

To: Clients and Friends
From: Manatt, Phelps and Phillips, LLP
Date: April 8, 2015
Subject: Manatt Memo on the SFY 2015-16 Enacted Budget

Introduction and Overview

While some critics noted that the State Assembly didn't finish voting on the 2015-16 Budget until three hours into the next fiscal year, Governor Cuomo and the State's legislative leadership congratulated themselves on a fifth in a row budget enacted on time—or at least “on time-ish.” The \$150 billion spending plan included substantial increases in education funding (conditioned on some significant changes to teacher evaluation and tenure policies) and renewed emphasis on upstate economic development, while maintaining overall fiscal discipline, as overall state operating spending remains below the Governor's self-imposed two percent spending increase.

The Budget contains, as always, some significant new policy components, including some elements of ethics reform that the Governor had insisted be included in the budget following the arrest of Speaker Sheldon Silver on federal corruption charges. Many proposals, however, that had been incorporated into the budget debate were not included in the agreed-upon budget, including the Dream Act, an educational tax credit, a minimum wage increase, a proposal to raise the age for criminal responsibility, campus sexual assault legislation and a host of less prominent proposals. The failure to reach agreement on so many of these not particularly fiscally-related proposals may actually lead legislative strategists to rethink the previously accepted wisdom that encouraged linkage of freestanding legislative proposals to the budget process, on the theory that their inclusion in the budget substantially increased the chances of legislative consideration. In any event, the fact that so many of these proposals were not enacted in the budget leaves the Legislature with a very full agenda when it returns after April 21st for the final eight to ten weeks of the legislative session.

The summary below describes the final resolution of many of the most prominent issues in the 2015-16 State Budget. We welcome any comments or questions you may have on this memorandum; please feel free to contact our Albany office at 518-431-6700 if you require any additional information.

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Health and Medicaid

Across the Board Provisions

Executive Budget or One House	Enacted Budget
<p>Medicaid Global Cap. The Executive Budget would (i) continue the Medicaid Global cap through March 31, 2017, (ii) codify the existing unconsolidated law and the ability of the Division of Budget and Commissioner of Health to make adjustments to spending in the case that growth exceeds the cap, and (iii) confirm the Commissioner's authority to share savings when Medicaid spending is below the existing annual cap.</p>	<p>Modifies. Extends the global cap through 2017 and includes the Basic Health Program under the calculation of costs in the cap.</p>
<p>Costs Associated with Medicare Parts B and C. The Executive Budget proposes to ensure that the State's Medicaid program does not pay any portion of costs associated with Medicare Part B and Medicare Part C claims when the total payment to the provider would be greater than the Medicaid rate of payment. The proposal would take effect on July 1, 2015.</p>	<p>Modifies. Accepts the proposal for Medicare Part B claims but rejects it for Medicare Part C claims.</p>
<p>Spousal Refusal. The Executive Budget would require potentially responsible relatives to be both absent and refuse to provide care in order to disregard their income for determining eligibility for Medicaid long term care.</p>	<p>Rejects.</p>
<p>Annual Inflation Factors. The Executive Budget would not propose to restore the annual inflation factors, which include hospital inpatient, hospital outpatient and diagnostic and treatment centers, residential health care facility inpatient and adult day care outpatient, certified home health agencies and long term home health care plans, personal care, AIDS adult day care, assisted living, and hospice providers.</p>	<p>Accepts.</p>
<p>Civil Service Exemptions for Certain OHIP Positions. The Executive Budget would authorize up to 300 five year appointments, outside of the otherwise applicable civil service testing requirements, for health insurance program-related positions that require special expertise or qualifications within the Department of Health's (DOH) Office of Health Insurance Programs.</p>	<p>Rejects.</p>
<p>Temporary Preinvestigation Emergency Needs. The Executive Budget clarifies that neither the State nor the local social services districts are required to provide temporary, preinvestigation monetary or other grants for the purpose of obtaining emergency medical care, home care, or related services, and that neither the State nor local Medicaid dollars may be used to make a payment for temporary emergency medical care, services, or supplies prior to a Medicaid applicant being found eligible for the program, unless it is during a period of presumptive eligibility authorized under state law.</p>	<p>Accepts.</p>

Capital Investment in Healthcare Facilities

Executive Budget or One House	Enacted Budget
<p>Private Equity Ownership of Hospitals. The Executive Budget would establish a pilot program to “assist in restructuring healthcare delivery systems” that would allow for the establishment of up to five business corporations to operate hospitals. However, the stock of the hospitals would not be publicly traded. The business corporation would affiliate with at least one academic medical institution that is approved by the Commissioner of Health, and the entity would be eligible to participate in the Dormitory Authority of the State of New York (DASNY), the Local Development Corporation, or other Empire State Development Corporation debt financing. This year’s Executive Budget legislation adds new elements to the proposal that were apparently intended to overcome legislative resistance to the proposal. The new provisions would require assurances that the investors would remain for at least three years, disclosure of any opportunity for the not-for-profit hospital to buy out the investors, and the establishment of a local advisory board to make recommendations regarding issues such as the mission statement, approving the chief executive officer, and approving policies related to charity care.</p>	<p>Rejects.</p>
<p>Capital Financing for Healthcare. The Executive Budget would appropriate \$1.4 billion for capital improvements and investments in healthcare transformation, earmarked as follows:</p> <ul style="list-style-type: none"> • Brooklyn: \$700 million in capital funding would be directed to help stabilize the health care delivery system in Central and East Brooklyn; • Oneida County: \$300 million would be devoted to creating an integrated health care delivery system in Oneida County to reduce unnecessary inpatient beds and expand primary care services; • Upstate/Rural Health Care. To meet the financial challenges that exist for smaller, community-based and geographically isolated hospitals and health care providers throughout more isolated and rural communities, \$400 million would support debt restructuring and other capital projects to promote appropriate regional consolidations. 	<p>Modifies. Reduces the Upstate/Rural capital allocation to \$355 million (and specifies financial criteria for these facilities to satisfy) and allocates the remaining \$45 million as follows: \$19.5 million for a statewide community healthcare revolving capital loan fund; \$15.5 million to restore a proposed budget cut to Roswell Park Cancer Institute; and \$10 million for behavioral health.</p>

Executive Budget or One House	Enacted Budget
<p>Certificate of Need (CON) Redesign. The Executive Budget proposes to streamline certain elements of the State’s CON program by:</p> <ul style="list-style-type: none"> • Eliminating the necessity of establishing “public need” when general hospitals or diagnostic and treatment centers propose to construct primary care facilities, or when they propose construction that does not involve changes in capacity, types of services, geographic location, major medical equipment, or facility replacement; • Authorizes DOH to consider the adequacy of financial resources and sources of future revenues in reviewing projects; • Authorizing the Public Health and Health Planning Council to approve primary care diagnostic and treatment centers without regard to their public need or financial feasibility; • Reducing the “look back” period for review of the character and competence of proposed sponsors or directors of health care entities from ten to seven years, and expanding the description of these sponsors to include “members”, “principal members”, and “principal stockholders”; and • Standardizing the review of transfers of less than 10% of the voting rights or ownership in health care facilities licensed under Article 28 of the Public Health Law with the reviews of home care entities certified or licensed under Article 36 and requiring that Public Health and Health Planning Council approval will be required where a previously unapproved transferee gains more than a 10% interest in such entities. 	<p>Rejects.</p>
<p>Eliminating Upgraded Diagnostic and Treatment Centers. The Executive Budget would repeal provisions that authorize the designation of “Upgraded Diagnostic and Treatment Centers” to providers that provide limited emergency services as members of rural health networks. Upgraded diagnostic and treatment centers have been replaced by urgent care centers and freestanding emergency departments.</p>	<p>Rejects.</p>
<p>Limited Service Clinics. The Executive Budget would allow DOH to license and regulate diagnostic and treatment centers that operate in retail establishments, which are variously known as “limited services clinics”, “retail clinics” or “minute clinics.”</p>	<p>Rejects.</p>
<p>Urgent Care Centers. The Executive Budget would standardize the regulatory oversight of urgent care centers and require that all entities that hold themselves out as urgent care facilities are either Article 28 certified entities or fully accredited healthcare providers. Each clinic would also need to meet a minimum scope of practice limited to treatment for acute episodic illness and minor trauma.</p>	<p>Rejects.</p>
<p>Office-Based Surgery and Anesthesia. The Executive Budget would standardize the scope of practice for office-based surgery and anesthesia, and require that each office-based surgery be accredited by a national recognized accrediting body.</p>	<p>Modifies. Clarifies that an emergency department visit within seventy-two hours of an office-based surgery will only be considered an adverse event if the admission is related to the office-based surgery.</p>

