

# New York Rising Year End Report 2013



Governor Andrew M. Cuomo  
December 2013



## Overview

It has been three years since Governor Andrew Cuomo assumed office as the 56th Governor of the State of New York. His leadership has restored our State as a model for the nation and demonstrated the impact that an effective and responsive government can have on the lives of its people. With all that has been accomplished over the last three years, it is easy to forget where we started and how far we have come.

When the Governor began his term, New York's economy was in a downward spiral as a result of an exodus of businesses and people and a significant loss of jobs, particularly upstate. State government faced massive budget deficits that sapped its ability to govern. Homeowners and businesses suffered under ever-rising property taxes, and an out-of-control pension system burdened local governments and threatened to destroy their future.

Albany was both unwilling and unable to address these problems. Controlled by special interests and mired in political gridlock, the government stood as a symbol of dysfunction and inaction that lacked the political will to make tough decisions. Years of scandals and corruption caused people to lose faith in their government. The State was seen as hopeless and beyond repair.

Governor Cuomo came into office promising to tackle the problems plaguing Albany, to change the attitude and culture of the government, and he has not let up. The year just ending has been the administration's most productive. It builds on the significant accomplishments of the first two years and helps reaffirm New York's role as a national leader. Among the administration's major accomplishments in 2013:

Governor Cuomo delivered on a third consecutive on-time balanced budget: this is the first time this has happened in 30 years. In his first year he closed a \$10 billion budget deficit with no new taxes, fees, or gimmicks and since then has held State spending growth to 2% per year.

The Governor delivered additional income tax cuts for the middle class in 2013, building on his 2011 cuts that brought middle class income tax rates to their lowest level since 1953 and eliminated the MTA payroll tax for over 700,000 small businesses and self-employed individuals.

During his first two years, Governor Cuomo led the successful fight for a property tax cap that holds the growth of the local property taxes to 2%, and sweeping pension reforms that will save the State and local governments \$80 billion over the next 30 years. In 2013, he continued his efforts to control property taxes by ending all future growth in Medicaid costs to local government and making important changes to the binding arbitration law.

The Governor redoubled his efforts to build the economy and create jobs, awarding \$750 million in the third round of the Regional Economic Development competition for high priority, job creating projects. He began the game-changing Start-Up NY program, a partnership with the State University of New York and other colleges and universities. The program offers businesses that locate or expand in New York the opportunity to operate completely tax-free for ten years on or near eligible campuses. Businesses will partner with these institutions and be able to access industry experts and advanced research laboratories. The Governor continued to expand the Upstate economy through the "Buffalo Billion" project, a multi-year \$1 billion economic initiative; nanotech investment; unprecedented support to the State's agricultural industry; and the largest tourism campaign in decades.

The Governor continued his work transforming New York into a 21st century state. He is rebuilding the State's infrastructure through the New NY Works program and the replacement of the Tappan Zee Bridge, setting a new standard for efficiency and performance in state construction.

The administration continued to reform the State's education system. Building on his nationally recognized teacher and principal evaluation system, the Governor launched the New NY Education Reform Commission to focus on performance. He has begun implementing the Commission's recommendations for community schools, full-day pre-kindergarten, master teachers, and extended learning time.

To help ensure honesty and integrity in government, the Governor appointed the Moreland Commission to investigate public corruption and recommend legislative changes to better fight corruption and reduce the influence of money in politics.

The State enacted the SAFE Act to stop criminals and the dangerously mentally ill from buying guns. The new law requires universal background checks on gun purchases, increases penalties for people who use illegal guns, mandates life in prison without parole for anyone who murders a first responder, and imposes the toughest assault weapons ban in the country.

To ensure New York has the finest healthcare system in the nation, the Governor continued to structurally reform Medicaid. His innovative Medicaid Redesign Team is transforming the health care system, saving billions of dollars in costs and improving the quality of healthcare. The State launched the New York State of Health program to help more than one million uninsured New Yorkers access quality, affordable health care coverage. The approved premium rates for 2014 are 53% less than what individuals would have paid last year.

To accelerate the growth of the clean energy economy and reduce our dependence on fossil fuels, the State launched a \$1 billion Green Bank to finance the transition to a cost-effective, resilient power system, expanded the NY-SUN solar energy program, and stepped up efforts to build new electric vehicle charging stations. Continuing his efforts to preserve open space throughout the State, the Governor announced public access for some of the priceless former Finch Pruyn lands in the Adirondacks.

The State continued its efforts to help New Yorkers to recover and rebuild from the ravages of Superstorm Sandy, Tropical Storm Lee, and Hurricane Irene, and better prepare for future severe weather events. In addition to working closely with community leaders to rebuild damaged areas, the State has been creating a better emergency response system and improved preparedness capability to ensure that all New York communities are better prepared for future severe weather events.

The following is a detailed account of the achievements of the year.

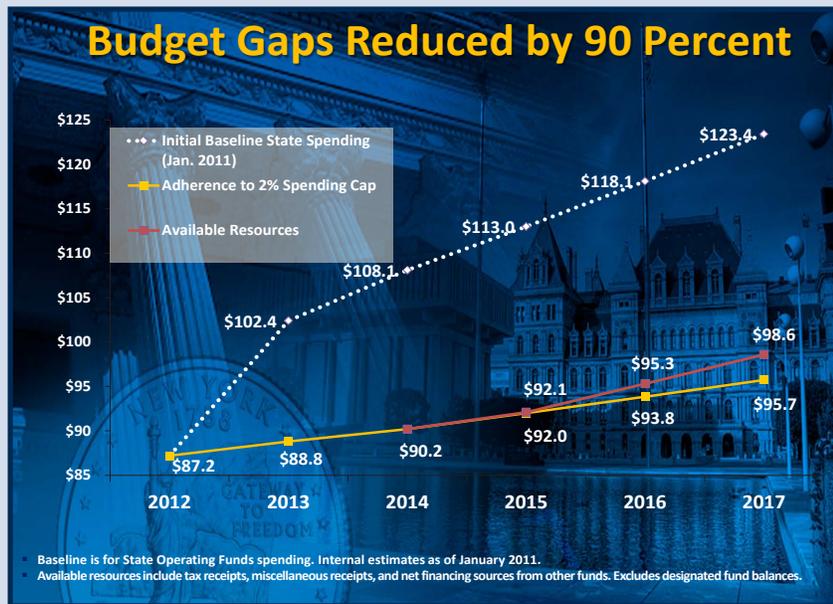
# 2013 Detailed Accomplishments

## I. Fiscal Responsibility

The 2013-14 budget process culminated in a third straight on-time, fiscally responsible budget that closed a \$1.3 billion gap with no new taxes or fees. The enacted budget limits spending growth to two percent or less for the third year in a row, reflecting gaps that have been closed by fundamental reforms to the State's spending habits, not fiscal gimmicks.

The State has austere managed agency expenses, controlled labor costs with new collective bargaining agreements, and has undergone a major transformation of government through shared services such as enterprise-wide consolidation of procurement, information technology, and workforce management functions. These reforms, coupled with the continued commitment to tie increases in Medicaid and School Aid to the underlying fiscal capacity, have lifted New York out of perpetual budget crisis and put the State on solid ground.

The combination of effective budget management and adherence to the two percent spending benchmark is expected to further improve the State's fiscal position. Based on current operating projections, if the State enacts balanced budgets that hold State Operating Funds disbursements to two percent, the State will have operating surpluses.



Moreover, 2013 marked the first time New York has had three consecutive, on-time budgets since 1984. As the budget passed both houses of the Legislature days before the April 1 deadline, 2013 was also the earliest budget since 1983. The budget process that had for so long been a flashpoint for Albany's gridlock and dysfunction is now a bipartisan point of pride.

The Governor's work to restructure State finance has been greeted favorably by the rating agencies. In 2012, Standard & Poor's Ratings Services revised its outlook for New York State bonds from "stable" to "positive," citing many of the important fiscal reforms the Governor has implemented. In March 2013, Fitch Ratings indicated that its positive outlook for New York State's credit rating reflects "actions in recent budgets to identify sustainable solutions to significant budgetary challenges, a notable change from the historical tendency to rely on nonrecurring measures." Most recently, in August 2013, Moody's revised its outlook for the State from "stable" to "positive" on General Obligation debt, citing New York's "recent reversal of history of political gridlock, reflected in timely budgets, implementation of spending controls and move toward structurally balanced budgets."

## II. Reducing the Tax Burden on New Yorkers

### Controlling Local Property Taxes

New Yorkers have long faced some of the highest property tax bills in the nation, measured both in absolute terms, and as a percentage of home value. Not only do high property taxes make it hard for individuals and families to afford and stay in their homes, they also represent the largest tax for New York's businesses.

When Governor Cuomo took office, property tax growth averaged 5.3% over the prior ten years. As a result of the property tax cap fought for by the Governor, property taxes are no longer growing at exorbitant rates. Data indicate that the real property tax cap is already having an impact. Since enactment, the cap has succeeded in keeping growth in local real property taxes to just 2.5%, 40% lower than the average rate of growth in the previous decade. Over the two-year period that the property tax cap has been in place, an average of 95% of school districts and 80% of county and other local government jurisdictions have stayed within the cap.

	<b>10-Year Average Annual Growth Rate 2000 - 2010</b>	<b>Two Year Average Under the Cap</b>
<b>School Districts</b>	<b>5.9%</b>	<b>2.5%</b>
<b>Total - Local Government</b>	<b>4.4%</b>	<b>2.4%</b>
County	4.2%	2.2%
City	3.2%	1.7%
Town	4.7%	2.6%
Village	5.0%	2.0%
Fire District	5.7%	2.4%

Building on the significant mandate relief accomplishments of 2012-13, including a takeover by the State of growth in the local share of Medicaid expenses and a new Tier VI in the State pension system, the 2013-14 budget provides local government officials with additional tools to manage revenues and rising expenses.

### Financial Restructuring Board and Binding Arbitration

The Financial Restructuring Board was created in 2013 to help distressed local governments manage their finances. The legislation includes an alternative binding arbitration process that municipalities and unions could voluntarily choose to resolve contract issues in an expedited procedure.

The Financial Restructuring Board brings together experienced individuals from both State government and the private sector to offer assistance and help develop unique plans for localities to better manage their finances and better serve their taxpayers. The board is chaired by the Budget Director and includes the State Comptroller, the Attorney General, the Secretary of State, and six other appointed members.

## Lower Taxes for Businesses and Families

### Tax Cuts for Businesses

To provide tax relief to support job generation in New York, the 2013-2014 enacted budget includes \$800 million in tax relief for New York businesses over three years. The tax relief in the Governor's budget 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.

### Cutting Taxes for Middle Class Families

Building on last year's significant tax reforms that cut income tax rates for middle class taxpayers to the lowest in 60 years, the current budget puts \$350 a year back into the pockets of middle class families over the next three years, providing a total of \$1.23 billion in new tax cuts.

## Moving Forward Cutting Taxes and Reforming Our Tax Code

Since taking office in 2011, Governor Andrew Cuomo has taken significant steps to improve New York's business climate and to make taxes more affordable for average New Yorkers. However, understanding that New York's taxes are still too high and its tax code too complex, placing undue burdens on individuals and businesses, Governor Cuomo formed a pair of commissions to study the problem and make further recommendations.

Governor Andrew Cuomo established the New York State Tax Reform and Fairness Commission, co-chaired by former State Comptroller H. Carl McCall and Peter J. Solomon, to conduct a comprehensive and objective review of the State's tax structure, including its corporate, sales, estate and personal income taxes. The Commission was charged with developing revenue neutral policy options to modernize the current tax system with the goals of increasing its simplicity, fairness, economic competitiveness and affordability.

In November 2013, the Commission completed a report that offers options for significant changes to the State's tax structure and administration. This report was, in turn, shared with the Tax Relief Commission, co-chaired by Mr. McCall and former governor George Pataki. Enabled by three years of fiscal integrity and responsible budgeting, Governor Cuomo charged this Commission with identifying way to reduce the State's property and business taxes to provide relief to New York's homeowners and businesses.

