

GOVERNOR CUOMO AND LEGISLATIVE LEADERS OUTLINE AGREEMENT ON 2013-14 BUDGET

Governor Andrew M. Cuomo, Senate Majority Coalition Co-Leaders Dean Skelos and Jeff Klein, and Assembly Speaker Sheldon Silver today outlined the agreement on the 2013-14 Budget.

The Budget continues the state's focus on economic growth through a series of initiatives to create jobs and grow the economy including new tax cuts for small businesses, a new \$350 tax credit for every middle class family, major education investments and reforms, and an increase in the minimum wage to \$9 per hour.

With this agreement, the Budget is on track to pass days before the April 1 deadline, with the potential to be the earliest state budget since 1976 and the first time New York has had three consecutive, on-time budgets since 1984.

"This budget agreement puts New York on track to have the third consecutive on-time, balanced, budget that holds increases in spending under 2 percent, while investing in our economy to create jobs and cutting taxes for middle class families and small businesses. This budget symbolizes the tremendous progress that has been made in Albany and demonstrates that the new New York government is once again working for the people of this state," Governor Cuomo said. "Two years ago our state was facing significant challenges, with constant spending and tax increases chasing businesses and people from our state and scandals making our government a joke of late night television. Today New York State is creating hundreds of thousands of private sector jobs, opening the doors to new small businesses, cutting taxes for middle class families to their lowest rates in sixty years, and making education investments and reforms like never before. While there is still more work to do, today's agreement shows that New York is on the move and is rising once again."

Senate Majority Coalition Co-Leader Dean Skelos said, "I am pleased that we have reached agreement on a responsible budget that includes the longtime Senate Republican priorities to create new jobs and cut taxes for hardworking, middle-class families. As part of this budget, we will provide a \$350 Family Tax Relief check to families with children, offer incentives to help small businesses create new jobs, and eliminate the energy tax surcharge over the next three years, all initiatives highlighted by the Senate Republican conference throughout the budget process. In the coming days, we will complete passage of the earliest state budget in more than 30 years, our third consecutive early budget. I thank the Governor for his leadership, and commend our Senate Finance Committee Chair Senator John DeFrancisco, my Coalition Co-Leader Senator Jeff Klein, the Assembly leadership and all of my colleagues for their hard work."

Senate Majority Coalition Co-Leader and Independent Democratic Conference Leader Senator Jeffrey D. Klein said, "This is the most middle class friendly budget in a generation. When we formed the bipartisan coalition last December, we promised low-wage workers that we would pass a major increase to the minimum wage. Today, we're delivering on that promise and raising the minimum wage even higher than anyone thought possible just three short months ago."

Today's budget agreement is a huge step-forward for families across New York. We're not only giving minimum wage workers the raise they deserve—we're putting real dollars back into the pockets of families who really need it. For the past five years, we have been asking middle class families to do more with less. Today, we're finally giving them some relief by delivering a \$350 check to every single one of those families. Two years ago, we cut middle class taxes to their lowest level in sixty years. Today, I'm proud to announce that these same low tax rates on the middle class are here to stay. I'm also pleased to announce that with today's agreement, the IDC is following through on its commitment to help returning veterans find rewarding work when they come home. By providing a tax credit for businesses that hire one of our state's heroes, I know we will bring down the unacceptably high unemployment rate among New York veterans."

Assembly Speaker Sheldon Silver said, "I am pleased that the Governor and the Legislature have reached agreement on a budget that addresses the Assembly Majority's top priority of raising the minimum wage, ensures the care and wellbeing of our vulnerable populations, stimulates job creation, and safeguards a sound education for our children. I commend the Governor and my colleagues in the Assembly and Senate for their hard work and commitment to an early budget agreement."

Creating Jobs and Cutting Taxes - Key Economic Development Initiatives:

A Balanced, On-time Budget that Invests in Creating Jobs and Cuts Taxes: The Budget closes a \$1.3 billion gap with no new taxes or fees. New York State has not had three consecutive on-time or early budgets since 1984 and has not had a budget on track to pass this far before the April 1 deadline since 1976.

Cutting Taxes for Middle Class Families: Recognizing that New York's taxpayers have been overtaxed for too long, the Budget includes \$1.125 billion in new tax cuts to middle class families over three years. Families with incomes between \$40,000 and \$300,000 will be eligible to receive a new child tax credit of \$350 per year for three years, beginning in 2014.

Tax Cuts for Small Businesses: To provide tax relief to New York's job creators, the Budget includes nearly \$800 million in tax relief for New York businesses over three years. With this tax relief, the Budget recognizes that cutting taxes sends a positive sign to the private sector that New York is pro-business and helps reverse New York's longstanding reputation as the tax capital of the nation.