Executive Budget or One House	Enacted Budget
<p>Community forum on establishment of certain facilities in the county of Bronx. The enacted budget repealed a provision enacted last year, which had required certain facilities to be established in the Bronx to be the subject of additional review by DOH and the community. The repeal of this provision comes after the sponsor of the project that created this controversy, Montefiore Medical Center, announced that it had abandoned its plans to construct a physician office building in the Riverdale section of the Bronx.</p>	<p>New.</p>

Hospital Reimbursement

Executive Budget or One House	Enacted Budget
<p>Vital Access Provider Program and Critical Access Hospitals. The Executive Budget would increase funding for the Vital Access Provider program by \$290 million (state-share) and by \$2.5 million for critical access hospitals.</p>	<p>Accepts \$290 million increase and sets aside \$5 million for an “essential community hospital” pool for hospitals that, because of their isolated geographic location, are not sustainable without additional State support</p>
<p>Inpatient Obstetrical Care Services. The Executive Budget would allow the provisions of law requiring a tax on revenue associated inpatient obstetrical services to expire on April 1, 2015, resulting in 40% cut in taxes on inpatient obstetrical care services, and a savings of \$15 million.</p>	<p>Rejects.</p>
<p>Quality Incentive Payments. A new proposal would permit the Commissioner to establish a pool of funds to be paid to hospitals based on quality measures. The payments would be part of the concept of value-based purchasing described below.</p>	<p>Accepts.</p>
<p>Increased Payments To Sole Community Providers. Twelve million dollars is proposed for rate adjustments to hospitals that qualify as sole community providers under Medicare definitions.</p>	<p>Modifies. Funding is reduced to \$7.5 million.</p>
<p>End Required Annual DOH Rate Notices to Hospitals. Existing statutes require the Commissioner to provide 60 day advance notice to hospitals of their new payment rates from DOH. That statute is routinely waived in the Executive Budget or other rate-setting legislation. The Executive Budget would permanently remove the requirement. Rates for residential health care facilities and diagnostic and treatment centers would continue to be subject to the notice provision.</p>	<p>Modifies. Continues to apply sixty-day advance notice for nursing homes, but reduces notices for hospitals to thirty-days.</p>

NYS Basic Health Program

Executive Budget or One House	Enacted Budget
<p>Rate Setting. The Executive Budget would vest the Commissioner of Health with the authority for rate setting for the Basic Health Program (BHP), which had been authorized by last year's Enacted Budget. The Commissioner is charged with contracting with an independent actuary to study and recommend appropriate reimbursement methodologies based on an assessment of rate adequacy, the scope of services to be provided, the utilization of such services, and the network of providers required to meet state standards.</p>	<p>Modifies. Requires the independent actuary to provide a complete actuarial report to the Legislature on an annual basis.</p>
<p>Immigrant Eligibility Requirements. The Executive Budget would make a technical correction to the BHP immigrant eligibility requirements. The statutory requirements currently limit eligibility for noncitizens to lawful permanent residents or individuals who are permanently residing under color of law (PRUCOL). The Executive Budget proposes to add "or who are non-citizens in a valid nonimmigrant status" as defined by federal statute.</p>	<p>Accepts.</p>
<p>Executive Order on Immigration. In November 2014, President Obama issued an executive order that allows immigrants who have lived in the United States for five years and are parents of citizens or permanent residents to remain in the country without the threat of deportation on the condition that they pay a fine and back taxes. Although the executive order does not entitle these immigrants to Medicaid or federal subsidies, New York State law requires the State to provide Medicaid coverage to eligible individuals who are PRUCOL.</p>	<p>Completed by Administrative Action.</p>
<p>Basic Health Program Report. The Enacted Budget requires DOH to submit a report detailing a contingency plan in the event eligibility rules or regulations are modified or repealed or in the event federal payment is reduced from ninety five percent of the premium tax credits and cost-sharing reductions. If these action were to occur, then the report would need to be implemented within 90 days.</p>	<p>New.</p>

Health Homes

Executive Budget or One House	Enacted Budget
<p>Infrastructure Grants. The Executive Budget authorizes the distribution of up to \$5 million in health home infrastructure grants to establish coordination between health homes and the criminal justice system and for the integration of information of health homes with state and local correctional facilities. Health homes receiving such grants must document and demonstrate the effective use of the funds distributed.</p>	<p>Modifies. Adds a provision that authorizes the distribution of up to \$1 million for certified application counselors and assistants to facilitate the enrollment of persons in high-risk populations. The funds distributed must be expended through a request for proposal process.</p>

Pharmacy

Executive Budget or One House	Enacted Budget
<p>Supplemental Rebates. The Executive Budget would give DOH the authority to secure supplemental rebates from drug manufacturers for utilization in both fee-for-service and Medicaid managed care. This authority would only extend to those manufacturers that participate in the federal drug rebate program.</p>	<p>Modifies. Allows DOH to secure supplemental rebates on drug utilization in managed care, but limits this to antiretrovirals for the treatment of HIV and HCV agents. Manufacturers are prohibited from paying rebates to health plans or PBMs when the state is collecting said rebates and when there is standard clinical criteria in place (across plans and FFS). DOH is required to appropriately adjust rates of payment to plans as a result of this initiative.</p>
<p>Minimum Supplemental Rebate. The Executive Budget would authorize the Commissioner of Health to require drug manufacturers to provide a minimum supplemental rebate for drugs eligible for Medicaid reimbursement.</p>	<p>Rejects.</p>
<p>Pharmacy Reimbursement. The Executive Budget would amend the terms by which it reimburses pharmacies for brand name drugs and the pharmacies' administrative costs. Current reimbursement is Average Wholesale Price (AWP) less 17%. The Executive Budget would set reimbursement at AWP minus 24%, and, at the same time, would increase the dispensing fee for brand names drugs from \$3.50 to \$8.00.</p>	<p>Rejects.</p>
<p>Clinical Drug Review Program (CDRP). Currently, a drug has to be recommended for prior authorization under the CDRP by the Drug Utilization Review Board (DURB). This proposal would allow the Commissioner of Health to subject a drug to prior authorization under the CDRP prior to obtaining the DURB's evaluation and recommendation.</p>	<p>Rejects.</p>
<p>Prescriber Prevails. The Executive Budget proposes to eliminate prescriber prevails in the Medicaid fee-for-service program. The Medicaid program would consider additional information and justification presented by the prescriber, but the program ultimately would have authority over whether the drug is prescribed. This proposal would not apply to managed care.</p>	<p>Rejects.</p>
<p>340B Providers. The Executive Budget would require participating 340B drug providers to bill Medicaid managed care plans at the actual acquisition cost for 340B drugs, aligning the practice with the requirements for fee-for-service beneficiaries.</p>	<p>Rejects.</p>
<p>Prescription Saver Program. The Executive Budget would eliminate New York State's Prescription Saver Program, which is no longer necessary due to the availability of more comprehensive programs.</p>	<p>Accepts.</p>
<p>Consent for Delivery of Pharmaceuticals. The Senate proposes to align the rules allowing for the delivery of pharmaceuticals "off premises" by a pharmacy with the Medicare Part D rules.</p>	<p>Accepts.</p>