The key recommendations put forward by the Tax Relief Commission are based on the finding that the property tax remains the most burdensome tax facing individuals, families, and businesses in New York State, and a critical impediment to economic growth.

The Commission recommended the creation of a program to freeze property taxes for two years, contingent on the taxing jurisdiction staying within the tax cap and, by the second year, taking concrete steps to reduce costs. The Commission also recommended that the State develop a program that would target real property tax relief based on an individual homeowner's ability to pay.

Further recommendations included lowering the corporate tax rate to its lowest level in 46 years, reducing the tax rate for manufacturers Upstate to its lowest level ever, and updating the Estate Tax to bring New York in line with other states. Together, the work of these two commissions, led by some of New York's most accomplished statesmen, will help get property and business taxes under control, improving our economic climate to spur investment and create jobs.

### III. Strengthening the Economy to Create Jobs

Working to strengthen our State's economy and create jobs for New Yorkers has been Governor Cuomo's highest priority during his three years in office.

Since Governor Cuomo took office, Empire State Development (ESD), the State's economic development agency, has approved incentive packages totaling more than \$1 billion and secured pledges to create and retain approximately 183,000 jobs and to leverage over \$10 billion in private investment in the State.

New York State has also gained over 375,000 private sector jobs since January 2011. It is one of only eleven states in the nation to regain all the private sector jobs lost in the 2008 national economic collapse.

Some key economic development projects this year include:

**Regeneron:** Regeneron Pharmaceuticals, Inc., a world leader in biopharmaceutical research and development, will expand its corporate headquarters and laboratories in Westchester County and create more than 400 new high-skill jobs.

The project, supported by \$8.5 million in tax credits through the Excelsior Jobs Program, will add two new buildings with 300,000 square feet of laboratory and office space to the Regeneron complex.

**Nano Utica:** Six leading global technology companies will invest \$1.5 billion to create 'Nano Utica,' the State's second major hub of nanotechnology research and development. The public-private partnership, to be spearheaded by the SUNY College of Nanoscale Science and Engineering (SUNY CNSE) and the SUNY Institute of Technology (SUNYIT), will create more than 1,000 new high-tech jobs on the campus of SUNYIT in Marcy.

The consortium of leading global technology companies that will create Nano Utica are led by Advanced Nanotechnology Solutions Incorporated (ANSI), SEMATECH, Atotech, and SEMATECH and CNSE partner companies, including IBM, Lam Research and Tokyo Electron. The consortium will be headquartered at the CNSE-SUNYIT Computer Chip Commercialization Center.



**Ford:** Ford Motor Company will invest \$150 million to make significant upgrades to its Hamburg facility, just outside Buffalo. The new machinery and state-of-the-art equipment will allow the Ford Stamping Plant to remain competitive, secure its long-term presence in the region, retain 640 full-time, permanent jobs and create 350 new jobs in Western New York.

A State incentive package valued at \$7 million will assist Ford in the development of its project in Western New York. In addition, the Western New York Power Proceeds Allocation Board recommended an award of \$1 million for training 100 of the new employees.

**Time Warner Cable:** Time Warner Cable, a leading telecommunications company and service provider, is developing two state-of-the-art “Business Class” facilities Upstate that will support its growing digital commerce and broadband business.

In Dewitt/Syracuse, Time Warner Cable plans to develop a \$7.3 million Business Services Center in a long-vacant space, creating 95 new jobs over the next four years and moving 171 existing Syracuse-area jobs into the new facility. In Buffalo, the company will invest over \$1.5 million to redevelop the former Sheehan Memorial Hospital building, creating 152 new jobs and retaining 458 jobs at the new facility and nearby locations.

**Trellis Earth Products:** Trellis Earth Products is moving its manufacturing operations from China and launching its first US manufacturing facility outside of Rochester with production to begin in 2014. Trellis, a manufacturer of sustainable food service products, will invest \$8.3 million for its new headquarters at the Rochester Technology Park, creating 189 jobs.

Trellis will break ground on a new 80,000-square foot facility in the Rochester Technology Park with the support of \$1.5 million in Excelsior Jobs Program tax credits and a \$500,000 capital grant.

**Clarkson –Trudeau Partnership:** With \$35 million in support from New York State, Clarkson University and the Trudeau Institute will form a world-class biotech enterprise and further establish the region as a premier center of biotechnology research and development.

The initiative will attract new investment, save more than 80 jobs at the Trudeau Institute, and encourage the commercialization of new technologies that will lead to creation of new companies and bring hundreds of jobs to the North Country.



## START-UP NY

Governor Cuomo's START-UP NY program seeks to encourage entrepreneurialism and accelerate job creation across the State, with a particular focus on Upstate New York. The State University of New York campus system, along with other college and university communities, will serve as the framework for the START-UP NY program, helping to attract high-tech and other start-ups, venture capital, new business and investments from across the world. These businesses will have the opportunity to operate completely tax-free for ten years on eligible campuses and spaces. Businesses will partner with the higher education institutions and be able to access industry experts and advanced research laboratories. The program includes:



- **Tax-Free Communities:** All SUNY campuses outside of New York City and designated private colleges north of Westchester will be tax free. Participating companies in START-UP NY will not pay any taxes (no income tax; no business or corporate State or local taxes; no sales tax; no property tax; and no franchise fees) for ten years. Employees in participating companies will pay no income taxes for the first five years. For the second five years, employees will pay no taxes on income up to \$200,000 of wages for individuals or \$300,000 for taxpayers filing a joint return. The number of net new jobs eligible for personal income tax benefits will not exceed 10,000 new jobs per year.
- The City University of New York will be able to establish a tax-free community on a campus in each borough – Manhattan, the Bronx, Queens, Brooklyn and Staten Island – in an area of economic distress. Additionally, a total of three million square feet of tax-free commercial space at private campuses will be available under the START-UP NY initiative. Private campuses will apply in a competitive process to designate commercial space on their properties as tax-free.
- **Strategic State properties:** Up to 20 strategic State assets may be designated as tax-free communities. These must be State-owned vacant land, State-owned vacant facilities or State-owned facilities that are in the process of closing and becoming vacant.
- **Start-ups launched from existing incubators:** Start-ups “hatched” from a New York State incubator will be eligible to move into a tax-free community. Currently, an estimated 75% of high tech start-ups launched in New York State leave within five years.
- **Strong protections against fraud:** START-UP NY includes strong provisions to protect against fraud. Businesses will have to submit certification to ESD, and falsifying certifications will be a felony. The legislation also includes strict provisions to guard against abuses and ensure only companies creating new jobs are allowed in the program. In addition, the program includes measures to prevent self-dealing and conflicts of interest.

Since Governor Cuomo launched START-UP NY in October, hundreds of companies have expressed interest through the START-UP NY website. ESD is working with a number of colleges and universities on their START-UP proposals and expects to approve the first college plans soon.

## Generating Jobs Through Resort Casinos

The voters of the State in November approved an amendment to the State Constitution to authorize a maximum of seven commercial casinos in New York State.

The amendment will be implemented by the Upstate New York Gaming and Economic Development Act, introduced by Governor Cuomo and passed by the legislature in June. Under this act, four destination resorts will be created to enhance tourism development and create jobs. Destination resorts will be selected only on merit by the New York State Gaming Facility Location Board, whose members will be appointed by the State Gaming Commission.

The four initial casinos will all be located in Upstate New York. There would be at least one facility in the Capital Region, Catskills/Hudson Valley and the Eastern Southern Tier regions. One of those regions would also host a second casino. In the balance of Upstate that currently hosts tribal casinos, the geographical exclusivity of the tribal casinos would be honored, and the region would not host a gaming resort. No additional destination resorts and no downstate resorts will be authorized until a minimum of seven years after the first Upstate destination resort is licensed.

Revenue from the casinos would be distributed statewide according to a set formula: 10% of New York's tax revenues will be split between a casino's host municipality and county; 10% will go to surrounding counties in the region where a facility is located for unrestricted local government aid; and 80% will be applied statewide as aid to school districts or real property tax relief. Any educational aid will be in addition to current State aid and will not be part of the State's existing education formula.

The Governor reached historic revenue sharing agreements with all the tribes conducting casino gambling, and for the first time, 10% of Indian gaming revenue to the State will be shared with all counties in the region.

It is estimated that gaming will result in \$430 million in annual revenues to the State, local governments and school districts, and 10,000 construction and permanent jobs.

## Improving the Business Environment

### Unemployment Insurance Reform: Saving \$400 Million While Increasing Benefits to Workers

Governor Cuomo advanced and enacted ground-breaking reforms to the State's unemployment insurance system. The reforms benefit both employers and claimants and include significant interest payment savings for employers, new measures to ensure Unemployment Insurance Trust Fund solvency and increased minimum and maximum benefit rates for unemployed workers. The comprehensive overhaul also includes strong anti-fraud measures and new work search requirements designed to get unemployed workers back to work more quickly. The reforms will stabilize the Unemployment Insurance Trust Fund and help employers predict costs while increasing benefits for workers.

### Workers' Compensation Reform: \$800 Million in Savings while Increasing Benefits for Workers

Governor Cuomo reformed the Workers' Compensation law to cut costs for employers, increase the minimum benefit to workers, and overhaul the management of the system. The reforms will bring \$500 million in immediate savings to businesses by creating one method for collecting annual assessments from employers of self-insured businesses closing the fund for reopened cases and increasing competitiveness in the insurance market, reforms estimated to save \$300 million; resolving the defaulted group trust crisis, which will provide relief for 10,000 businesses across New York State that are currently saddled with an estimated \$850 million in liabilities; and increasing the minimum benefit from \$100 to \$150 for the State's most vulnerable injured workers.

## Building on the Success of the Regional Councils

Governor Cuomo's Regional Economic Development Councils (REDC) continue to redefine the way New York invests in jobs and economic growth through a community-based, bottom up approach and established competitive process for State resources. As a result of the first two rounds of awards, \$1.5 billion in State funding has been awarded to support more than 1,400 economic development and community revitalization projects. These projects are creating or helping to retain an estimated 75,000 jobs across the Empire State and generating billions in private investment to grow the economy.

To continue building on the Councils' success, the State made up to \$750 million in resources available in Round Three of the awards, including \$220 million to implement regional strategic plans and advance priority job-creating projects and up to \$530 million from State agency programs to support significant economic development projects. Round Three of the REDCs featured two new initiatives to the process: the Innovation Hot Spots Competition and Regional Opportunity Agendas. These new aspects of REDCs will foster



innovative new businesses to keep New York at the forefront of the global economy and will ensure the State's most distressed communities are being provided with greater employment opportunities.

On December 11, 2013, Governor Cuomo announced that \$715.9 million would be awarded to 824 projects across the State.

## Support for Buffalo and Western New York

The Governor continued his commitment to Buffalo and Western New York through his Buffalo Billion initiative by providing an additional \$75 million in capital funding and \$25 million in Excelsior tax credits to revitalize the area's economy. He also provided \$60 million to keep the Buffalo Bills in Western New York.

With Governor Cuomo's \$1 billion commitment, New York State is helping the Buffalo area realize immediate economic growth and put "generation now" back to work while setting the foundation for sustainable economic opportunity for future generations.

In the largest Buffalo Billion initiative to date, Governor Cuomo announced in November that New York State will build a state-of-the-art anchor hub facility for high tech and green energy businesses at RiverBend in Buffalo. Two California-based companies at the forefront of the clean energy revolution, Sora and Silevo, will collectively invest \$1.5 billion into the project and relocate major parts of their operations to the Buffalo High-Tech Manufacturing Innovation Hub at RiverBend, creating 850 permanent jobs, approximately 500 construction jobs, and attracting additional manufacturing companies to the site. RiverBend, formerly Republic Steel, is a 90-acre site that is ready for development.

## Supporting the State's Agricultural Economy

Governor Cuomo issued his Farm NY agenda, to spur more creative thinking about how to address the immediate needs of New York's agriculture industry while simultaneously encouraging long-term growth. Since then, the Governor has made the agricultural industry a priority, through initiatives such as Taste NY, and by obtaining grants for farmers and others in the agricultural community.

