsibilities of business, corporate, non- profit or other entities hosting students, and a plan for full implementation of this requirement.”

In the Enacted Budget the language was softened to say:

“Notwithstanding any law, rule or regulation to the contrary, the city university of New York board of trustees shall pass a resolution by June first, two thousand fifteen, to develop a plan to make available to students enrolled in an academic program of the (city university of New York or state university of New York) beginning in the two thousand sixteen--two thousand seventeen academic year, approved experiential or applied learning activities. Such experiential or applied learning activities may include completion of activities related to students' program of study, including, but not limited to, service-learning activities completed as part of a course, paid or unpaid internships, faculty-supervised undergraduate projects and activities leading to publication of research in journals or similar publications, production or performance of creative works, and iterative "co-op" partnerships that explicitly link the curricula to a temporary, paid position in industry or the public sector. Such plan, to be completed by June first, two thousand sixteen, shall be developed in consultation with university faculty senate, the university student senate and other stakeholders. Such plan shall define approved experiential or applied learning activities, methods of faculty oversight and assessment, responsibilities of business, corporate, non-profit or other entities hosting students, and include a requirement for collecting and reporting data associated with such experiential or applied learning activities. Such plan shall have each college examine the feasibility of including such experiential or applied learning activities as a degree requirement. Such college shall examine its ability to administer and provide such opportunities to students; the local community's capacity to support such experiential or applied learning activities; the impact such requirement would have on the local workforce, if any; potential for such a requirement to enhance learning outcomes for students; and whether adding such a requirement would cause potential delays in graduation for students.”

Economic Development – here, there, and everywhere

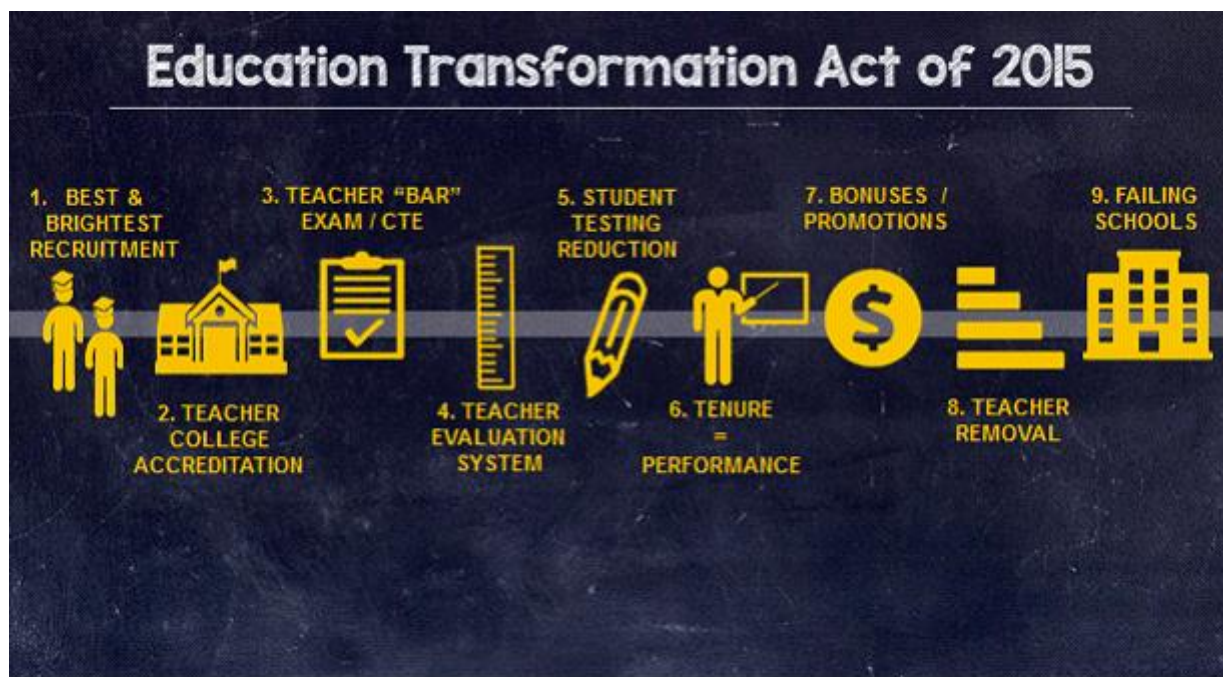
More competition! In addition to the REDCs, there are also Economic Development competitions for Upstate, and the Southern Tier. The investments stretch from infrastructure improvements in Long Island, to improvements at Fort Drum, to overseas marketing of New York State.

- More of the competitive **Regional Economic Development Councils** (\$150 million) – including a push this year for better alignment with community colleges (see chart for new allocation of funding at NYSDOL to align colleges and the Labor Dept.);
- **New! Upstate Economic Development Competition** (\$1.5 billion) that will subject 7 regions to a competition to access the funds. Only three “winning” regions will receive \$500 MM;
- **New! Transformational Investment Program** (\$400 million) that will go to areas NOT awarded funding through the Upstate competition or have funding from the Buffalo Billion (Consolation prizes?!);
- **New! Transformative Economic Development for Long Island** (\$150 million);
- **New! High-speed Broadband** for all by 2018 (\$500 million) which is incredibly important to rural areas across the State;
- NYSUNY2020 and NYCUNY2020 to **commercialize new technologies** (\$110 million);

- **Entrepreneurial Assistance Program** (\$1.27 million) an opportunity to connect to WIOA's ability to support entrepreneurship;
- **New York Works Fund** (\$45 million)
- **START-UP NY** (\$50 million);
- A range of **infrastructure improvements** from tunnels and bridges to roadwork, and more statewide.

Other ongoing Reforms

- To summarize the sweeping **education reforms**, the Governor has included this graphic in his Press Release (*Full reform details are available in the Press Release*)



- **Raise the Age:** New York is one of only two states in the nation that has no legal authority to treat 16- and 17-year-olds as juveniles, this movement advocates for juvenile responses to crimes committed by minor. Funding was set aside in the budget that will only be released if the Legislature passes appropriate legislation.
- **Ethics Reform:** This issue died down during the election year last year, but was a contentious issue for the Legislature in this budget cycle. Specifically, the pension forfeiture which was amended to allow spouses and children to still collect if the elected official is found guilty. Other reforms are related to: *New Disclosure Requirements, Pension Forfeiture, Per Diem Reform, Prohibition of Personal Use of Campaign Funds, Campaign Finance Disclosure, and Additional Funding for Enforcement; Review of JCOPE to Ensure Performance.* (Details in Press Release)