Managed Care

Executive Budget or One House	Enacted Budget
<p>Cap on Mainstream Medicaid Managed Care Profits. DOH would implement administratively a five percent cap on the profits of the mainstream Medicaid managed care plans, with the understanding that any “excess” profits would be reinvested in the quality incentive pools.</p>	<p>Completed by Administrative Action.</p>
<p>Managed Care Drug Efficiencies. The State intends to adjust Medicaid managed care premiums reflecting efficiencies in the prescription drug program. These adjustments would estimate costs that could have been avoided in the pharmacy benefit.</p>	<p>Completed by Administrative Action.</p>
<p>Non-Emergent Transportation in Managed Long Term Care. The Executive Budget contemplates that non-emergent transportation would be carved out from the Medicaid managed long term care (MLTC) benefit package. MLTC plans would then rely on existing vendors through the State to provide and coordinate the transportation benefit, as is currently the case with the mainstream Medicaid managed care program.</p>	<p>Rejects. Prohibits DOH from moving the transportation benefit from the managed care plans to a statewide vendor. The provision essentially keeps transportation in the benefit package for MLTC.</p>
<p>MLTC Technology Demonstration. The Executive Budget proposes a \$1 million investment to create a demonstration program to enable MLTC enrollees residing in the community to utilize new home based technologies, with the goal of increasing consumer independence.</p>	<p>Completed by Administrative Action.</p>
<p>Recruitment, Training and Retention in MLTC. The Executive Budget would clarify that discrete recruitment, training and retention rate increases for MLTC plans are included in the base rate.</p>	<p>Rejects.</p>
<p>Managed Care Ombudsman. The Executive would allocate \$5 million administratively to expand the managed care ombudsman program to all Medicaid managed care products, not just those limited to long term care.</p>	<p>Completed by Administrative Action.</p>
<p>Supplemental Payments to Managed Care Plans for Certain Professional Services. The Executive Budget would authorize DOH to make increased supplemental Medicaid payments to managed care plans for professional services provided through State University of New York clinical practice management plans in order to align supplemental payments made for fee-for-service reimbursement.</p>	<p>Accepts.</p>
<p>Grants to Finance the Transition of Foster Care Children to Managed Care. The Executive Budget would authorize the Commissioner of Health to make grants of up to \$5 million for SFY 2014-15 and up to \$15 million for SFY 2015-16 to facilitate the transition of foster care children placed with voluntary foster care agencies to managed care.</p>	<p>Accepts.</p>
<p>Independent Consumer Advocacy Network. The Assembly proposes creating a new ombudsmen program which would assist potential and current Medicaid managed care enrollees by educating them on health plan-related issues, advising on complaints and appeals, and representing them before the plan and other bodies. This is an extension of the current ombudsmen program which only focuses on potential enrollees in managed long term care.</p>	<p>Rejects.</p>

Executive Budget or One House	Enacted Budget
<p>School-Based Health Centers. The Senate and Assembly propose delaying the transition of school-based health center services to Medicaid managed care by authorizing a two-year pilot project that involves at least three school-based health centers and requires the Commissioner of Health to submit interim and final reports to the Legislature. On or after July 1, 2017, the Commissioner would be authorized to transition school-based health center services to managed care on a phased-in schedule based on geography and health center capability to participate. The Senate also proposes permanently carving out behavioral health and reproductive health services provided at school-based health centers from managed care.</p>	<p>Rejects.</p>
<p>DOH Actuary and MMCORs. The Senate proposes requiring DOH's actuary to provide managed care plans with an actuarial memorandum explaining all assumptions made for setting health plan rates at least 30 days before submitting the rates to CMS for approval. DOH would also be required to annually provide the Legislature with managed care operating reports received from the plans, which are the quarterly financial reports submitted to DOH.</p>	<p>Modifies. Adds language requiring DOH to consider costs borne by the mainstream or MLTC program to ensure actuarially sound and adequate rates of payment and quality of care.</p>
<p>Medicaid Benefits Review Process. The Senate proposes requiring legislative approval of amendments promulgated by DOH that would add a new covered benefit(s) or expand benefit coverage under Medicaid.</p>	<p>Modifies. Eliminates amendments and establishes a Medicaid Evidence Based Benefit Review advisory committee that will make recommendations regarding coverage of health technology or services for the Medicaid program. DOH is required to consult the committee regarding material changes in the coverage status of a particular item, health technology or service, and any matter relative to new health technology assessment or medical evidence review for which DOH determines a sufficient body of evidence exists to warrant committee deliberation.</p>

Child Health Plus

Executive Budget or One House	Enacted Budget
<p>Alignment of Rates with Medicaid Managed Care for Certain Providers. The Executive Budget would make statutory changes to align CHP reimbursement rates for ambulatory behavioral health services with current Medicaid reimbursement standards. As proposed, the Commissioner of Health would consult with the Commissioners of the Office of Alcoholism and Substance Abuse Services (OASAS) and the Office of Mental Hygiene (OMH) to determine such rates.</p>	<p>Modifies. Extends certain implementation dates and adds a reporting requirement.</p>
<p>Child Health Plus Rate Reductions. The Enacted Budget eliminates the current reductions in rates for certain Child Health Plus plans whose rates are more than the average statewide rate.</p>	<p>New.</p>

Long Term Care

Executive Budget or One House	Enacted Budget
<p>Nursing Home Emergency Preparedness. The Executive would authorize the Commissioner of Health to establish an energy efficiency and/or disaster preparedness demonstration program for residential health care facilities.</p>	<p>Modifies. Authorizes the Commissioner to conduct an energy audit and/or disaster preparedness review of residential health care facilities, which shall serve as the basis for an energy efficiency and/or disaster preparedness program to be developed by DOH in regulations.</p>
<p>Consumer First Choice Option. The Executive Budget would allow for enhanced federal funding generated through the Consumer First Choice Option to be used to implement the State's comprehensive plan for serving New Yorkers with disabilities in the most integrated setting, consistent with the State's Olmstead plan.</p>	<p>Modifies. Requires DOH to submit reports to the Legislature and other stakeholders on the allocation of such funds.</p>
<p>Transportation Needs of Persons with Disabilities and Other Special Needs. The Executive Budget would authorize the Commissioner of Health to contract with one or more entities to conduct an assessment of the mobility and transportation needs of persons with disabilities and other special needs populations. The assessment would identify any legal, statutory or regulatory, and funding barriers, and would make recommendations for the development of an Olmstead Mobility Management Pilot program.</p>	<p>Rejects.</p>
<p>Permanent Extensions. Existing provisions would be made permanent in the case of Medicaid capital cost reimbursement and trend factors. Authorization of the certified home health bad debt and charity care allowances would also be made permanent.</p>	<p>Modifies. Eliminates language making extensions permanent and instead provides an extension until March 31, 2017.</p>
<p>Shared Savings Program for Nursing Homes. The Senate proposes establishing a sharing savings program for nursing homes to incentivize refinancing of high interest rate facility debt.</p>	<p>Rejects.</p>
<p>Universal Coding Standards for Long-Term Care Claims. Both houses would require Medicaid Managed care plans to use universal billing codes approved by DOH or a nationally accredited organization for purposes of contracting with CHHAs, LHCSA, and LTHHCPs. The senate budget also requires that said claims be paid via electronic funds transfer.</p>	<p>Modifies. Requires managed care plans to use standard billing codes for home and community based long term care, CDPAP and nursing home care. DOH shall approve the standard billing codes. The budget also requires managed care plans to pay home and community based long term care providers, CDPAP fiscal intermediaries and nursing homes using electronic funds transfer.</p>
<p>Adequate Rates for Homecare Workers. The Assembly adds a provision that requires plans to have provisions in their contracts with CHHAs, LHCSAs, LTHHCPs, and CDPAP fiscal intermediaries to meet wage, recruitment, training and retention requirements for their employees. The Assembly directs the Medicaid agency to adjust rates appropriately to meet these requirements.</p>	<p>Rejects.</p>
<p>Expedited Personal Care. The Enacted Budget requires DOH to develop a process for expedited eligibility determinations for individuals with an immediate need for personal care or CDPAP services. The budget also requires the managed care plan to adopt expedited procedures for any enrollees who require immediate need of personal care or CDPAP.</p>	<p>New.</p>

Executive Budget or One House	Enacted Budget
<p>Nursing home capital reimbursement cap. The Enacted Budget expands the limited circumstances under which DOH has authority to adjust the Medicaid nursing home capital reimbursement cap on a demonstration basis, and without a requirement for a request for proposals, to include, in order to effectuate a residential health care facility construction project by the Jewish Home of Rochester. Such facility, in addition to the Eddy Cohoes Rehabilitation Center (a facility already eligible for such an adjustment under current law) must report to DOH data to demonstrate the efficacy of this residential model.</p>	<p>New.</p>