### New York State: America's Yogurt Capital

As a result of Governor Cuomo's extraordinary support of the yogurt industry, New York is now officially America's yogurt capital, surpassing California in 2012 as the top producer of yogurt in the United States. New York companies produced 692 million pounds of yogurt in 2012, up from 554 million in 2011. The Department of Agriculture and Market's estimates at least 735 million pounds of yogurt will be produced in New York in 2013.



In August 2012, the Governor convened the State's first Yogurt Summit, which brought together dairy farmers, yogurt producers, and State officials to find new ways to support the industry. The Governor delivered on a Summit promise to remove regulatory burdens, making it easier for dairy farms to expand their herds while ensuring that the State's water bodies remain protected. The State lifted the cap under the Concentrated Animal Feeding Operations regulations (CAFO) from 199 cows to 299 cows. As a result, smaller farms will be able to expand their herd sizes without having to meet costly environmental permit requirements, allowing the State to grow its milk production for the yogurt industry.

Another goal of the Yogurt Summit was to attract and assist a fruit processor to provide fruit filling to yogurt producers. New York State provided assistance and incentives to Agrana Fruit US, Inc. to construct a new \$49 million fruit processing plant to serve the yogurt industry and create 120 jobs. The project, which is under construction, is located in Lysander, Onondaga County.

To help the dairy and yogurt industries to lower their energy costs, Governor Cuomo directed the New York Power Authority and the New York State Energy Research and Development Authority to make available \$10.7 million this year to support the increased construction and use of anaerobic digesters, which turn waste products into energy. This not only allows farmers to more easily manage the large amount of waste produced by cows, but also to save on energy costs. The digesters produce electricity onsite, offsetting a farm's electricity purchases. To date, NYSERDA incentives have supported nine anaerobic digester projects for dairy farms for a total capacity of 4.77 megawatts.

This summer, Governor Cuomo announced that New York was selected as one of four states to participate in the US Department of Agriculture's (USDA) National Greek Yogurt Pilot Program, a part of the National School Lunch Program, for the 2013-14 school year. The USDA is now seeking bidders to supply 4-ounce and 24-ounce containers of Greek yogurt to schools across New York.

## Supporting Our Wine, Beer and Spirits Industries

New York is home to more than 520 wineries, breweries, craft distilleries and cideries. The State ranks third in the nation in wine and grape production, has the second-most distilleries, and is home to three of the 20 top-producing brewers in the United States. In 2012, the Empire State ranked 6th in craft beer production and 7th in the number of craft breweries in the US.

Governor Cuomo hosted the first Wine, Beer and Spirits Summit to further solidify the State's position in the wine and spirits industry and to promote tourism throughout the State. At the Summit, plans were announced for a new marketing campaign to promote New York wine, beer, cider, spirits and tourism, as well as a series of regulatory reforms that will significantly reduce business costs for beverage producers.



In addition to establishing critical incentives and tax relief for New York craft and farm brewers, this year Governor Cuomo successfully removed the burdensome dual licensing requirements of the State Liquor Authority. Farm distilleries and farm brewers will no longer need an additional food-processing license and, through new legislation, farm cideries will have similar licenses to those already available to farm wineries, breweries and distilleries.

In September 2013, the Governor signed a series of new laws that will continue the State's efforts to better market and promote New York wine. Wine can now be sold at roadside farm markets, and portions of the State highways near wineries and vineyards are being designated as "Wine Trails."

The State also helped advance the expansion of the industry by providing funding for several important initiatives:

- To establish the New York Craft Malt facility in Genesee County that will use locally grown, malt-grade barley.
- For applied research of hops growing through Cornell Cooperative Extension to help growers produce and process their crops and to ensure that top quality hops can be used year round.
- For hops research at the Agricultural Experiment Station in Geneva to establish an acre of disease-free certified hop varieties, which will provide opportunities for faculty and hop growers to interact in research essential for the growth and prosperity of the industry.

To further support the beverage industry, the Governor hosted the Governor's Cup Wine Tour in the Finger Lakes region, which brought together leading wine industry professionals, restaurateurs, and tourism officials to promote the State's award-winning wines. After presenting the Governor's Cup, the Governor launched a television ad campaign to help promote New York State wines. The ad, which features rave reviews from wine critics around the country, encourages wine enthusiasts to buy locally made and produced products, and to discover the distinctive varieties of New York wines.

These changes have led to a dramatic increase in the number of distilleries and microbreweries across the State. As of September 2013, there were 37 farm distilleries, 27 of which were established under Governor Cuomo's administration, a 270% increase. There has been a nearly 100% increase in microbreweries in the past two years. In the first quarter of 2011, there were 51 licensed microbreweries across New York State; today, there are 93. We have also seen 14 newly licensed farm breweries in the State as of October 2013.

### Taste NY and Market NY

To promote New York State goods and products and to support tourism, Governor Cuomo launched the Taste NY and Market NY programs this year.

Taste NY is a major component of the Governor's \$60 million tourism campaign – the largest such campaign in decades. It focuses on branding and expanding New York's food and beverage industry by making the wide variety of foods and beverages produced in the State readily available and recognizable to New Yorkers as well as to the hospitality industry and public nationwide. Taste NY is being marketed through a range of promotional efforts including Taste NY tents at important events, Taste NY stores in transportation hubs, and a dedicated website, [www.taste.ny.gov](http://www.taste.ny.gov).

Market NY was funded in this year's budget to bolster tourism by promoting tourist destinations, attractions, and special events, as well as to support capital grant funding for tourism facilities in New York through the Regional Economic Development Council and process. It was announced at the Regional Council awards ceremony in December 2013 that 50 projects received \$10 million in funding across the State through the Market NY program.



### FreshConnect Farmers' Market Program

In May, the Governor announced funding for the third year of the "FreshConnect" farmers market program. This program assists farmers by increasing the sale of locally grown food products, while at the same time promoting nutrition and economic development through projects like youth markets, delivery of products to low-income housing facilities and new initiatives at traditional farmers markets.

### Agricultural Land Assessments

The Governor signed legislation to cap increases in agricultural land assessments at two percent per year, ensuring a more predictable tax climate for New York's agricultural sector. Coupled with the Governor's two percent property tax cap, this landmark legislation will keep farmers on their land and help them to reinvest in their operations.

### Investing in the Economy of the Future

Through the Regional Economic Development Council initiative, five regions—Western New York, Finger Lakes, Southern Tier, Central New York and North Country—were awarded funding to launch the Innovation Hot Spot program. This program, designed to spur economic growth by providing early-stage support services to young companies, also designated ten New York State Business Incubators. Each of the State's ten regions received at least one designation for either an Innovation Hot Spot or a NYS Business Incubator.

In addition, a new \$50 million Innovation Venture Capital Fund will provide critical seed and early-stage funding for new business formation. This fund will facilitate the transition from ideas and research to the development of marketable products. It will also strengthen university/industry connections and prepare New York businesses to compete for venture investment. It is expected to launch in early 2014.

The Governor also added \$55 million for a third round of the SUNY 2020 program and \$55 million to launch the CUNY 2020 program. These initiatives will provide competitive grants to projects that connect economic development and academic excellence.



## Promoting the Tourism Industry

Tourism is the fifth largest employment sector in New York, supporting 714,000 jobs and generating more than \$29 billion in wages in 2012. One out of every 12 jobs in the state is tourism-related. More than 202 million international and domestic visitors visited the Empire State last year, generating \$57 billion in direct tourism spending and \$7 billion in State and local taxes.

To support and increase tourism, Governor Cuomo launched the State's largest marketing campaign in decades, committing nearly \$60 million to the industry. The Governor's first New York State Tourism Summit, held last May, resulted in a series of new initiatives designed to create jobs and attract even more visitors. Among the initiatives:

- **New "I Love NY" marketing campaign for Upstate tourism:** This campaign, to promote Upstate tourist destinations, is being done in cooperation with the MTA and Port Authority, which have provided \$2 million in advertising space on subways, bus and commuter rail systems, and at airport arrival points.
- **International Tourism Campaign – From Asia to South America:** The campaign I LOVE NY ASIA / I LOVE NY SOUTH AMERICA will invite people overseas to the Empire State and also include New York representatives in emerging markets such as China and Brazil.
- **I LOVE NY LGBT:** The State launched an initiative to market New York State to the LGBT community, which accounts for approximately \$70 billion in tourism spending in the US every year. It also created a new "I Love NY LGBT" website, a one-stop tourism portal into all that New York State has to offer LGBT travelers.

Other new initiatives launched this year include:

- **Path Through History:** The program included the design and placement of tourism signage on State and Federal highways and promotion of historical sites.
- **Adirondack Challenge:** A national rafting and paddling competition that showcased the State's unparalleled natural beauty and recreational opportunities, and attracted visitors to the region. To further promote the best of the North Country, the State launched an Adirondacks and North Country tourism-based advertising campaign to drive tourism and grow the local economy.
- **The BassMaster Tournament:** The tournament, held in the Thousand Islands this summer drew more than 34,000 people over four days and drove sales tax up \$500,000 for the quarter. The Governor announced that the BassMaster Elite Series will return to New York in 2014.
- **PGA Championship:** One of the most important tournaments on the PGA tour, The PGA Championship, was held at the Oak Hill Country Club in Rochester. The Governor also announced a landmark agreement with The PGA of America to bring the 101st PGA Championship and the 45th Ryder Cup to Bethpage State Park in Farmingdale.



## Strengthening Our Film and Television Industry

New York State continued its commitment to be a leader in the film and television industry by enacting a five-year extension of the Film Tax Credit program at \$420 million per year and enhancing efforts to promote Upstate production. The extension guarantees long-term stability in the credit program to producers and industry executives when they are making decisions where to film; lowers thresholds to make it easier to do post-production; adds an additional ten percent on qualified labor for production and post-production in select Upstate areas starting in 2015; and adds a new provision to allow relocated talk and variety shows with specific requirements to qualify for the incentive.

Since 2011, the State issued \$443 million in tax credits toward motion picture, television series, and television pilot production in New York, resulting in \$2.12 billion of film and TV industry spending in the State, a return of almost five dollars of private investment for every dollar of public investment.

There are more new applicants for the Film Tax Credit program this year than any previous year, with 177 applications to production program so far this year, resulting in \$2.1 billion in spending in New York and 126,646 hires. Since Governor Cuomo took office, the Governor's Office of Motion Picture and Television has received 443 applications for the program, with an estimated spend of \$5.87 billion, representing 382,828 hires.

The television industry has also seen incredible growth, with a record-breaking number of pilots shot in New York State as a result of the expanded film tax credit program.

The expansion of the Post-Production Tax Credit program in 2012 has also led to a record number of applications for the post-production program in 2013. Since then, 90 new post-production projects have resulted in \$91 million in spending in the State. This compares to only 17 post-production projects in the 18 previous months with less than \$20 million in spending in the State. In addition, currently, nine new post-production companies have located to New York State (including three Upstate).



## Business Development Marketing Campaign

To spread the word about New York's new business-friendly attitude, the State launched an extensive advertising campaign designed to market the benefits of doing business in New York. The marketing campaign and accompanying website target corporate leaders around the State and nation looking to expand, start, or relocate their businesses. As part of the Governor's Buffalo Billion initiative, the campaign included targeted television and print ads focusing on the Buffalo area, featuring Warren Buffett, the Geico Gecko, and leading names from the State's second largest city.

Most recently, the State's marketing efforts are centered on the Governor's aggressive START-UP NY program.

## **Supporting and Expanding Minority-owned and Women-owned Business Enterprises: Achieving the goal of 20% for the first time in the program's history**

Fulfilling his pledge from the 2011 State of the State address, Governor Cuomo announced in October that New York State has for the first time in the State's history increased the utilization of minority-owned and women-owned businesses (MWBEs) in State contracting beyond 20%. When the Governor came into office the figure was nine percent. The Governor has pledged to work to achieve the 20% utilization rate again in 2014.