Hiring Tax Credits: To help New York's returning soldiers and young people find work, the Budget includes a permanent tax credit for the hiring of Veterans, and \$181 million in tax credits over three years for businesses that hire youth.

Reducing Costs and Red Tape for Businesses: To reduce the crushing burden of unemployment insurance and workers' compensation, the Budget modernizes and simplifies both systems to provide employers \$1.3 billion in savings without affecting workers' benefits.

Investing in the Economy of Tomorrow: The Budget provides the initial funding to launch the *Innovation Hot Spots* program that will create or designate ten high-tech innovation incubators at

locations affiliated with higher education institutions to encourage private-sector growth; a \$50 million *Innovation Venture Capital Fund* that will provide critical seed and early-stage funding to incentivize new business formation and growth in New York State and facilitate the transition from ideas and research to marketable products.

Workforce Training for Job Openings: New York's workforce training is from a different era and a generic job training program does not fit today's economy. The Budget capitalizes on the opportunity of an estimated 210,000 unfilled jobs in the state by including \$5 million for the *Next Generation Job Linkage Program* that works with employers to: identify the job; define the skill; and provide the training for it.

Protecting the Environment and Creating Green Jobs: The Budget increases support for the Environmental Protection Fund and the Cleaner, Greener Communities program, to launch new projects across the state that both create green jobs and protect New York's natural environment.

Building on the Success of the Regional Councils: The Budget includes a third round of the Regional Economic Development Councils including \$150 million in new funding and \$70 million in tax credits.

Promoting Upstate Tourism and Agriculture through *Market NY*: To bolster tourism and better market NY-made foods and produce, the Budget launches the *Market NY* initiative.

SUNY and CUNY Campuses Driving Private Sector Job Creation: The Budget includes a third round of the SUNY 2020 program and launches the CUNY 2020 program to provide competitive grants for projects that connect economic development and academic excellence. **(\$110 million)**

Education Investments and Reforms

Increasing Funding for Education: The Budget reflects New York State's focus on creating a world-class education system that will fully prepare all of New York's students to compete in the 21st Century economy. To accomplish the goal, the Budget includes an increase of nearly \$1 billion in education aid.

Pre-kindergarten Program Expansion: Recognizing that quality early education is critical for long-term success and that children who attend full-day pre-k often outperform their peers, the Budget provides additional investments in pre-kindergarten with an emphasis on high quality, full-day pre-k. Funding is targeted toward higher need students in lower wealth school districts via a competitive process. **(\$25 million)**

State Increases Tied to Teacher Evaluations: To maintain New York State's leadership in holding teachers accountable for student achievement, the Budget continues to tie increases in funding for education to the implementation of a teacher evaluation system. No teacher evaluations means no state increase.

Extended Learning Time: Our existing education calendar is still based on an agrarian system

and the United States lags behind other nations in terms of how much time students spend in the classroom. In order to provide increased learning opportunities, the Budget supports high-quality extended school day or extended school year programs, with academically enriched programming. Schools that apply to participate in the program must agree to expand learning time by 25 percent. The state will cover the full cost of expanding learning time for students. **(\$20 million)**

Community Schools: Recognizing that a school is not just a "school" in distressed communities and that the demands of schools in wealthier districts are different than demands in lowest wealth districts, the Budget supports an innovative program designed to transform schools into community hubs that integrate social, health and other services, as well as after-school programming to support students and their families. **(\$15 million)**

Reward High-Performing Teachers: To improve results and incentive high-performance, the Budget implements a program that will offer \$15,000 in annual stipends for four years to the most effective teachers beginning with math and science teachers. **(\$11 million)**

Early College High School Programs: To improve college access and success, the Budget provides new state funding to expand Early College High School programs. **(\$4 million)**

Bar Exam for Teachers: To ensure the best and brightest are teaching our children, the State Education Department will increase the standards for teacher certification to require passage of a "bar exam," in addition to longer, more intensive and high-quality student-teaching experience in a school setting.

Other Budget and Legislative Actions:

Raises the Minimum Wage: Recognizing that New York's minimum wage is unlivable and that 19 other states have higher minimum wages than New York, the Budget raises the minimum wage from \$7.25/hour to \$9.00/hour over three years, beginning with \$8.00 by the end of 2013, \$8.75 by the end of 2014, and \$9.00 by the end of 2015.

Lowering and Phasing Out the 18-a Utility Assessment: The Temporary Utility Assessment on electric, gas, water and steam utilities would be phased out over three years beginning in 2014-15.

Pension Stabilization Program: The Budget includes a Pension Stabilization Program that has been agreed to by the State Comptroller's Office for local governments to access short term relief as the savings of Tier VI begin to take effect.

Public Service Commission Reform: The Budget includes a number of reforms that were recommended by the Moreland Commission to give the Public Service Commission greater authority over the state's utilities.