HCRA Expenditures

Executive Budget or One House	Enacted Budget
<p>CHP. The Executive Budget proposes maintaining funding for CHP from the HCRA pool at \$474.5 million. The Executive Budget also proposes to appropriate an additional \$706.6 million, an increase over last year's additional \$521.8 million.</p>	<p>Modifies. Increases funding to \$482 million, plus an additional \$717.1 million.</p>
<p>EPIC. The Executive Budget proposes increasing funding from the HCRA pool for the program from \$114.4 million to \$126.5 million.</p>	<p>Accepts.</p>
<p>Roswell Park Cancer Institute. The Executive Budget proposes decreasing funding for Roswell Park Cancer Institute from \$96.6 million to \$87.1 million.</p>	<p>Accepts.</p>
<p>AIDS Drug Assistance Program. The Executive Budget proposes maintaining the funding to be transferred to Health Research Incorporated for the AIDS drug assistance program at \$41.1 million.</p>	<p>Accepts.</p>
<p>Medical Indemnity Fund. The Executive Budget proposes maintaining funding for the program at \$52 million.</p>	<p>Accepts.</p>
<p>Rate Increases for Certified Home Health Agencies, Long-Term Home Health Care Programs, AIDS Home Care Programs, Hospice Programs, Managed Long-Term Care Plans. The Executive Budget proposes maintaining funding at \$100 million.</p>	<p>Accepts.</p>
<p>Workforce Recruitment for Personal Care Services in New York City. The Executive Budget proposes maintaining funding for this program at \$272 million.</p>	<p>Accepts.</p>
<p>Workforce Recruitment for Personal Care Services in the Rest of State. The Executive Budget proposes maintaining funding for this program at \$22.4 million.</p>	<p>Accepts.</p>
<p>Health Facility Restructuring. The Executive Budget proposes increasing funding for this program to \$19.6 million.</p>	<p>Accepts.</p>
<p>Uncompensated Care for Diagnostic & Treatment Centers. The Executive Budget proposes maintaining funding for this program at \$54.4 million.</p>	<p>Accepts.</p>
<p>Physician Loan Repayment. The Executive Budget proposes funding this program at \$1.7 million.</p>	<p>Modifies. Provides an additional \$2 million in funding.</p>

Executive Budget or One House	Enacted Budget
Physician Practice Support. The Executive Budget proposes funding this program at \$4.4 million.	Accepts.
Physician Workforce Study. The Executive Budget proposes maintaining funding for this program at \$487,000.	Accepts.
Excess Medical Malpractice. The Executive Budget proposes maintaining funding for this program at \$127.4 million.	Accepts.
Emergency Assistance. The Executive Budget proposes maintaining funding for this program at \$2.9 million.	Accepts.
Diversity in Medicine Program. The Executive Budget proposes eliminating the \$1.6 million in funding for this program.	Rejects.
Graduate Medical Education in Rochester Region. The Assembly and Senate included provisions similar to legislation passed by both houses last year (A. 9421-A/S.7800) but vetoed by the Governor (Veto # 574) that would increase the covered lives assessment to fund graduate medical education in region, while offsetting current hospital rate payments made by insurers in region by a commensurate amount.	Rejects.
<p>HCRA Modernization Task Force. The Enacted Budget establishes a HCRA Modernization Task Force, charged with evaluating the:</p> <ul style="list-style-type: none"> • Purposes for which the HCRA fund was established and whether such purposes may be continually served by such fund; • Impact that any reduction or recalculation of indigent care and disproportionate share payments pursuant to federal law may have on the HCRA fund, and the cost that such reductions or recalculations will have to the state; • Extent to which provisions of law in the HCRA statutes have become obsolete; • Extent to which the Balanced Budget Act of 1997, Public Health Law 105-33, mandates a particular form of charges or assessments under HCRA and the impact any proposed change would have on the protections by such law; and • Any other purpose that would contribute to the streamlining and modernization of HCRA and the HCRA fund. <p>In addition to certain executive branch representatives, the Speaker and the Senate Majority Leader would each appoint a member and other members of the Task Force would include hospital representatives, among other stakeholders. The Task Force is supposed to be convened by June 30 and report by the end of the year.</p>	New.

Assessments for the New York State of Health

Executive Budget or One House	Enacted Budget
<p>State of Health Assessments. The Executive Budget proposes establishing an assessment on all accident and health insurers to fund the ongoing operations of the New York State of Health (NYSOH). Under the proposal, all accident and health insurers would contribute to cover NYSOH's costs, regardless of whether the coverage is offered on or off the NYSOH.</p>	<p>Rejects.</p>

Indigent Care Pool

Executive Budget or One House	Enacted Budget
<p>Indigent Care Pool. The Executive Budget proposes extending the phase-in period of the current approach to allocating funds from the indigent care pool through 2018. The Executive Budget proposes continuing the increase in the maximum reduction (or increases) in indigent care pool payments to 10% for CY 2016, 12.5% for CY 2017, and 15% of CY 2018 and proposes permitting DOH to reduce indigent care pool payments and increase the maximum reduction in payments in the event that the aggregate level of Medicaid Disproportionate Share Hospital payments are reduced.</p>	<p>Rejects.</p>

Value-Based Purchasing

Executive Budget or One House	Enacted Budget
<p>Managed Care Plans. The Executive Budget proposes authorizing DOH to permit managed care organizations to enter into value-based payments with providers—an authority that managed care plans have long enjoyed and exercised, subject to certain guidelines and review processes for contracts between plans and providers.</p>	<p>Rejects.</p>
<p>DSRIP. The Executive Budget also proposes authorizing DOH to enter into value-based payments with performing provider systems (PPS) that are participating in DSRIP. The Executive Budget also proposes expressly authorizing PPSs to arrange by contract for the delivery and provision of health care services.</p>	<p>Rejects.</p>
<p>Direct Reimbursement. The Executive Budget also proposes authorizing DOH to “utilize methodologies of reimbursement that are value based.” This could include a number of approaches, including the following: allowing DOH to utilize value-based payment methodologies for the fee-for-service Medicaid program; authorizing DOH to pay value-based payments to DSRIP providers under DSRIP funding; and permitting “reimbursement methodologies that are value-based” when setting the capitation rates DOH pays to health plans.</p>	<p>Rejects.</p>

Executive Budget or One House	Enacted Budget
<p>Regulation of Value-Based Payments. The Executive Budget also proposes authorizing DOH to issue regulations governing value-based payments, including the following:</p> <ul style="list-style-type: none"> • Authorizing discrete categories of value-based payments that account for levels of risk, including predefined payment methods that spare parties of the necessity to “reinvent the wheel”, but which may subject healthcare entities to increased State oversight of such contracts; • Placing conditions upon value-based payments; • Requiring or adjusting reserves for health plans and providers entering into value-based payment arrangements; and • Establishing a reinsurance pool. 	<p>Rejects.</p>

Health Care Reform

Executive Budget or One House	Enacted Budget
<p>Health Information Technology Demonstration Program. The enacted budget amends the existing provisions governing this program to require DOH to post on its website by September 1, 2015, and quarterly thereafter, information on the uses of funding in support of the Statewide Health Information Network of New York (SHIN-NY), including how such funds may be used to “support hospitals, physicians, and other providers in the achievement of federal meaningful use requirements; support DSRIP health information exchange and data requirements to help performing provider systems and the state meet DSRIP quality goals; and (C) increase participation in regional health information organizations by providers at reasonable costs to the providers.” The amendments would also augment the reporting requirements of the already constituted workgroup on these issues and, if the Commissioner were to promulgate regulations on these issues before the workgroup issues its report, the regulations would have to be shared with the workgroup in advance of promulgation.</p>	<p>New.</p>
<p>State Health Innovation Plan. The enacted budget requires the Commissioner to prepare a report by January 1, 2016 and annually thereafter on the implementation of the State Health Innovation Plan (SHIP) which shall include: (1) the recommendations of the workgroups established to assist the state in implementation of the SHIP; (2) DOH's efforts in advancing the SHIP's goals; and (3) information on the expenditures of the State Innovation Model grant.</p>	<p>New.</p>
<p>Community Advisory Boards for DSRIP. The Assembly would require PPSs to create Community Advisory Boards whose purpose is to advise the PPS leadership on operational matters, service delivery, healthcare disparities, project outcomes, and goals of its plans and programs. The members of this board will be representatives of the community.</p>	<p>Modifies. Includes additional reporting requirements to the Legislature as well as authority for the State to waive certain regulatory requirements to ensure the success of DSRIP.</p>

Professional Licensure and Scope

Executive Budget or One House	Enacted Budget
<p>Working Hours for Residents. The Executive Budget would eliminate audits of the number of hours worked by residents in teaching hospitals, due to duplicative federal and state requirements. This provision would also give the Commissioner of Health the authority to audit hospitals; citing any hospital that was found to be noncompliant with the rules and regulations of New York State and charging them with a civil penalty.</p>	Rejects.
<p>Advanced Home Health Aides. The Executive Budget would provide an exemption from the Nurse Practice Act, which would allow for the creation of Advanced Home Health Aides. These aides would have a limited scope of practice in hospice and homecare settings, undergo advanced training and certification, and be under the supervision of a licensed registered nurse.</p>	Rejects.
<p>Collaborative Drug Therapy Management. The Executive Budget would extend the authorization for pharmacists to engage in collaborative drug therapy management in teaching hospitals for an additional three years. This provision allows pharmacists to help patients manage prescriptions according to prescribing practitioners' plans of care.</p>	Rejects.
<p>Discontinue DOH Physician Profile Program. The Executive Budget would relieve DOH of the obligation to collect and to post individual physician profiles for dissemination to the public.</p>	Rejects.