In 2011, Governor Cuomo established a statewide team to explore ways to eliminate barriers and expand the participation of MWBEs in State contracting. Two years later, a number of key initiatives, including an improved online reporting system, a streamlined certification process, and increased outreach initiatives have helped increase MWBE utilization beyond this 20% goal. Utilization of MWBEs in State contracts reached a record high of 21%. In the past year MWBEs received \$1.48 billion in contracts from a total of 97 public agencies and authorities.

In October, Governor Cuomo held the Third Annual MWBE Forum, the largest in the State's history, providing firms with one-stop access to contract opportunities and access to the State's key procurement stakeholders.

## **Increasing the Minimum Wage**

Governor Cuomo strongly believes that a reasonable minimum wage increases the standard of living for the most vulnerable members of the workforce, reduces poverty, and encourages fair and more efficient business practices. Governor Cuomo signed legislation updating the State's minimum wage law to align it more closely with the cost of living in the State. The minimum wage will now be raised 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. The Governor strongly believes that a reasonable minimum wage increases the standard of living for the most vulnerable members of the workforce, reduces poverty, and encourages fair and more efficient business practices.

## Helping New Yorkers Find Jobs

### Jobs Express: Generating More Job Opportunities

Using the Governor's Jobs Express site as an employment lead source, the State is contacting New York businesses directly to generate more job opportunities for the unemployed. Each month, Jobs Express lists an average of 51,000 new jobs located statewide. The Jobs Express website continues to be an important tool for New Yorkers to find employment opportunities with local businesses looking to hire.

### Veteran's Employment: Jobs for Veterans

The Governor enhanced several initiatives to support employment opportunities for Veterans. The Experience Counts Initiative helps returning Veterans get jobs in New York State by allowing a transfer of experience gained through their military career to civilian careers. Efforts include helping returning Veterans obtain security guard positions using their military experience to count for some of the required training, as well as allowing them the ability to secure a Commercial Driver's License without taking the road test. The Governor also instituted a new policy directing the ways in which services are provided to veterans in each of the New York State Career Centers which will increase the frequency and intensity of services provided to veterans, in order to assist them in securing employment more rapidly.

### New York Youth Works Program: Youth Employment and Training

Governor Cuomo launched "NY Youth Works," a statewide program to combat the over 40% unemployment rate among inner city youth in communities across New York. The program included \$25 million in tax credits for businesses that hire unemployed and disadvantaged youth and \$62 million to support job-training programs.

Under the program, thousands of young people received work readiness, occupational training and digital literacy training to build a foundation for future success. The program, a central part of Governor Cuomo's urban agenda, is revitalizing underserved communities across the state and addressing the chronic needs of those living in poverty.

The Governor has allocated an additional \$6 million each year for the program for the next four years.

### Employment Help for Formerly Incarcerated

Under Governor Cuomo's leadership, the State's "Work for Success" program is working with community-based organizations to promote and increase the employment of formerly incarcerated individuals. All New York State Career Centers have identified Work for Success liaisons to assist jobseekers in overcoming barriers to employment due to incarceration, as well as matching formerly incarcerated individuals to job openings. To date, 152 businesses have signed on as Work for Success employers and have placed 245 job orders with the Department of Labor. These job orders represent 499 job openings. In addition, 2,475 formerly incarcerated individuals have been hired during the first two quarters of 2013.

In September 2013, the United States Department of Labor awarded New York State \$12 million for its first Pay for Success Project, a new initiative to reemploy formerly incarcerated individuals. This project will address the employment needs of 1,000 formerly incarcerated individuals by expanding on an intervention strategy that includes life skills development, job placement, and post-placement support.

## IV: Improving the State's Transportation Infrastructure

### New NY Bridge Underway

After decades of delay, under Governor Cuomo's leadership, the New NY Bridge to replace the Tappan Zee moved from dysfunction to pre-construction in just 18 months.

From the day it opens, the New NY Bridge will mean less congestion for motorists, with eight traffic lanes, four breakdown/emergency lanes, and state-of-the-art traffic monitoring systems, as well as a dedicated commuter bus lane. Designed and constructed to be mass-transit-ready, the new crossing will be able to accommodate bus rapid transit, light rail or commuter rail.

The total cost of the New NY Bridge, including management and administrative costs, is \$3.9 billion, more than \$1 billion less than previously estimated. The design-build contract — which enables design and construction teams to devise the best methods for improving the bridge — will help keep the project on-budget and on-time, because the financial risk associated with cost overruns or schedule delays lies with the contractor, rather than the public.

The New NY Bridge now serves as the national model for large-scale projects on multiple levels, from the bidding process to the design, and most recently with the State obtaining a record-setting \$1.6 billion TIFIA loan – the largest in TIFIA program history. This achievement provided the Thruway Authority with an advantage in its inaugural bond sale for the bridge. Excitement in the financial markets resulted in a positive response to the sale and in more favorable rates than initially anticipated.

Pre-construction and construction activities for the bridge are well underway, with the installation of production piles on the main span piers and the completion of the temporary Rockland and Westchester trestles. The project is on budget and all contractual milestones are on schedule. The first span of the new twin-span bridge is scheduled to open in 2016, and the crossing should be complete in 2018.

The New NY Bridge has already helped grow the local economy by creating nearly 600 jobs and benefiting 500 companies, many of which are located in the Lower Hudson Valley.

An extensive community outreach effort is ongoing to keep local residents, businesses, and other stakeholders informed and to make this the most inclusive and transparent infrastructure project in State history. The safety record already exceeds that of other large projects nationwide. Live construction cameras are available at: [www.newnybridge.com](http://www.newnybridge.com).



## Investing in the Transportation System

Governor Cuomo has made investment in the State's transportation infrastructure a priority in order to address system conditions and to facilitate new economic development opportunities. The Governor ensured the 2013-14 budget laid the framework for a two-year New York State Department of Transportation (DOT) capital program with \$2 billion in construction in 2013-14 and increased funding for local road and bridge preservation activities as well as to maintain, repair and replace critical transit, rail and aviation infrastructure.

**NY Works:** The NY Works program helps to coordinate all of the State's infrastructure investment. DOT's share of NY Works funding was \$1.2 billion in 2012-13. All of DOT's NY Works contracts have been awarded, with the exception of the Kosciuszko Bridge, which is in the procurement phase. Re-decking of the Twin Bridges over I-87 is complete and work is underway throughout the State including: the rehabilitation of the Patroon Island Bridge (connecting Albany and Rensselaer Counties), construction on the Sprain Brook Parkway over SR 119 in Westchester, construction on the Patterson Bridge in Steuben County over the Chemung River and also on the Kendrick Road Bridge in Rochester.

Coordinating with the NY Works Program, the Bridge Authority has also begun construction on the \$93 million three-year replacement of the Newburgh-Beacon Bridge south span deck, replacing aging infrastructure with a new deck system designed to last up to 50 years.



**DOT Grants:** In September, DOT awarded \$48 million in grants to support freight rail, airport and public transportation infrastructure improvements across the State. These targeted investments will leverage an additional \$80 million in support from other sources, improve transportation infrastructure, and provide the foundation for future economic development and job creation. Of the \$48 million awarded: \$21 million is for transit capital projects to municipalities and transportation authorities for bus replacement, service-related equipment and facility improvements; \$7 million is for airport infrastructure projects that will improve facilities and provide income-generating opportunities for airports; and \$20 million is for rail capital projects that will support track rehabilitation, railroad bridge repairs, expanded capacity and economic development opportunities.

**Rochester Intermodal Transportation Center:** The State (in partnership with Amtrak and City of Rochester) moved forward with the design-build procurement for construction of a new intermodal station in Rochester, replacing its 37-year old temporary station.

**Investment at LaGuardia and JFK:** Under Governor Cuomo’s leadership, the Port Authority of New York and New Jersey has continued to work with its aviation industry partners to modernize New York’s airports. In May, Governor Cuomo, Delta Airlines, and the Port Authority announced the grand opening of the new \$1.4 billion Terminal 4 at John F. Kennedy Airport. The renovated terminal includes nine new and seven renovated international gates, improved and renovated check-in areas, a centralized security checkpoint, new dining and retail offerings, and improved baggage and customs areas. Other significant investments made at LaGuardia Airport this year include construction of a new East Parking Garage, demolition of outdated Hangars 2 and 4, construction of a new West Parking Garage and the beginning of construction on the East End Substation.

**Completion of the NYS Thruway/I-87 Interchange 23-24 Construction Project:** The \$100 million, three-year project, completed last November, reconstructed existing lanes and added capacity to the system at this location in Albany County. A new third lane was constructed in each direction and noise barriers were also constructed to protect local residents and businesses.

**World Trade Center Site:** Major milestones have been achieved this year at the World Trade Center site including: installation of the 1,776-foot spire on top of One World Trade Center, making the building the tallest in the Western Hemisphere; the selection of nationally renowned Legends Hospitality, LLC to develop and operate the observation deck at the top of One World Trade Center; the opening of the World Trade Center West Concourse – the first component of the World Trade Center Transportation Hub to open to the public; and the sale of the Port Authority’s remaining 50% interest in the WTC Retail Project to the Westfield Group, a leading global shopping center operator who was the Port Authority’s existing joint venture partner in the project.

## Building Smarter and Better

In order to deliver projects more quickly, efficiently, and at a lower cost to New York’s taxpayers, the State’s transportation agencies are working to build smarter and better.

**Design-Build:** By taking advantage of the “Design-Build” authorization in 2011, innovation and cost-effectiveness are built into the bidding process: rather than the State mandating a particular design and construction method, qualified firms engage in a competition to bring cutting-edge ideas and technology to the table. The State has been able to take advantage of the best value procurement methods, which involve the use of a broader set of criteria to evaluate a bid package – including additional features such as impact to the traveling public, a contractor’s ability to perform the work, use of innovative design and construction techniques and speed of construction. Overall, the State has awarded seven design-build contracts to date – including the New NY Bridge. Another four design-build projects totaling over \$1 billion, including the Kosciuszko Bridge (pictured below), are in the procurement process.



**Preservation First:** Under this framework, NYSDOT focuses investment in current infrastructure on preventative, corrective, and demand maintenance. This is done with an emphasis on proper management of State assets, and by undertaking appropriate treatments to maximize their usable life and the return on public investment.

**Project Bundling:** In order to accelerate delivery of projects, DOT has used the bundling of similar types of projects within a region to achieve economies of scale. DOT bundled 22 separate paving contracts in a \$250 million effort to make our roads safer and smoother, and bundled work on 115 bridges into three “Design-Build” contracts and 11 traditional “Design-Bid-Build” contracts in the \$212 million Accelerated Bridge Program.

**PPP Contract to Build a New Goethals Bridge:** The State’s transportation authorities are also exploring ways to maximize our private-sector partners’ investments in capital infrastructure. This year, the Port Authority awarded a design-build-finance-maintain contract to NYNJ Link Partnership as part of a \$1.5 billion public-private partnership (PPP) to replace the Goethals Bridge with a new state-of-the-art cable-stayed bridge. The unique agreement will save the Port Authority an estimated ten percent in combined construction and maintenance costs over the life of the agreement. This project represents the first true surface transportation PPP in the Northeast region.



**Innovative Construction Techniques:** The State is utilizing innovative construction techniques, including use of pre-cast components, to speed construction of projects. For example, a project to replace two bridges in Westchester County, which would have taken two construction seasons to complete using traditional construction methods, was completed in two weekends. Instead of using a traditional temporary bridge while the existing structures were demolished and new structures were built, new bridges were built adjacent to the existing bridges, using pre-cast concrete bridge beams that were fabricated off-site. During the weekend closures, the existing bridges were demolished and the new bridges slid sideways into place and were secured. Each bridge took approximately 18 hours to replace and saved taxpayers \$2 million by eliminating the need for a temporary bridge.

