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2016-2017 EXECUTIVE BUDGET UPDATE

The state's new fiscal year began on Friday, April 1, but as the clock struck midnight on the 31st of March, budget bills were still being printed and last minute negotiations continued until dawn. The final product was a \$147 billion spending plan that, among other noteworthy items, included \$450,000 for the continuation of the NASW-NYS, MSSNY, NYSPA Veterans Mental Health Training Initiative and an additional \$250,000 for the states social work loan forgiveness program.

Continuing Education - The Veterans Mental Health Training Initiative, a one of a kind, nationally recognized training program developed by NASW-NYS (in 2008) has, to date, trained more than 3500 mental health and primary care practitioners in veteran's specific issues. Continuation of such funding will allow for ongoing growth and expansion of this vital continuing education program.

Loan Forgiveness - For a third straight year, the budget also includes an expansion to the states social work loan forgiveness program, bringing the total up to \$1.72 million. Expansion of this program will assist in ongoing efforts to recruit and retain social workers in high demand critical human services areas. Applicants seeking Licensed Social Worker Loan Forgiveness Program awards must work in critical human service areas for a minimum of 35 hours per week during the calendar year preceding their application or payment.

The designated critical human service areas were updated in the 2015 series and are now determined by utilizing federal census data identifying designated Medically Underserved Areas and Populations (MUA/P) and Designated Health Provider Shortage Areas (HPSA). Additional information on the loan forgiveness program can be located on the Higher Education Services Corporation website.

Licensure Exemption - Despite intense negotiations and strong advocacy efforts to finally end the social work licensure exemption in many of the state agencies and programs funded, operated or regulated by such agencies, a compromise (though

almost reached) could not be completed in the context of budget negotiations. As a result, budget language includes a two- year extension, however, an agreement was reached between the two houses, the Executive, and stakeholders (such as NASW-NYS and NYC) to continue conversations into the post budget session, for the express purpose of identifying a permanent solution by the end of the 2016 session in late June.

Raise the Age – Efforts to include comprehensive raise the age legislation (included in the Governors executive budget proposal and the Assembly one house bill) in the final budget, were, again punted to the post budget session. As expected, the Senate was hesitant to include such policy reforms as part of the budget, however, a three-way agreement was reached to include \$110 million associated with implementation, should agreement be reached later in the session.

Big Picture – Other notable (and controversial) issues included in the final spending plan - a phased in boost of the state's minimum wage from \$9 an hour to \$15 and a family medical leave program. Both items were high priority items for the Governor and as such, consumed an enormous amount of the budget discussions. After much wrangling, the minimum wage increase will be phased in gradually over a number of years. It will also increase at different yearly rates, in different regions of the state. For example, New York City workers will reach \$15 per hour within three years. The suburban regions of Westchester County and Long Island will hit \$15 within six years. Meanwhile, upstate workers will receive a \$12.50 wage within five years, while the remaining increase to \$15 in their region would be determined by the state Division of the Budget.

Another major progressive agenda item included in the new spending plan is the creation of an employee funded family and medical leave program. Employees in New York will pay for, through a weekly tax taken from their paychecks, this new plan which will allow them to take up to 12 weeks of leave at two thirds their pay when fully implemented in 2021. The new state budget also includes an income tax cut estimated at \$4.2 billion, which the Governor claims will help 6 million taxpayers with incomes up to \$300,000 for married couples filing jointly. The State Department of Transportation will also receive \$27 billion to fund its multiyear infrastructure plan, with a focus on upstate roads and bridges. For downstate, \$27.98 billion was set-aside for the Metropolitan Transportation Authority for their infrastructure program. Education funding was also increased in new the budget, earmarking \$24.8 billion for that purpose.

Notwithstanding the recent passage of the final 2016–17 State Budget by both houses, forging an agreement on the final plan was anything but smooth. In fact, the

days leading up to the April 1 deadline can be best characterized as being very secretive and somewhat topsy-turvy. Rank-and-file members of both houses of the legislature were basically kept in the dark, as the negotiations between the legislative leaders and the Governor put the final touches on the agreement. In fact, many lawmakers learned of the details of the new state budget when Cuomo gathered reporters in the Capitol's Red Room at 8:30 PM, moments before the first votes were taken, to lay out the specifics of the new spending plan, which he called "the best we have produced in decades". In the perfect political world, the Governor's press conference would normally indicate that the legislature's final passage of the new spending plan was imminent and a new state budget would be in place prior to the April 1 deadline. That was not the case. The state Senate was forced to work through the night until the mid-morning hours of April 1 in passing their budget bills. The Assembly worked until 4 AM Friday morning, returning the same day at 10 AM to continue passing their own budget bills. Their work continued throughout the day with the last budget votes occurring at 8:30 PM on the evening of April 1.

In short, while a "timely" new state spending plan may have been approved by the state legislature, an "on time" budget was not achieved. With the state budget debate now behind us and with the political dust having started to settle, implications and Monday morning quarterbacking have begun. Having achieved his two top priority issues, the Governor is seen as being the big winner, while Good Government Groups are decrying the lack of ethics reforms included in the budget and the jury is out on how much blowback legislators will receive on minimum wage increase. Stay tuned folks; more to come between now and late June.