Public Health

Executive Budget or One House	Enacted Budget
<p>Family Planning Services. To leverage enhanced federal financial participation, the Executive Budget would carve out family planning or family planning-related services that are eligible for enhanced federal medical assistance percentages from the ambulatory patient group and hospital inpatient reimbursement methodologies.</p>	Rejects.
<p>Community Water Fluoridation Program Transparency. The Executive Budget proposes to require localities that decide to discontinue community water fluoridation programs to issue prior notice to the public and DOH. Public notice would include a justification, available alternatives to fluoridation, and a summary of consultations concerning such discontinuance.</p>	Accepts.
<p>HIV/AIDS Risk Reduction. The Executive Budget would amend various provisions of state law to facilitate HIV/AIDS risk reduction activities. It would (i) create exceptions to certain misdemeanors where an individual possesses a hypodermic syringe or needle that he or she has obtained through the State's Expanded Syringe Access Program ("ESAP") or a medical provider-based syringe access program; (ii) exclude hypodermic syringes and needles obtained through these programs from constituting drug-related paraphernalia; and (iii) remove the limit on the number of hypodermic needles or syringes that can be sold.</p>	Modifies. Eliminates sections which exclude hypodermic syringes and needles obtained through these programs from constituting drug-related paraphernalia, and which removes the limit on the number of hypodermic needles or syringes that can be sold.

Executive Budget or One House	Enacted Budget
Evidence for Misdemeanor Prostitution and Loitering. The Executive Budget would prohibit the use of condoms as evidence in misdemeanor prostitution and loitering cases. This prohibition is designed to encourage sex workers to carry and use condoms, without fear that the possession of them would be used against them if they are charged with criminal offenses.	Accepts.
Prenatal Clinical Health Services. The Executive Budget would provide \$190 million for the provision of prenatal services to uninsured women if they are unable to gain insurance coverage.	Rejects.
STD Screening and Education. The Executive Budget proposes \$777,600 for a statewide public health campaign designed to provide screening and educational activities regarding STDs.	Rejects.
Caregiver Supports. The Executive Budget proposes \$50 million to expand existing services for the caregivers of individuals with Alzheimer's and other dementias.	Accepts.
Presumptive Medicaid Eligibility for Those Released From Prison. The Assembly would require that an individual be deemed presumptively eligible for Medicaid for the 60-day period following release from a state or local correctional facility.	Rejects.
Young adult special populations demonstration program. The Enacted Budget requires the Commissioner of Health to establish up to three young adult special populations demonstration programs to provide cost effective, necessary services and enhanced quality of care for individuals with severe and chronic medical or health problems, or multiple disabling conditions that may be combined with developmental disabilities. These programs are required to provide such individuals with more appropriate settings and services, to help prevent out-of-state placements and allow repatriation back to their home communities.	New.

Public Health Consolidation

Executive Budget or One House	Enacted Budget
Maternal and Child Health Programs. The Executive Budget proposes \$30.8 million for the services and expenses of maternal and child health programs.	Rejects.
Chronic Disease Prevention. The Executive Budget proposes \$32.3 million for the services and expenses of chronic disease prevention programs.	Rejects.
Infectious Disease Programs. The Executive Budget proposes \$4.5 million for the services and expenses of infectious disease programs.	Rejects.
Public Health Workforce. The Executive Budget proposes \$38.2 million for the services and expenses of public health workforce programs.	Rejects.
Health Outcomes and Advocacy. The Executive Budget proposes \$14.7 million for the services and expenses of health outcome and advocacy programs.	Rejects.

State Office for the Aging

Executive Budget or One House	Enacted Budget
Community Services Elderly Grant Program. The Executive Budget would appropriate \$25.2 million in discretionary increases for the Expanded In-Home Services for the Elderly program (EISEP) and the Community Services for the Elderly program in place of the suspended cost of living adjustment (COLA).	Accepts.
Naturally Occurring Retirement Communities and Neighborhood Naturally Occurring Retirement Communities. The Executive Budget proposes level funding Naturally Occurring Retirement Communities and Neighborhood Naturally Occurring Retirement Communities programs at \$4 million.	Accepts.
EISEP. The Executive Budget proposes \$50 million in general funding for EISEP .	Accepts.
Wellness in Nutrition Program. The Executive Budget would fund the Wellness in Nutrition program at \$27.3 million.	Accepts.
Social Model Adult Day Programs. Funding for social model adult day programs would be maintained at \$1.1 million and existing providers would be given preference for funding. The Executive Budget also proposes \$122,000 in funding for the New York State Social Adult Day Services Association in order to provide training for social adult day service providers.	Accepts.
Point of Entry Initiatives. The Executive Budget would fund point of entry initiatives that improve the long term care system through coordinated care at \$3.3 million.	Accepts.
Congregate Services Initiative. The Executive Budget proposes maintaining funding for the Congregate Services Initiative at \$403,000.	Accepts.
Caregiver Resource Centers. The Executive Budget would maintain funding for the Caregiver Resource Centers at \$353,000.	Accepts.
Livable NY. Livable NY helps create neighborhoods that consider the evolving needs and preferences of the elderly. The program would be appropriated \$122,500.	Accepts.
Long Term Care Ombudsman. The Executive Budget proposes \$690,000 for the Long Term Care Ombudsman.	Accepts.
Respite Service Providers. The Executive Budget proposes to fund programs that provide respite care for the elderly at \$656,000.	Accepts.

Mental Hygiene

Office of Mental Health

Executive Budget or One House	Enacted Budget
Extend Timeframes for Existing Authority to Recover Exempt Income from Residential Programs. The Executive Budget would amend unconsolidated law by extending the applicable fiscal periods for which OMH is authorized to recover from community residences and OMH-licensed family-based treatment providers Medicaid exempt income.	Rejects.
Educational Services for Youth Residing in OMH Hospitals. The Executive Budget would extend a pilot program, established under the SFY 2012-13 Enacted Budget to provide special educational services for youth aged 5-21 residing in OMH Hospitals by authorizing the Board of Cooperative Educational Services (BOCES) to contract with the OMH to provide these patients with any alternative educational programs BOCES provides to such patient's component school districts.	Rejects.
Representative Payees. The Executive Budget would extend for three years, the authority of OMH facility directors to act as representative payees, who are permitted to receive or obtain funds or other personal property from residents without guardians.	Rejects.
Crisis Intervention Training Programs. The Assembly would require the Commissioner of OMH to establish a Mental Health Crisis Intervention Demonstration Program to assist law enforcement officers in responding to crisis situations involving people with mental illness.	Rejects.

Office for People with Developmental Disabilities

Executive Budget or One House	Enacted Budget
Clarify Direct Care Staff Role in Non-Certified Settings. The Executive Budget clarifies the authority of the Office for People with Developmental Disabilities (OPWDD) to permit direct care staff to provide certain nursing-related services in non-certified settings that are funded, authorized or approved by OPWDD.	Rejects.
Reserves for Payments to CMS. The Executive Budget would reserve a portion of the funds resulting from the bank settlements received by the State this year to fund all or part of any potential settlements with CMS resulting from overpayments to OPWDD providers.	Accepts.
Cost of Living Adjustment. The Executive Budget contains the necessary funds to support the COLA for direct support professionals and clinicians in the SFY 2015-16 Executive Budget that had been promised last year.	Accepts.