## Improving Customer Experiences

### DMV Customer Service Initiative

The Department of Motor Vehicles launched a customer service initiative this year to upgrade its technology systems and redesign service delivery to those who undertake the 14 million transactions it conducts each year. DMV has installed a new queuing system in State-operated offices to more efficiently handle in-office transactions. The new queuing system also allows customers to go online to reserve an appointment at a DMV office. Self-service kiosks have been installed in many State-operated DMV offices. Customers reaching DMV's call centers can now use a new call-back feature that lets them leave their number so that an agent can quickly return their call.

### Drivers First Initiative

The goal of Drivers First is to make the convenience of motorists a top priority and ensure minimal disruption for drivers encountering highway and bridge construction projects across the State. To achieve this end, the State is improving work zone traffic control plans to take into consideration the needs of the traveling public and the safety of the highway workers. DOT is improving communications that provide travelers with up-to-date roadwork and trip time information, helping motorists make informed decisions on departure time, alternate routes, and mode choices.

## Rail & Transit Performance & Safety

### Investing in Mass Transit

This year, Governor Cuomo continued his strong support for the State's mass transit systems to help maintain services and protect straphangers. The 2013-14 Budget provided more than \$4.7 billion, an increase of 10.1% statewide, to support operations of public transportation systems. Of this amount, the MTA, which was particularly hard-hit by the effects of Hurricane Sandy, will receive over \$4.2 billion in operating assistance, an increase of more than \$410 million over 2012-13. This increased level of aid will reduce the pressure on fares and tolls and reduce by half the anticipated 2014 fare increases.

The State's contribution to the MTA's capital program is fully funded using existing appropriation authority. These funds will create jobs and improve the MTA's infrastructure.

### Safety on Commuter Railroads

Following multiple accidents that occurred this year on the Metro-North Railroad, the MTA appointed a panel of national railroad and public transit experts to review the safety-related practices of all MTA rail and transit systems and began an assessment of how track safety systems--all of which comply with federal standards-- might be upgraded. Meanwhile the MTA began an effort to expedite implementation of the federally-mandated Positive Train Control system on Metro-North and the Long Island Rail Road, as directed by Governor Cuomo, and to install automatic speed controls at vulnerable track locations on both railroads. The MTA's immediately-begun safety measures include: installation of automatic speed protections at the site of the fatal December 1st derailment and lower speed limits at 26 other locations; enhanced train crew communications at critical curves and moveable bridges while preparing permanent speed protections at those locations; installation of "alerter" systems on all trains within one year; and efforts to reinforce a railroad culture that prioritizes customer and employee safety.

## V. Putting Students First – Improving and Reforming Education

Governor Cuomo recognizes that the only way to achieve a bright and vibrant economic future for New Yorkers is by ensuring that all children receive a quality education that prepares them for the 21st century economy. From shifting the focus from bureaucracy to the students, to fundamental reform that bases funding on performance, to establishing new pathways to college and career readiness, Governor Cuomo is putting students first.

### K-12 Education

#### \$1 Billion Increase in Funding for Education

The Governor enacted a budget that increased funding for education by more than \$1 billion. This increased funding brings to a total of \$1.8 billion the Governor's commitment to education over the last two years.

#### Teacher and Principal Evaluation Plan

New York has become a leader in the nation in putting the most effective teachers in the classroom. For the first time, every New York school district now has in place a meaningful teacher evaluation system. School districts must continue to evaluate all teachers and principals every year under Governor Cuomo's law. The evaluation plan brings accountability into the classroom, rewards performance and puts the interest of the students above the interests of the bureaucracy.



#### Launched Public-Private P-TECH Partnership

Governor Cuomo brought together IBM, the Business Council of New York State, Department of Education, SUNY and CUNY to create a statewide initiative to prepare students for high-skill jobs. Modeled after the acclaimed Pathways in Technology Early College High School (P-TECH) in New York City, NYS P-TECH provides high school students with a mentor and an associate's degree at no cost to their family, and upon graduation puts them first in line for jobs at partnering businesses. This public-private partnership will prepare more than 6,000 New York students for jobs of the future in technology, manufacturing, healthcare, finance and other growth sectors.

## New NY Education Reform Commission

The New NY Education Reform Commission, convened by Governor Cuomo in 2012, was charged with reviewing the State's education system with a focus on increasing student performance, educational efficiencies, and accountability. The Commission released its Preliminary Action Plan in early 2013 and Governor Cuomo included its priority recommendations in his State of the State address and Executive budget. These recommendations focused on finding ways to enhance teacher recruitment and evaluation, improving student achievement, boosting family engagement and addressing the issues of high-need and low-income communities across the State.

**Expanded Full-Day Pre-Kindergarten:** Governor Cuomo allocated \$25 million in competitive grant funds to school districts serving high-need communities across the State to establish new full-day pre-kindergarten placements and to convert existing half-day slots into full-day ones. Nearly 30 school districts are creating more than 5,500 full-day pre-k slots starting in early 2014 as a result of this opportunity.

**Community Schools Initiative:** As Governor Cuomo said in the 2013 State of the State Address, "Education in distressed communities is a totally different exercise in my opinion. A school in a poor district is not just a school. A school in a poorer district has a totally different set of needs. It's not about just providing an education; it's about health care, nutrition, family counseling, a medical clinic." The Governor allocated \$15 million for a competitive grant program that bolsters innovative programs designed to transform school buildings into these community hubs. With grants of up to \$500,000 grants for a three-year period, the 30 selected schools will unite strong core academics with health, mental health, nutrition, counseling, legal and other critical services to support students and their families.

**Reward High-Performing Teachers:** Addressing New York State's growing need for excellent teachers, especially in the STEM (science, technology, engineering and mathematics) fields, Governor Cuomo established the statewide Master Teachers program to award stipends of \$15,000 per year over four years to high-performing K-12 teachers in math, science and related fields. SUNY is administering the program in partnership with SUNY campuses around the State. The first four regions received 317 applications and selected 104 teachers in 63 school districts in the Mid-Hudson, North Country, Central New York, and Western New York Regions. Teachers throughout the rest of the State are now in the process of applying for the program, and additional Master Teachers will be announced this spring.

**Improving the Teacher Pipeline:** Recognizing that effective teachers are essential for academic success, Governor Cuomo has called on SUNY and CUNY to raise the bar on their teacher preparation program admission standards in order to recruit teachers from the top of their class. SUNY and CUNY have both adopted resolutions to implement increased admission standards for incoming students.

**Established Extended Learning Time Initiative:** The budget introduced a \$20 million competitive grant to expanded learning time by supporting school districts seeking to lengthen the school day, week and/or year by at least 25%. The additional time will make it possible for schools to help students succeed in core subjects like reading and math, as well as to offer enrichment opportunities and engage students in new subjects and partnerships with community organizations, colleges and universities, and cultural institutions.

## Higher Education

### Keeping Higher Education Affordable

Governor Cuomo continued the third year of rational tuition pricing for SUNY and CUNY colleges and universities. Beginning in 2011, with the enactment of Governor Cuomo's signature SUNY 2020 legislation, SUNY and CUNY tuition has been raised by a measured \$300 per year, eliminating the sudden and dramatic tuition increases of almost 40% that had been seen in prior years. Rational tuition pricing has allowed families to plan and campuses to make strategic investments and grow.

### Connecting Academic Degrees to Employment

The Governor enacted the Next Generation NY Job Linkage Program. The program requires that all SUNY and CUNY community college degrees and certificate programs partner with regional employers to provide students with improved opportunities for post-graduation employment in a field related to their education. The Governor also included \$5 million in incentive funding to improve performance in job placement and related goals.

### Harnessing Higher Education to Create Jobs

The Governor awarded a total of \$60 million in awards to four projects including a consortium of 19 SUNY campuses as part of the second round of the SUNY 2020 program. Fifty-five million dollars was included in the budget for CUNY 2020 Round I and another \$55 million was provided for SUNY 2020 Round III. The 2020 competitive grants for public colleges seek to spur economic development through initiatives tied to these academic institutions.



## VI: Providing Affordable Housing for New Yorkers

Governor Cuomo is investing \$1 billion of resources over five years for the new House New York program as a way to preserve and create nearly 14,300 affordable housing units across the State, including the preservation of 8,600 Mitchell-Lama units.

House New York, which represents the largest investment by the State in at least 15 years, exemplifies the Governor's strong commitment to affordable housing. It also generates significant economic benefits, creating jobs during construction and stabilizing distressed neighborhoods.

The program includes:

- Acquisition and revitalization from ESD of 44 Mitchell-Lama affordable housing projects that suffer from significant physical deterioration. At the Governor's directive, New York State Homes and Community Renewal has already gained control of the Mitchell-Lama projects and is now working to administer, rehabilitate, and maintain this aging portfolio. This project-by-project effort includes 35 developments, which will refinance debt to allow for significant rehabilitation and will preserve affordability for 40 more years. In August, New York State Homes and Community Renewal (HCR) financed \$163 million to restore and preserve 1,276 units in the Bronx.
- Creation and preservation of over 5,700 affordable housing units through various housing and community development programs. These programs include the new Rural and Urban Communities Investment Fund Program, which supports mixed-use affordable housing development that may include commercial, retail, or community facilities in both urban and rural communities throughout New York State. The State is also increasing investment in the Low Income Housing Trust Fund Program.

In addition to the historic commitment under House New York, HCR has financed nearly 24,000 new units since 2011. New York remains a national leader in creating affordable housing by leveraging public and private housing and community development resources to create jobs and economic opportunity.



Governor Cuomo remains committed to protecting New York's tenants through the newly created Tenant Protection Unit (TPU) to actively enforce the State's rent laws, which the Governor strengthened in 2011. The TPU conducted a random audit of building owners who, in the last four years, had failed to register rental properties as required by law. The TPU also audited owners and required them to produce proof of building improvements that have been the basis for increases in rent and that were used in the past to move units out of regulation. For the first time, the TPU sent subpoenas to owners who failed to comply with its requests for proof. As a result of these actions, more than 25,000 new apartments in 2,000 buildings have been added to the rent-stabilization rolls. Owners have for the first time entered into settlement agreements with the TPU to return money for overcharges: to date, over \$100,000 has already been returned to tenants.

Owners have also been required for the first time to revise tenant leases and re-register tenant apartments with HCR under the current rents. In the summer of 2013, the TPU opened investigations into specific Manhattan, Bronx and Brooklyn landlords who are alleged to have egregiously harassed and overcharged tenants.

In addition to these enforcement actions, HCR issued comprehensive regulations that will govern the new rent laws. These important changes: clarify how apartment improvements are calculated and verified; raise the deregulation rent threshold; raise the income threshold; and limit vacancy bonuses to only one per year, reducing the sort of lease manipulation by landlords that had previously pushed units out of the system.

The TPU's actions — combined with both new HCR-subsidized construction of rent-regulated units and far fewer units leaving the system since the deregulation thresholds were raised in 2011 — mean that, for the first time in decades, the number of rent-regulated units in New York State is now expanding.

## **VII. Investigating Corruption and Reforming Government**

This year, the Governor used his authority under the Executive Law to create a Moreland Commission to investigate corruption in government and propose reforms to address weaknesses in the law. The Moreland Commission is made up of prosecutors and legal experts who were deputized by the Attorney General to assist in the Commission's investigations. The Commission has undertaken a number of investigations to determine the role that money plays in the political system and any weaknesses present in the structure of the State Board of Elections. Additionally the Commission has examined weaknesses in existing laws, regulations and procedures relating to public corruption, conflicts of interest and ethics in State Government.

The Commission recently released its interim report detailing the results of its investigation. In addition to providing details on a number of ongoing investigations into both legal and potentially illegal conduct, the report provides a number of policy recommendations to address the Commission's factual findings. The report emphasizes the need for the immediate reform of New York's campaign finance and election laws, as well as vital changes to the criminal law to facilitate State prosecutions of corrupt public officials. The Governor will continue to work to ensure the necessary reforms to New York's political system are enacted by the legislature.

## VIII. A SAFER NEW YORK

Continuing to make New York State a safer place to live and work, Governor Cuomo advanced groundbreaking public safety legislation and implemented policies that will reduce violence and protect all New Yorkers.