Executive Budget or One House	Enacted Budget
<p>Facility Downsizing. The Executive Budget proposes to continue the downsizing and closure of development disabilities centers, which would save the State an estimated \$11.6 million. \$6.2 million of these savings would be reinvested in new community supports for individuals transitioning back into the community.</p>	<p>Modifies. Directs OPWDD to provide monthly updates on developmental center deinstitutionalization, which will include reports on current census, census reductions, and support for discharged residents.</p>
<p>OPWDD Service Opportunities. The Executive Budget would invest \$60 million in new services for individuals with developmental and intellectual disabilities in SFY 2015-16, and support the continued transition to community-based care.</p>	<p>Modifies. Requires OPWDD to issue a report on the residential waiting list, including information regarding services currently provided to such individuals, and any available regional information on priority placement approaches and housing needs. In consultation with stakeholders, OPWDD is also directed to establish a plan to increase housing alternatives for people with developmental disabilities.</p>
<p>Mental Hygiene Stabilization Fund (MHSF). The Executive Budget would increase the MHSF established in 2013 to assist in replacing \$1.1 billion in federal funding cuts, in part by providing Medicaid support from DOH for OPWDD services. In SFY 2014-15, the amount transferred to the MHSF was \$715 million, and a transfer of \$915 million was proposed for SFY 2015-16.</p>	<p>Accepts.</p>
<p>Statewide Evaluation of Supportive Housing. The Senate would require the Commissioner of OPWDD to conduct an annual analysis of community supports for individuals with developmental disabilities in each county of the state.</p>	<p>Rejects.</p>
<p>OPWDD Transformation Workgroup. The Assembly would require the Commissioner of OPWDD to establish a Transformation Workgroup, charged with establishing a Transformation Plan that includes recommendations and strategies for maintaining the fiscal viability of service and support delivery systems for persons with disabilities and strategies that will enable OPWDD to provide required and appropriate levels of care.</p>	<p>Rejects.</p>
<p>Employment First Choice Act. The Senate would add the provisions of its stand-alone legislation (S. 3893-A), which would permit individuals with developmental disabilities to be provided with a choice as to whether to stay in a non-integrated employment setting after being provided with information regarding other employment options.</p>	<p>Modifies. Eliminates Senate language and directs OPWDD to develop a plan to assist individuals transition to integrated work settings that will “provide choice of work settings for individuals with developmental disabilities.” The plan will solicit and analyze stakeholder input, involve outreach and education, set forth “a detailed analysis of options available to meet the needs and goals of those individuals who currently cannot or choose not to transition to integrated community work settings.” The plan must be submitted by February 15, 2016.</p>

Office of Alcoholism and Substance Abuse Services

Executive Budget or One House	Enacted Budget
<p>Program for Gambling Self-Exclusion. The Assembly would require the Commissioner of OASAS to create educational materials regarding compulsive gambling for individuals who voluntarily place themselves on a self-exclusion list from gaming facilities, and establish a problem gambling education program, which would be required for all individuals who subsequently request removal from the list.</p>	<p>Rejects.</p>

Executive Budget or One House	Enacted Budget
<p>Statewide Assessment of Illegal Gambling. The Assembly would direct the Commissioner of OASAS, in consultation with the New York State Gaming Commission and pertinent stakeholders, to commission a statewide evaluation regarding the extent of legal and illegal gambling by state residents.</p>	<p>Rejects.</p>
<p>Opioid protections. The Enacted Budget expands the definition of “opioid antagonist recipient” to include additional school facilities that are permitted to provide and maintain opioid antagonists, which will ensure ready and appropriate access to any student or staff suspected of having opioid overdose. The Enacted Budget also permits a licensed physician or certified nurse practitioner to prescribe and order a non-patient specific regimen to a professional nurse for the urgent or emergency treatment of opioid related overdose or suspected opioid related overdose.</p>	<p>New.</p>

Human Services

Office of Children and Family Services

Executive Budget or One House	Enacted Budget
Close to Home Initiative. The Executive Budget proposes \$41.4 million for the Close to Home Initiative, which allows for the placement of a juvenile closer to his or her family, in an effort to reduce recidivism.	Accepts.
Adoption Subsidies. The Executive Budget would provide funding in the amount of \$187.6 million. The additional \$3 million over the SFY 2014-15 appropriation would support the COLA for SFY 2015-16.	Accepts.
Foster Care Block Grant. The Executive Budget would provide \$444 million for the foster care block grant. The increase of \$8 million over the SFY 2014-15 appropriation would support half of the human services COLA for SFY 2015-16.	Accepts.
Commission for the Blind and Visually Handicapped. Funding for the Helen Keller CORE program and the National Federation for the Blind Newsline are proposed to be eliminated in the Executive Budget.	Modifies. Restores \$35,000 for the Helen Keller CORE program and \$75,000 for the National Federation for the Blind Newsline.
Youth Development Program. The Executive Budget would provide \$14.1 million for the Youth Development Program. This represents level funding from last year.	Modifies. Provides an additional \$1.3 million, which brings total funding to last year's level of \$15.4 million.
Child Care Subsidy Review. The Executive Budget would amend the Social Services Law to allow the Department of Tax and Finance to view any records or information pertaining to public assistance recipients, which are currently maintained by the Office of Children and Family Services (OCFS).	Rejects.
Raise the Age. The Executive Budget proposes a graduated two-year transition plan to remove cases involving sixteen and seventeen year olds from the adult criminal court system and to redirect them to the juvenile justice system. Effective January 1, 2017, the age of juvenile jurisdiction would rise from sixteen to seventeen and then would rise to age eighteen on January 1, 2018.	Modifies. Eliminates amendments to statute and provides \$25 million to support services and expenses related to raising the age and \$5.4 million for reimbursing local districts.
Adoption Assistance Payments. The Executive Budget would clarify that the state would only be required to make adoption assistance payments to the prospective parents when the parents live within New York State at the time of the adoption.	Accepts.
Missing Children. The Executive Budget would require OCFS to file a missing child report for any child under the age of 21 to the National Crime Information Center when there is reason to suspect that the child is at risk of being a victim of sex trafficking.	Accepts.

Executive Budget or One House	Enacted Budget
<p>Guardianship. The Executive Budget would make changes to the Family Court Act with respect to permanency, guardianship and preparation of children for transition into independent living after leaving foster care. These amendments would (i) allow for the permanent or temporary transfer of monthly kinship guardianship assistance payments to a successor guardian, (ii) extend to successor guardians many of the rights and considerations that are currently allowed for relative guardians, (iii) eliminate independent living as a permanency alternative; (iv) require the courts to begin to develop transition plans and services for a youth at age fourteen, (v) require that a child in foster care be at least sixteen to have a permanency goal of another planned permanent living arrangement, (vi) require OCFS caseworkers to document the intensive, ongoing and unsuccessful efforts made to secure alternative permanency plans, and (vii) require the court to include an age appropriate consultation at a permanency hearing for a child age sixteen or older.</p>	<p>Accepts.</p>
<p>Home Visiting Program. The Executive Budget maintains funding for home visiting programs at \$23 million.</p>	<p>Accepts.</p>
<p>Supportive Housing for Youth At-Risk of Homelessness.</p>	<p>Modifies. Provides \$2.1 million.</p>
<p>Advantage After Schools. The Executive Budget continues funding at the previous fiscal year level at \$17.2 million.</p>	<p>Modifies. Includes an appropriation of \$19,255,300, which provides an increase of \$1.5 million over last year.</p>
<p>Settlement House Initiative. The Executive Budget did not provide funding for this initiative.</p>	<p>Modifies. Adds an additional \$2.45 million in funding for the program.</p>
<p>Caretaker Relative/Kinship Care. The Executive Budget provides \$338,000.</p>	<p>Modifies. Adds an additional \$1 million in funding for the program.</p>

Office of Temporary and Disability Assistance

Executive Budget or One House	Enacted Budget
<p>Summer Youth Employment. The Executive Budget would increase funding for the Summer Youth Employment Program from \$27.5 million to \$30 million. This amount would offset the new minimum wage increases and allow the same number of participants to be served.</p>	<p>Accepts.</p>
<p>Supplemental Nutrition Assistance. The Executive Budget would increase the funding for the Hunger Prevention and Nutrition Assistance Program to \$34.5 million, and would fund supplemental nutrition program for Women, Infants, and Children at \$26.2 million.</p>	<p>Accepts.</p>
<p>Nurse-Family Partnership. The Executive Budget provides for a \$3 million general fund appropriation.</p>	<p>Modifies. Provides an additional \$1 million.</p>
<p>Supportive Housing. The Executive Budget provides \$31 million for the New York State Supportive housing program, solutions to end homelessness or operational support for the AIDS housing program.</p>	<p>Accepts. Provides an additional \$124 million from the mortgage settlement funds for a multi-agency supportive housing plan for vulnerable New Yorkers.</p>

Executive Budget or One House	Enacted Budget
New York/New York IV. The Executive Budget would provide \$116 million for this supportive housing initiative. Within the \$116 million, \$50 million is dedicated to existing supportive housing units and \$66 million is dedicated to 5,000 new units.	Modifies. Restores \$800,000.
ACCESS – Welfare to Careers	Modifies. Restores \$800,000.
ATTAIN	Modifies. Restores \$4 million.
BRIDGE	Modifies. Restores \$102,000.
Career Pathways	Modifies. Restores \$1.5 million.
Centro of Oneida	Modifies. Restores \$25,000.
CUNY and SUNY Child Care	Modifies. Provides \$334,000 for CUNY and SUNY child care centers.
Community Solutions to Transportation	Modifies. Restores \$112,000.
Emergency Homeless Needs	Modifies. Restores \$1 million.
Nonresidential Domestic Violence	Modifies. Restores \$3 million.
Preventive Services	Modifies. Restores \$1.6 million.
Rochester-Genesee Regional Transportation Authority	Modifies. Restores \$82,000.
Strengthening Families through Stronger Fathers	Modifies. Restores \$200,000.
Wage Subsidy	Modifies. Restores \$950,000
Wheels for Work	Modifies. Restores \$144,000.