### Reducing Gun Violence

Under Governor Cuomo's leadership, New York enacted the SAFE Act, one of the toughest and most comprehensive gun control measures in the nation. The SAFE Act stops criminals and the dangerously mentally ill from buying guns by requiring universal background checks on gun purchases, increases penalties for illegal gun use and strengthens the State's ban on assault weapons and high-capacity magazines. Key provisions of the SAFE Act also include stronger regulations on ammunition sales, a five-year firearms license recertification provision and support for school systems in developing safety plans. Additionally, the SAFE Act requires mental health professionals to alert local mental health officials when there is reason to believe a patient is likely to engage in conduct that will cause serious harm to self or others. This provision enables law enforcement to determine whether the individual possesses firearms and authorizes removal of the firearms where appropriate.



To further combat gun violence, the administration has implemented innovative crime-reduction strategies, including a strategy piloted in five sites across the State to prevent gun violence by “calling in” parolees with a history of violent convictions who have been recently released from State prison. Members of local and federal law enforcement and social services agencies come together to deliver a clear message to the parolees: put the guns down and we will help you; if not, we will lock you up. After its first year of operation, a preliminary analysis indicates promising results.

### Investing in a Smarter, Fairer Justice System

Under the Governor's leadership, the State's public safety agencies are investing in proven strategies for making our criminal justice system both more effective and more fair, reducing crime and recidivism and saving money for taxpayers.

The State has implemented Results First, a comprehensive cost benefit analysis tool that forecasts the public safety and fiscal costs benefits of various criminal justice programs, such as cognitive behavior therapy and job training for ex-offenders.

Based on Results First analyses, the Governor allocated nearly \$15 million to fund over 200 Alternative-to-Incarceration programs across the State. The goal of these programs is to reduce recidivism and unnecessary confinement, promote offender accountability and enhance public safety by supporting programs that focus on behavioral change. The providers offer a range of services including substance abuse, family, vocational, educational, mental health, medical and housing support.

A \$12 million federal Pay for Success grant was awarded to the Department of Labor that will help provide an estimated 1,000 employment slots for formerly incarcerated individuals over the next two years. In addition, a \$1 million federal Second Chance grant was awarded to increase job opportunities for parolees, including a unique culinary training program that prepares inmates for jobs after release.

Providing support to local law enforcement agencies, the State awarded nearly \$700,000 in grants enabling 150 local law enforcement agencies to purchase equipment for the first time or upgrade existing systems that allow them to videotape interrogations. With this investment, the State has provided more than \$3 million to allow law enforcement agencies to implement the practice, which is widely recognized as enhancing the fairness and effectiveness of the criminal justice system. Each of the State's 62 counties now will have agencies that videotape interrogations.

## Combating Cyber Threats

Cyber threats against individuals, government, and corporations are a major concern in a world of ever-increasing Internet activity. New York State created a first-of-its-kind public-private partnership between the New York State Intelligence Center (NYSIC) and the non-profit Center for Internet Security to assist the State Police in combating cyber threats, cyber terrorism and cyber-crime.

The Governor also established a Cyber Security Advisory Board, composed of some of the world's leading experts in cyber security, to help protect New Yorkers against cyber threats. The Board will advise the Governor of the latest developments in cyber security and make recommendations for protecting the State's critical infrastructure and information systems.

## Making Travel Safer

Over the past year, Governor Cuomo has also worked to improve the safety of all individuals travelling on the State's roadways.

### Reducing Distracted Driving and Texting While Driving

Governor Cuomo has strengthened penalties for cell phone use and texting-while-driving to protect New Yorkers on the road. He directed the State's Department of Motor Vehicles to increase the number of points assessed against an individual's driving record upon conviction for texting-while-driving and cell phone-related infractions from three points to five points. The Governor spearheaded legislation to impose increased penalties on drivers with probationary and junior licenses for improper cell phone use and texting-while-driving.

In conjunction with this new legislation, the Governor established "Text Stops" on many of New York's interstate highways, creating opportunities for the safe use of cell phones. This effort also included a new promotional campaign that directs drivers to wait until Service/Rest/Parking Areas to text and highlights the legal penalties that may arise should they fail to follow that advice.



## Combating Drunk Driving

Under Governor Cuomo's direction, the State has implemented some of the toughest protections in the nation against drivers with a repeat history of alcohol and drug-related driving convictions. Since the implementation of these new regulations, the Department of Motor Vehicles has reviewed nearly 5,000 re-licensing applications from individuals with more than two alcohol or drug-related offenses and denied 4,200 a renewed license, either permanently or for an additional five years. About 650 more drivers have been approved for re-licensing, but with an ignition interlock and a restricted license to limit their driving to necessary travel. In the past, many of these drivers would have been eligible to receive unrestricted licenses after a relatively brief period of time. State regulation now requires an immediate license revocation for drivers who are multiple alcohol/drug offenders and are convicted of a five-point violation.

## Strengthening the State Police

In 2013, the State Police Academy graduated two new classes after 26 weeks of training each, boosting the levels of troopers on the roads and enhancing public safety. Since Governor Cuomo took office, three new classes—totaling 505 new members—have joined the ranks of the State Police.



## Protecting Victims of Domestic Violence

The Governor signed legislation to increase safety for victims of domestic violence, hold offenders accountable and help make New York safer by: extending the mandatory arrest provisions of the Criminal Procedure Law; extending the law providing for longer duration of criminal orders of protection; prohibiting arrest of victims for violation of an order of protection under which they are the protected party; allowing corrections and parole officers access to the order of protection registry; and requiring phone companies to issue a new phone number, at no charge and within 15 days, when requested by a victim of domestic violence due to safety concerns.

In addition, the State partnered with the New York Sheriffs' Association Institute to utilize NY-ALERT, the State's automatic notification system, to create an electronic notification for domestic violence victims when an order of protection is served.

The administration launched the statewide Domestic Violence Fatality Review Team, a national model to identify opportunities for improvements in responding to domestic violence. Twenty-five team members from around the State – from State agencies, local service providers and local government entities – have completed two separate confidential reviews of fatal domestic violence cases. Two more reviews will be held and a Year One report will be issued in 2014.

## Helping Victims of Crime

The State continues its commitment to providing substantial relief to victims of crime and their families. In fiscal year 2012-2013, the Office of Victim Services (OVS) paid over 16,745 claims to victims and/or their service providers and, as payer of last resort, disbursed over \$28 million in compensation to victims of crime, their family members and treatment providers. The money disbursed came from mandatory surcharges and crime victim assistance fees assessed on convicted offenders. In addition, OVS awarded grants to 186 community-based programs across New York State to provide victim services.

## IX. Strengthening Our State's Healthcare System

### NY State of Health: Providing Affordable Health Insurance for New Yorkers

New York opened its Health Plan Marketplace, the NY State of Health, on October 1, 2013. New Yorkers can now shop for and enroll in quality, affordable, and comprehensive health plan options through this marketplace. Health plans offered through NY State of Health are on average 53% less expensive than coverage New Yorkers purchased directly last year. In addition, many New Yorkers will be eligible for additional financial assistance to help further lower the cost of health plan premiums purchased through the marketplace. With the creation of NY State of Health:



- Sixteen health insurers are offering coverage through New York's marketplace.
- A state-of-the-art website allows New Yorkers to shop for coverage and enroll. Ninety-five percent of web transactions are processed in under two seconds.
- A customer service center offers assistance in over 170 languages and the center has answered more than 248,000 calls to date.

As of December 17, 2013, over 371,000 New Yorkers had completed applications and over 141,000 had enrolled into coverage.

## Redesigning Medicaid to Improve Healthcare and Lower Costs

The Medicaid reform plan is premised on the idea that the only way to control costs is to improve the health of program participants. The Medicaid Redesign Team launched a series of innovative solutions to better manage care and reward providers that help keep people healthy. This approach differs from other states, which have relied on taking away benefits from low-income people or by cutting provider payment rates as ways to cut Medicaid costs.

The approach is producing better health outcomes while literally bending the cost curve:

- Lowered total Medicaid spending by \$4 billion in Year One.
- Stayed within the Global Spending Cap for two full years and finished Year Two \$200 million under the cap.
- Absorbed a \$1.1 billion federal revenue loss due to a change in Medicaid financing for services for people with developmental disabilities.

One million additional Medicaid members now have access to high quality primary care through nationally accredited patient centered medical homes. These primary care practices are reducing emergency room use and improving the health of Medicaid members.

## Supportive Housing for High-Cost Medicaid Recipients

There is a growing national recognition that addressing the social determinants of health is critical for both improving health status and reducing costs. This is most evident in the matter of housing. Governor Cuomo announced the allocation of \$86 million to support nearly 5,500 individuals through the Medicaid Redesign Team Supportive Housing Program. The funds are managed by multiple State agencies working cooperatively, and support both capital projects and rental and service subsidies. To date, funds have been committed to construct 12 new buildings, which will create 483 new supportive housing units. Funding has also provided over 4,300 individuals with rental subsidies and service supports. Although the link between stable housing and Medicaid cost control is well known, this is the first time that projected Medicaid savings have been directed to the development of supportive housing.

## Improving the Health of All New Yorkers through Prevention and Early Identification of Disease

**New York State Health Improvement Plan:** The State launched its Health Improvement Plan in the spring as part of a four-year effort to improve the health status of New Yorkers and reduce health disparities through an increased emphasis on prevention.

The prevention agenda will involve a broad range of stakeholders to collaborate at the community level to assess health status and needs, identify local health priorities and plan, implement, and evaluate strategies for local health improvement. The agenda's five priorities are: preventing chronic diseases; promoting a healthy and safe environment; promoting healthy women, infants, and children; promoting mental health and preventing substance abuse; and preventing HIV, sexually transmitted diseases, vaccine-preventable diseases, and healthcare-associated infections. The program is supported by a Robert Wood Johnson Foundation grant.

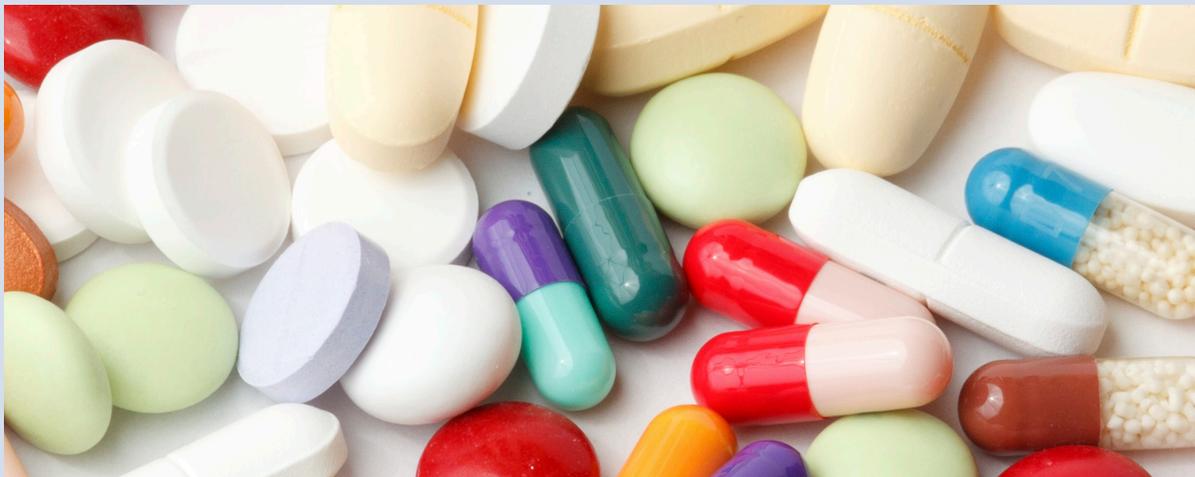
**Sepsis Prevention:** Earlier this year, the Department of Health amended its regulations to require that New York hospital have in place evidence-based protocols for the early recognition and treatment of patients with severe sepsis and septic shock. These first-in-the-country reforms are expected to save up to 8,000 lives each year and reduce other tragic and costly consequences of sepsis. Hospitals will be required to report their compliance with these practices and the outcomes of these efforts.

## Fighting Prescription Drug Abuse

In 2012, Governor Cuomo signed legislation to help address increasing rates of prescription drug abuse. The new law created a “real time” prescription monitoring program registry that provides health practitioners and pharmacists with timely and enhanced information about dispensed controlled substances. The new registry was made available in August 2013 and has accommodated approximately 4.6 million searches by over 54,000 health care professionals. The use of this information limits the opportunities for “doctor-shopping” while also informing health care professionals about appropriate prescribing practices.

This legislation prevented automatic refills of the painkiller hydrocodone after the initial prescription. This change has enhanced the security of a drug that has proven prone to abuse. Following New York’s lead, the Food and Drug Administration recommended a similar change to the federal controlled substance schedules.

Beginning in March 2015, New York will be the first state to require that all prescriptions for controlled substances be transmitted electronically, limiting the opportunity for forged or counterfeit prescriptions.



## **X. Protecting People with Special Needs**

### **Implementation of the Justice Center for the Protection of People with Special Needs**

On June 30, 2013, the Justice Center for the Protection of People with Special Needs began operations. This independent State agency, enacted through the leadership of Governor Cuomo, was created to ensure that the more than one million New Yorkers who receive care from facilities or programs under the jurisdiction of the State's six human service agencies are protected from abuse, neglect, and mistreatment.



The Justice Center has established new standards and practices that reform and strengthen the State's system of incident reporting, investigations and disciplinary processes. With these changes now in place, all allegations of abuse and neglect involving people with special needs are being tracked, investigated and, if determined to be criminal in nature, prosecuted. The agency also maintains a statewide database of all persons who have been found responsible for the most serious or repeated acts of abuse and neglect to prevent these individuals from ever working again with people with special needs.

Through the adoption of a mandatory code of conduct, caregivers with both regular and substantial contact with people with special needs are now held to a common set of standards and performance expectations. These caregivers, along with certain health care professionals, must also report all witnessed or suspected abuse and neglect to the Justice Center. The Justice Center is also charged with analyzing abuse and neglect patterns and trends, identifying systemic problems, and making recommendations to prevent future occurrences.

### **Improving Service to People with Disabilities: Olmstead Implementation Plan**

To ensure the State's services, programs, and activities for people with disabilities are administered in the most integrated setting appropriate to a person's needs as required by the Olmstead decision of the United States Supreme Court, Governor Cuomo created by Executive Order the Olmstead Development and Implementation Cabinet. The cabinet released its report in October 2013: [www.governor.ny.gov/assets/documents/olmstead-cabinet-report101013.pdf](http://www.governor.ny.gov/assets/documents/olmstead-cabinet-report101013.pdf).

The recommendations provide the framework to: transition people with disabilities into the community from developmental centers, psychiatric centers, adult homes and other institutional settings; reform the assessment of the needs and choices of people with disabilities; adopt new Olmstead outcome measures for people with disabilities; enhance integrated housing, employment and transportation services available to people with disabilities; improve services to children, seniors and people with disabilities involved with the criminal justice system; remove legal barriers to community integration; and assure continuing accountability for serving people with disabilities in the most integrated setting. The effective implementation of these recommendations will safeguard the fundamental civil rights of New Yorkers with disabilities to lead integrated lives.

## Changing the Way We Serve People with Developmental Disabilities

New York State has partnered with the federal government to achieve significant reforms for the treatment of people with developmental disabilities. The main goals of this reform are to expand opportunities for people to better direct their supports and services, gain jobs in the community and to increase the level of community-based services offered throughout the system. From just April to October 2013, the number of people self-directing their supports and services increased by over 57%. More people than ever are accessing supported employment services this year and are moving toward reaching their goal of long-term stable employment. Continuing efforts to transition individuals with developmental disabilities out of institutions and into integrated community-based settings have been accelerated. Currently, fewer than 900 individuals with developmental disabilities live in institutional facilities, down from 27,500 in 1970.

Additionally, the State has submitted the “People First Waiver” to the federal government and engaged in a partnership to further transform the existing system of supports to people with developmental disabilities into one that is more person-centered and based on a managed care framework. Critical elements for the move to managed care have been begun, including legislation authorizing the creation of managed care entities.

## XI. Helping New Yorkers in Need

### Combating Hunger

Nearly 14% of New York households struggle with hunger and at least 1 million New York children live in households that do not have regular and consistent access to food. Yet nearly one in four New Yorkers who are eligible for food stamps do not receive them.

Under the Governor’s leadership, New York has taken significant steps in the past three years to extend food assistance to New Yorkers in need. The Governor ended the finger-imaging requirement for Supplemental Nutrition Assistance Program (SNAP) benefit applicants and recipients, simplifying the application process and removing a barrier to reducing hunger for children and adults.

In 2013, Governor Cuomo continued a second year of enhanced funding for the Nutrition Outreach and Education Program to broaden its geographic reach by targeting areas of the State where many households potentially eligible for food assistance programs are not participating in them. The Nutrition Outreach and Education Program connects low-income New Yorkers with SNAP benefits and gives them tools to stretch their food budgets to purchase healthy nutritious items. This year the State conducted a SNAP enrollment and awareness campaign, partnering with grocery stores and community partners in Albany, Dutchess, Erie, Monroe, Nassau, New York (Manhattan), Onondaga, Orange, Queens, Rensselaer, Richmond (Staten Island), Rockland, Suffolk and Westchester counties.



In its third year, Governor Cuomo's FreshConnect program continues to bring fresh, locally grown food to underserved communities. The FreshConnect program includes projects such as youth markets, delivery of products to low-income housing facilities, and new initiatives at traditional farmers' markets, many of which now accept SNAP benefits.

To expand these efforts, Governor Cuomo established the New York State Anti-Hunger Task Force in December as a key tool in the State's ongoing efforts to eliminate hunger. The Task Force will bring together experts, advocates, and State and local officials to develop and implement action-focused recommendations to combat hunger and improve access to locally grown and produced fresh foods.

The Governor's Anti-Hunger Task Force will develop strategies to:

- Maximize resources to fight hunger in New York State by increasing participation in federally funded programs like SNAP, school breakfast and school lunch.
- Use public/private partnerships to increase outreach and leverage the power of government, businesses and the non-profit sectors working together.
- Improve access to quality healthy food through the use of New York farm products and locally produced goods to combat hunger while creating jobs and supporting economic development.

## Helping Connect New Yorkers in Need to Benefits

In order to make it easier for New Yorkers to learn about and access benefits for which they are eligible, the State enhanced its internet portal, named myBenefits ([www.myBenefits.ny.gov](http://www.myBenefits.ny.gov)), to provide families and community partners with the opportunity to connect with benefits, services, and work supports online. The site enables individuals to determine potential eligibility for a number of work support programs by entering minimal household information. The myBenefits portal is available in eight languages: English, Spanish, Arabic, Chinese, Haitian Creole, Italian, Korean and Russian. Through November, there were nearly 190,000 pre-screenings completed in 2013.

## Serving Blind New Yorkers

The State continued its work to assist New Yorkers who are blind in finding employment and receiving services for which they are entitled. The State was successful in increasing employment outcomes of blind New York residents by five percent over the previous year. This continues a consistent trend of annual increases since 2009. The past three years have seen an increase of more than 13% overall with annualized average salaries approaching \$40,000 statewide.

This past year, New York State Commission for the Blind maintained its status as just one of two Commissions for the Blind nationally to be fully compliant with federal performance standards issued by the US Department of Education. This represents not merely sound service delivery of vision rehabilitation services to blind State residents, it also secures full federal funding for the next two years to maintain the quality of service that ranks NYSCB first.

New York State became the first state to dedicate a memorial to its Blinded Veterans by mounting a bronze American Flag plaque with Braille Pledge of Allegiance in an honored location near the Capitol. New York State continues to focus on blinded Veterans and their surviving spouses with the Blind Annuity program.

## **XII. Building the Energy Infrastructure and Utility System of the Future**

### **Reforming the Long Island Power Authority**

Following the failure by the Long Island Power Authority to restore power on a timely basis to its customers in the aftermath of Superstorm Sandy, Governor Cuomo vowed to make the utility more accountable to its customers by freezing rates and privatizing its operations. During the 2013 legislative session, Governor Cuomo secured a landmark agreement to shift nearly all of its operations to Public Service Electric and Gas and subject its operations to the oversight of the Department of Public Service. The legislation: eliminates the gross receipts tax, saving ratepayers \$26 million per year; caps property tax increases on the utility's assets; and securitizes a portion of its debts to lower financing costs.

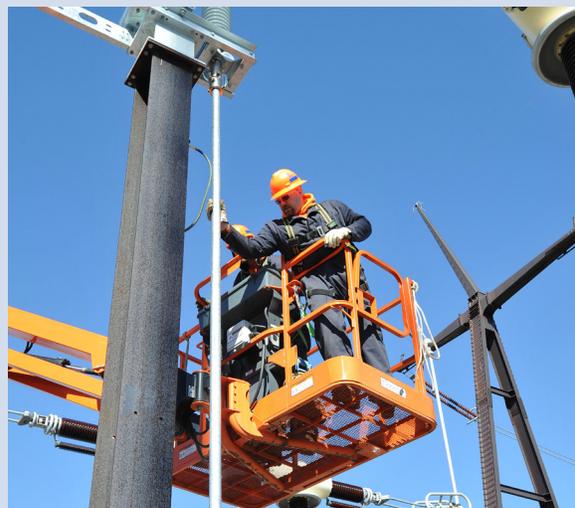
### **Strengthening Utility Oversight**

In the aftermath of Superstorm Sandy, Governor Cuomo secured much needed reforms in the oversight and enforcement mechanisms of the Public Service Commission (PSC) to ensure that major electric and gas utility companies are held accountable and responsive to regulators and customers. The reforms were based on recommendations of the Moreland Commission, which the Governor established to investigate the utilities' failures in preparing for and responding to the storm. These reforms, which were implemented through the budget, include: tougher penalties for violations and removal of the requirement that the PSC bring penalty cases to court; aggressive oversight by the PSC, which will now be able to undertake a more comprehensive review of utility planning and performance; requiring utilities to undertake more robust emergency preparedness planning and oversight; and stronger accountability, including allowing the PSC to be able to take whatever measures necessary, including revoking certificates and requiring utilities to divest assets, to ensure that utilities are continually able to provide safe and adequate service.

In November, the PSC approved numerous additional reforms, including: a utility scorecard to provide a quantitative assessment of performance in restoring power after significant outages; protocols for utilities to share critical equipment and supplies during emergency events; a comprehensive gas preparedness best practices plan for mutual assistance and strengthened communications protocols; and policies for utilities to handle customer outages credits and other consumer protections.

### **Energy Highway**

Governor Cuomo created the Energy Highway Initiative to upgrade and modernize energy infrastructure, to reduce transmission bottlenecks in New York and to help bring Upstate renewable resources to downstate markets. These comprehensive efforts are well under way and will provide as much as 3,200 megawatts of new electric generation, including renewable power and additional transmission capacity.



The PSC has taken additional actions designed to ease transmission congestion: planning for possible major power plant retirements to maintain a reliable power grid, including identifying three transmission projects and energy efficiency programs to bolster the reliability of the power grid in the event that the Indian Point Energy Center loses its federal operating license; and expanding natural gas utility service to homeowners and businesses in New York to lower energy costs.

## Tapping Energy for Economic Development

### ReCharge NY

The ReCharge NY (RNY) program, which the Governor created and the legislature passed in 2011, has exceeded expectations. RNY has proven to be one of the State's most effective economic development tools. In 2013, the New York Power Authority (NYPA) Trustees approved 105 allocations of RNY power, totaling 73 megawatts, to 84 businesses and not-for-profit facilities throughout the State in return for commitments linked to more than 23,000 jobs. Since RNY began, 700 allocations have been made to support over 384,000 job commitments at businesses and not-for-profit organizations around New York.