Labor

Executive Budget or One House	Enacted Budget
Minimum Wage. The Governor proposes to increase the State minimum wage, beginning on January 1, 2017, to \$11.50 per hour for New York City and to \$10.50 per hour for the rest of the State. Under current law, the State minimum wage was increased to \$8.75 per hour on January 1, 2015 and will increase to \$9 per hour on January 1, 2016.	Rejects.
Design-Build. The Executive Budget would require design-build projects to prepare a Project Labor Agreement (PLA) feasibility study and makes permanent the authority of the State to require design-build on public projects valued at more than \$50 million.	Modifies. Extends authority for two years and rejects PLA study mandate.

Other Budget Issues

Housing

Executive Budget or One House	Enacted Budget
Mitchell Lama Rehabilitation and Repairs	Modifies. Reduces by \$25 million.
Homes For Working Families	Accepts.
Rural and Urban Community Investment Fund Program	Accepts.
Low Income Housing Trust Fund Program	Accepts.
Neighborhood Preservation Program	Accepts.
Rural Preservation Program	Accepts.
Rural Rental Assistance Program	Modifies. Adds \$18 million.
Low and moderate income (up to 130% AMI) housing construction and rehabilitation	Modifies. Reduces by \$25 million.

Environment

Executive Budget or One House	Enacted Budget
Brownfields Extender/Superfund Funding. The Executive Budget proposes to extend the brownfields program and tax credits, narrow eligibility for tax credits, and create a new Brownfield Cleanup Program (BCP-EZ) with expedited review and approvals in exchange for waiver of tax credits. The proposal would also fund the State Superfund program, which provides funding for State cleanups of properties for which there is no responsible party or funding source to remediate the property.	Accepts.
Air Fee Increase. The Executive Budget proposes to increase air fees for all permitted point sources.	Modifies. Adds several fee increases, except fees pursuant to a State Facilities Permit.
State Pollutant Discharge Elimination System (SPDES) Permit Fee Increase. The Executive Budget proposes to increase fees for water discharges from “point sources.”	Accepts.

Higher Education / Academic Research

Executive Budget or One House	Enacted Budget
Sexual Assault and Affirmative Consent Policies. The Executive Budget would require private colleges and universities to adopt uniform sexual violence policies centered on the use of ‘affirmative consent.’ The policy includes provisions relating to affirmative consent, amnesty for witnesses, a bill of rights for those have been assaulted, and a number of administrative requirements aimed at reducing the rate of assault and harassment.	Rejects.

Executive Budget or One House	Enacted Budget
<p>NYS DREAM Act. The Executive Budget would allow prospective students without lawful immigration status to be eligible for in-state tuition assistance and resident tuition rates at SUNY and CUNY institutions. The Executive Budget would also make an appropriation of \$27 million to the Tuition Assistance Program to support the admission of undocumented students.</p>	<p>Rejects.</p>
<p>NYSUNY 2020/NYCUNY 2020 Capital Appropriations. The Executive Budget proposes to fund \$110 million for new capital projects at SUNY and CUNY campuses. Projects undertaken pursuant to this funding are subject to Project Labor Agreements mandating the hiring of union construction workers.</p>	<p>Accepts.</p>
<p>Streamlining Program Approval. The Executive Budget would attempt to streamline the program approval process by allowing new educational programs, as long as they do not require a master plan amendment. These amendments would allow public and private colleges and universities to adopt programs that meet current workforce demands at a faster pace than is available under the current program approval system.</p>	<p>Rejects.</p>
<p>Master Teachers' Scholarship. The Executive Budget proposes to appropriate \$3 million for SFY 2015-16 in order to provide funds for fulltime graduate teaching scholarships to a SUNY or CUNY institution for teacher preparation programs.</p>	<p>Accepts.</p>
<p>Get On Your Feet Loan Forgiveness Program. The Executive Budget proposes to create a loan forgiveness program that would cover the cost of the first two years of payments to the Pay As You Earn federal loan program for eligible graduates. The first year of the program would be funded with an appropriation of \$5 million.</p>	<p>Accepts.</p>
<p>Expansion of STEM Scholarship. The SFY 2014-15 Enacted Budget included provisions that allow high school seniors who graduate in the top of their class to receive a scholarship for studying STEM fields at a SUNY or CUNY institution if they committed to remaining in the state for five years upon graduation. The Senate proposes to expand this program to private colleges and universities in New York State.</p>	<p>Rejects.</p>

Economic Development and Infrastructure

Executive Budget or One House	Enacted Budget
<p>Dedicated Infrastructure Investment Fund. The Executive Budget would create a new fund into which a substantial portion of the recent legal settlements funds would be deposited. The Fund would be comprised of two accounts: The Upstate Revitalization Account from which projects awarded pursuant to the \$1.5 billion for the Upstate Revitalization Act would be funded; and the Special Infrastructure Account into which the balance would be deposited to fund various projects, including the Tappan Zee Bridge and various other transportation improvement projects.</p>	<p>Accepts.</p>

Executive Budget or One House	Enacted Budget
<p>Upstate Revitalization Competition. The Executive Budget would include a new \$1.5 billion Upstate Revitalization Fund to promote economic development in Upstate New York. The Upstate Revitalization Fund will target investment within a set of economically-distressed metropolitan areas and their surrounding regions, focusing on infrastructure projects as well as quality of life initiatives. Funds would be awarded on a competitive basis that would favor projects exhibiting region-wide impact.</p>	<p>Accepts.</p>
<p>Special Infrastructure Account Program. The Executive Budget proposes a substantial investment of capital funds for several transportation and other infrastructure projects as follows:</p> <ul style="list-style-type: none"> • \$150 million to prepare for, prevent, deter, or respond to acts of terrorism; natural or man-made disasters, • \$250 million to connect Metro-North commuter rail to Penn Station and to improve the commuter line and construct new stations in the Bronx; • \$1.285 billion for the new Tappan Zee Bridge and other Thruway Authority bridge and transportation capital projects; • \$150 million for structured parking facilities at the Nassau hub and Ronkonkoma hub; and • \$115 million for infrastructure improvements, to support transportation, upstate transit, rail, airport, port and other infrastructure improvements or economic development projects. 	<p>Modifies.</p> <ul style="list-style-type: none"> • \$1.285 billion for the Thruway Authority (approximately \$900 million for the Tappan Zee Bridge; \$400 million for Authority capital plan. • \$250 million for Penn Station access and new Metro-North stations in the Bronx. • \$150 million for counter terrorism and disaster preparedness. • \$150 million for economic development projects on Long Island. • \$115 million for infrastructure improvements, to support transportation, upstate transit, rail, airport, port and other infrastructure
<p>New NY Broadband Fund. The Executive Budget would establish a \$500 million New NY Broadband Fund to expand the availability and capacity of broadband across the State.</p>	<p>Accepts.</p>
<p>Global NY Development Fund. The Executive Budget supports a \$35 million Global NY Development Fund to encourage more New York State-based companies to export their products to established and emerging markets around the globe.</p>	<p>Modifies. Reduces by \$10 million.</p>
<p>Nonprofit Infrastructure Capital Investment Program. The Executive Budget would establish a \$50 million Nonprofit Infrastructure Capital Investment Program to support investments in capital projects that will improve the quality, efficiency, and accessibility of eligible nonprofit human services organizations that provide direct services to New Yorkers.</p>	<p>Accepts.</p>
<p>Design-Build Contract (Infrastructure Investment Act) Expansion. This Executive Budget would expand the authorization to use “design-build” contracts to all State agencies and public authorities, SUNY and CUNY.</p>	<p>Modifies.</p>
<p>Regional Economic Development Councils. The Executive Budget would include a \$150 million appropriation, and \$70 million in Excelsior Tax Credits, available in SFY 2015-16, that would support annual competitive awards to regions for projects which promote economic development and job growth.</p>	<p>Accepts.</p>

Executive Budget or One House	Enacted Budget
<p>Extend Authorization for DASNY to use Design and Construction Management Agreements with Certain Agencies. This proposal would allow DASNY to use design and construction management agreements with DEC and Office of Parks, Recreation, and Historic Preservation to 2017. Without this amendment, the authorization would expire in 2015.</p>	<p>Accepts.</p>
<p>New York Innovation Hot Spots and Incubators Program. The Executive Budget would authorize \$5 million in funding for five Innovation Hot Spots to be designated by the Empire State Development Corporation in SFY 2015-16 at higher education incubators or not-for-profit incubators associated with universities or colleges.</p>	<p>Modifies. Adds \$1 million.</p>
<p>High Technology Funding. The Executive Budget proposes appropriations of \$8.72 million for Centers of Excellence, \$13.8 million for Centers for Advanced Technology, and \$4.6 million for the High Technology Matching Grant Program; in addition to the Innovation Hot Spot program and several other initiatives aimed at developing and commercializing innovative concepts.</p>	<p>Modifies. Adds \$1.3 million to Centers of Excellence and \$500,000 for CATs.</p>
<p>Downstate Transformative Investment Program. Provides \$400 million for “regionally significant economic development initiatives” capital costs for projects that support manufacturing, agriculture, business parks, community anchor facilities, county and local fairgrounds, advanced technology, biotechnology and biomedical facilities, and main street revitalization. Minimum funding shall be \$5 million and are available to projects in regions not eligible for Upstate Revitalization Initiative or the Buffalo Regional Innovation Cluster Program funding.</p>	<p>New.</p>
<p>Long Island Transformative Economic Development Projects. Provides \$150 million for projects located on Long Island (Nassau and Suffolk counties) that will result in “significant economic development reflected in the creation of temporary and permanent jobs, the growth of the commercial and residential tax base or an enhancement of the environment and quality of life.”</p>	<p>New.</p>
<p>New York Power Electronics Manufacturing Consortium. The Executive Budget would authorize \$33.5 million to the Consortium, a public-private partnership managed by SUNY Polytechnic Institute's Colleges of Nanoscale Science and Engineering to develop materials used on semiconductors, and specifically “to develop and commercialize the use of wide bandgap power electronic devices.”</p>	<p>Accepts.</p>

Education

Executive Budget or One House	Enacted Budget
<p>School Aid. The Executive Budget would appropriate \$32.8 billion in General Support for Public Schools (GSPS) for the 2014-15 school year, providing a \$377 million increase that is consistent with the School Aid Growth Cap. The Executive Budget also proposes to distribute \$636 million in additional funds, which is contingent on the Legislature passing the Governor’s Education Opportunity Agenda.</p>	<p>Modifies. Provides and additional \$1.4 billion for school aid, including funding to eliminate half the Gap Elimination Adjustment.</p>
<p>Teacher Tenure and Professional Evaluations. The Executive Budget would create a new tenure process that would extend the time to reaching tenure from three to five years for all new teachers. During that time, the teacher must receive consecutive effective or highly effective ratings on the APPR. These provisions would also streamline the process by which district can remove teachers who receive two consecutive ineffective ratings on the APPR.</p>	<p>Modifies. Teacher evaluations will be based on student performance on state exams and classroom observation performed by both district staff and an independent evaluator, and may no longer include review of surveys or lesson plans. The probationary period prior to tenure would be increased from three to four years. For a teacher to be removed, they must receive two ineffective ratings and the district must show there is ‘clear and convincing evidence’ of incompetence. After three ineffective ratings, the district must review the teacher for incompetence.</p>
<p>Teacher Certification. The Executive Budget would amend requirements for teacher preparation programs by requiring a school to be deregistered if half of its graduating class fails the teacher certification evaluations for three consecutive years. The provisions would also create statewide minimum standards and requirements for admission to teacher preparation programs. Once a graduate received certification, they would be required to reregister with SED every five years and complete professional development classes.</p>	<p>Accepts.</p>
<p>Failing School Districts. The Commissioner would be authorized to appoint district review teams to evaluate school districts scoring in the lowest two and half percent of student achievement. This team would issue a report detailing the reasons for the district’s underperformance, and after reviewing this report the Commissioner would have the authority to place these schools into receivership if he or she feels it is appropriate.</p>	<p>Modifies. Schools would be designated as failing if they fall in the lowest 5% of performance for three consecutive years, and would be defined as consistently failing if that low performance remains unimproved for ten years. Failing school districts would have two years to implement comprehensive education plans, and persistently failing school districts would have one. After the plan is implemented, the school board will review the district’s performance. If the school does not improve, it would be placed under receivership.</p>
<p>Mayoral Control of New York City Schools. The Executive Budget would extend mayoral control in New York City public schools for three years.</p>	<p>Accepts.</p>
<p>Special Education Waiver. The Executive Budget would allow school districts, BOCES and private special education programs to apply for a waiver for state-mandated special education requirements that exceed federal law. If school districts pursue the waiver, the district must notify the parents of special education students of the changes and provide a 60-day comment period before submitting the application.</p>	<p>Rejects.</p>
<p>Contracts for Excellence. The Executive Budget would continue the Contracts for Excellence grant program, unless all schools in the district are “In Good Standing.”</p>	<p>Accepts.</p>

Executive Budget or One House	Enacted Budget
Pre-School Special Education. The Executive Budget would increase funding by \$22 million and would create a \$1 million competitive grant program for municipalities to develop oversight programs.	Accepts.
Extended School Day/School Violence Prevention. The Executive Budget would maintain \$24.34 million in funding.	Accepts.
New York State Council on the Arts. The Executive Budget provides an increase of \$5.2 million for the New York State Council on the Arts competitive grant program.	Accepts.
Public Broadcasting. The Executive Budget proposes the same level of funding as the program received in SFY 2013-14.	Modifies. Increase of \$500,000.

Taxation

Executive Budget or One House	Enacted Budget
Youth Works Tax Credit. As part of his opportunity agenda, the Executive Budget proposes to rename the Youth Works Tax Credit program as the Urban Youth Jobs Program tax credit. The proposal would also make changes to the program by providing incentives to encourage employers to hire younger employees from areas with documented high unemployment and poverty.	Accepts.
IDA Program Reform. The Executive Budget would extend greater oversight and control over Industrial Development Authorities by requiring prior approval by the State Department of Economic Development of projects that would receive State tax benefits (e.g., foregoing payment of sales and use taxes) including projected job creation and investments, construction schedules, and an expenditure plan. The Department of Economic Development would be able to reject an application if certain conditions are not met.	Rejects
Grant Recipients to Receive Tax Clearance. The Executive Budget proposes to require recipients of grants from State or local public authorities (e.g., Empire State Development Authority, Environmental Facilities Corporation, Energy Research and Development Authority, etc.) to receive a clearance from the State Tax Department indicating that such recipient does not have any outstanding tax liabilities of \$500 or more.	Accepts
STAR. The Executive Budget includes several STAR proposals, including an increase in personal income taxes (PIT) on high-income City taxpayers and converting the STAR exemption to a PIT credit upon purchase of a new home.	Accepts
Property Tax Relief. The Governor's proposed property tax relief would provide a "circuit breaker" – a PIT credit for a portion of property taxes in excess of certain thresholds. The credit phases in over 4 years starting in tax year 2015, fully phased in for tax year 2018.	Rejects

Government Reform

Executive Budget or One House	Enacted Budget
<p>Campaign Finance Reform and Public Financing of Campaigns. The Executive Budget proposes to provide public financing of campaigns to the elected offices of Governor, Lieutenant Governor, Attorney General, State Senate, and State Assembly. Candidates who receive public funds would be subject to reporting requirements, mandatory participation in at least one debate before each election and other conditions and limitations regarding use of such funds. The Governor’s proposal would also implement several reforms, including; (i) limits on contributions by individual contributors, (ii) limits on transfers of funds from one party committee to another party committee, (iii) close the current “LLC loophole”, and (iv) clarify and limit the use of campaign funds for “personal use.”</p>	<p>Modifies.</p>
<p>Executive/Legislative Compensation. The Executive Budget proposal would establish a 3-member salary commission that would convene every 4 years beginning on June 1, 2015 for the purpose of reviewing and recommending salary and other compensation for the Governor, Lieutenant Governor, State Comptroller, State Attorney General, State Senators and Assemblymembers, and heads of Executive branch agencies.</p>	<p>Modifies. Establishes Commission on Legislative, Judicial and Executive Compensation to examine compensation for public officials.</p>

We will continue to monitor the budget development process closely. Please feel free to share any questions or concerns with us at any point. The Albany office can be reached at 518-431-6700.