### Western New York Power Proceeds Allocation Board

The Western New York Power Proceeds Allocation Board, appointed by the Governor, made its first recommendations in May for funding from the Western New York Economic Development Fund, currently valued at approximately \$13 million. The fund was created by a statute signed by the Governor last year, using revenues from unutilized hydropower generated at the NYPA's Niagara Power Project. Since that time, \$13 million in awards have been approved for spurring economic development in the Buffalo-Niagara region.

### Alcoa

In July, Alcoa, a leading producer and miner in the aluminum industry, which has facilities in St. Lawrence County and is the largest private sector employer in the North Country, formally broke ground to carry out the first phase of the modernization of the company's Massena East facility. The upgrade was provided for under a contract with NYPA for the continued supply of low-cost hydropower as part of a long-term agreement to protect a minimum of 900 jobs at the aluminum production facilities. Alcoa also presented a check for \$10 million to establish the North Country Economic Development Fund. The fund is being administered by NYPA for low-interest loans to enterprises in the region in return for job commitments.

### Iconic Niagara Falls Tourist Destination Saved

Governor Cuomo secured the future of the iconic Maid of the Mist scenic boat excursions at Niagara Falls for decades into the future, preserving a critical element of the region's tourism industry. The Maid of the Mist, which was in jeopardy of shutting down after losing its winter storage site in Canada, will now utilize land owned by NYPA at the former Schoellkopf power plant site. The agreement, spearheaded by the Governor, provides for the Maid of the Mist to continue to operate in the Niagara Gorge, while producing increased revenues for Niagara Falls State Park. In October, for the first time, the tour boat vessels were lifted from the Niagara River and stored at the newly constructed dry-dock facility at Schoellkopf.

## **XIII. Protecting NY's Environment and Securing a Clean Energy Future**

New York has a long history of protecting the environment and supporting clean energy, and the State is renowned as a leader in the effort to combat climate change. In that tradition, Governor Cuomo has begun a series of innovative clean energy and environmental initiatives that will preserve New York's vast natural resources, increase energy conservation, create jobs and reduce the State's carbon footprint. In fact, a report by the US Department of Energy ranked New York fifth in the nation for the amount of installed renewable energy capacity providing electricity to the State. New York was the only state east of the Mississippi named in the top five, and the only Northeast state in the top ten.

### **New York Green Bank**

In his 2013 State of the State address, the Governor announced the creation of a \$1 billion New York Green Bank to mobilize private sector capital to finance the transition to a more cost-effective, resilient and clean energy system.

The Green Bank will accelerate the deployment of clean energy through a variety of financing tools targeted at harnessing capital markets

and alleviating financial market barriers. Earlier this year, the New York Green Bank was launched through a petition to the Public Service Commission to use approximately \$165.6 million in uncommitted funds for the Green Bank's initial capitalization. These funds will be combined with \$44.7 million obtained through the sale of carbon dioxide allowances under the Regional Greenhouse Gas Initiative for an initial capitalization totaling \$210 million.



### **Renewable Energy Investments and Efforts**

#### **NY-Sun Initiative**

Governor Cuomo launched the NY-Sun program to significantly increase the amount of solar capacity in the State. Since its launch, a total of 299 megawatts of solar photovoltaic capacity has been installed or is under development, more than was installed in the entire prior decade. Approximately 145,000 tons of greenhouse gas emissions will be avoided each year with the installation of the NY-Sun projects, which is the equivalent of removing 29,000 cars from the road.

During 2013, New York State awarded \$126 million for 184 large-scale commercial solar photovoltaic systems, which leveraged a total of \$278 in private investment, and increased its incentive program for smaller-scale projects to \$4.8 million per month to help more homeowners, small businesses, schools, municipalities and not-for-profit organizations install photovoltaic systems.

Also under NY-Sun, a New York State Unified Solar Permit was developed that will reduce costs for solar projects by streamlining municipal permitting processes.

Fulfilling a pledge made in his 2013 State of the State address, Governor Cuomo has committed to extend the NY-Sun initiative to a long-term funding stream for solar projects. In committing long-term funding for NY-Sun, New York is promoting the development of a robust, sustainable solar power industry, which will create well-paying, skilled jobs, improve the reliability of the electric grid and reduce air pollution.

In November, Governor Cuomo announced that New York State had won a \$1.4 million US Department of Energy award to help streamline the solar installation process in the State and lower photovoltaic costs through an initiative known as NYSolarSmart.



### Improving Energy Efficiency

Late last year, the Governor issued an executive order with the goal of improving energy efficiency in State buildings by 20% by 2020, under the auspices of the Build Smart NY initiative. This initiative is currently benchmarking the energy usage of State buildings and executing energy master plans for facilities where the most energy is used. NYPA, which is administering Build Smart NY, is providing \$30 million over five years to advance market development and commercialization of new energy efficiency technologies.

Since the initiative's inception, NYPA has financed and completed 80 energy efficiency projects at public facilities throughout New York State. The upgrades, totaling more than \$281 million, will provide annual energy savings of \$13.2 million to taxpayers. The projects will also reduce greenhouse gas emissions by over 52,000 tons a year, equivalent to removing more than 9,700 cars from the road.

In addition to the projects completed in 2013, NYPA invested \$194 million for energy-efficiency projects in various stages of development.

To stimulate residential energy efficiency projects, the State also raised \$24.3 million in its first-ever issuance of revenue bonds to finance loans for consumers. This bond issuance was an innovative financing collaboration between the New York State Energy Research and Development Authority and the New York Environmental Facilities Corporation that addressed a market barrier found within the clean energy sector.

## Charge NY Electric Vehicle Initiative

In 2013, the Governor announced the Charge NY Initiative to install 3,000 public charging stations for electric vehicles (EV) statewide over the next five years. Through this program, the Governor has proposed investing \$50 million to stimulate demand for EVs and investments in infrastructure. In addition, the Governor has called for increasing the State's EV readiness through reforming regulations to facilitate EV charging, educating consumers about EVs, and demonstrating advanced EV technologies. This year alone, more than 200 charging stations will be installed across the State. This follows on last year's funding for 325 charging stations.

Under the Charge NY initiative, Governor Cuomo's executive budget included a tax credit for electric vehicle charging infrastructure, and the Governor announced a \$19 million incentive program to encourage the purchase of battery-electric commercial trucks as well as other energy-efficient transportation. New York also joined seven other Northeastern states in a memorandum of understanding to put more than three million electric-drive vehicles on the road in their states within a dozen years.



## Building Sustainable Communities

The Governor dedicated \$100 million in proceeds from the Regional Greenhouse Gas Initiative for the Cleaner, Greener Communities Program, which supports smart growth and sustainability planning and projects. This program empowers regions to create more sustainable communities by funding smart growth practices. Comprehensive regional sustainability plans were developed to guide integrated, sustainable solutions—from statewide investments to regional decision-making on land use, housing, transportation, infrastructure, energy and environmental practices—to improve New Yorkers' quality of life. In June, the Governor announced that \$30 million was available for projects that align with the sustainability plans endorsed by the Regional Economic Development Councils and in December, the Governor announced that 43 projects had been selected that address sustainability, resiliency and greenhouse gas reductions.

## Preserving Our Environment and Open Spaces

### Protecting Open Space and State Parks

The Governor has made the protection of land and parks a hallmark of his tenure. From the outset of his administration, Governor Cuomo has reversed the trend of deteriorating parks, most recently dedicating \$90 million of capital for 2013-2014. This commitment follows last year's New York Works initiative, which allocated \$89 million in new capital funds. Together with additional leveraged funds, NY Works has supported a total of \$265 million in capital improvements at 81 parks since 2012.

The Governor sponsored I Love My Park Day in May and was one of 4,000 volunteers who contributed 10,000 volunteer hours to complete more than 100 cleanup, improvement, beautification and stewardship projects at 78 State parks and historic sites, doubling the volunteer effort from the year before.



### Preserving the Adirondack Park

The Governor's commitment to purchase 69,000 acres of former Finch Pruyn lands and other properties represented the largest addition to the State Forest Preserve in the Adirondack Park in more than a century. In April, the State completed the purchase of key tracts, including the Essex Chain of Lakes, OK Slip Falls and miles of wild upper Hudson River, ensuring their continued protection. The acquisitions will expand tourism opportunities in the Park and benefit local communities. In December, the Adirondack Park Agency made its recommendation to the Governor for the classification of the Finch Pruyn properties that will not only provide protection of this priceless natural resource, but also create community connectivity and additional recreational access.

Also, in November, the Governor secured the ratification of two Constitutional amendments to increase recreational activities in the Adirondack Park, resolve decades old land disputes and protect more than 100 jobs while adding valuable land to the Forest Preserve. One amendment allows a land exchange between the State with NYCO Mineral, Inc. that would add acreage to the Forest Preserve and provide new opportunities for hunting, fishing, hiking, and nature observance. The State will also move forward with the resolution of century-old land disputes in Raquette Lake where 216 properties, including homes, businesses, and public buildings, have unclear titles on more than 1,000 acres. The residents will be able to receive clear title to their properties and the State, through payments made by those residents, will be able to add more land to the State Forest Preserve.

## Increasing the Environmental Protection Fund

This year marked the 20th anniversary of the Environmental Protection Fund (EPF), which provides critical support for many environmental and open space programs that generate revenue and create jobs throughout the State. In recognition of the importance of this funding, the Governor's 2013-2014 budget increases the EPF by \$19 million to \$153 million.

## NY Open for Hunting and Fishing Initiative

The Governor launched the NY Open for Hunting and Fishing Initiative earlier this year to improve recreational activities for in-state and out-of-state sportsmen and sportswomen and to boost tourism opportunities throughout the State. This initiative includes the streamlining of hunting and fishing licensing and reducing license fees; improved access for fishing at various sites across the State; stocking as much as 900,000 pounds of fish; expanding fishing clinics; and increasing hunting opportunities in various regions.

## Protecting our Lands and Water from Invasive Species

Invasive species are one of the State's fastest growing environmental threats and have spread throughout waterways, forests and farmlands. Losses associated with invasive species have been calculated at nearly \$120 billion per year in the United States. In the New York State Canal and Hudson River system, an estimated \$500 million in economic losses occur each year from at least 154 non-indigenous species; 80% of that loss is in commercial and sport fishing. The Department of Environmental Conservation has proposed regulations including lists of species for prohibition or control.

## Revitalizing Communities through Environmental Remediation and Protection

New York State continues to undertake remediation efforts to revitalize our communities and protect our residents from extreme weather events:

**The Brownfield Opportunity Areas (BOA) Program:** This program provides municipalities and community-based organizations with up to 90% of the eligible project costs to complete revitalization plans and implementation strategies for areas or communities affected by the presence of brownfield sites—dormant properties where the presence of contamination has impeded site development -- and site assessments for strategic brownfield sites. The Governor's enacted 2013-14 budget supports all announced and approved BOA applications and provides an additional \$10 million for existing applications for the highest quality projects that provide the most benefit and other related purposes.

**"New York Works" for Environmental Resources:** Last year, Governor Cuomo secured more than \$100 million to restore the State's environmental infrastructure, including State-owned dams, flood control facilities, and coastal hazard and inlet navigation maintenance projects. This year's budget includes \$40 million for the Department of Environmental Conservation to invest in recreational infrastructure, e-Business and plugging of abandoned oil and gas wells, and to provide grants for municipal brownfield cleanups and water quality improvement projects for wastewater treatment systems.

## Financing Support for Clean Water Infrastructure Projects

Under Governor Cuomo's leadership, the Environmental Facilities Corporation had a near record-breaking year in providing financing and grants in support of municipal clean water projects and wastewater treatment facilities. In 2013, it provided nearly \$2 billion in financial aid to support clean water systems, which contribute significantly to the overall health of communities and provide the infrastructure necessary for job growth and commercial development. In addition, the Department of Environmental Conservation offered \$45 million in grants for water quality improvement projects municipal wastewater treatment, polluted runoff abatement control, natural infrastructure to build resiliency and aquatic habitat restoration.

## **XIV. Storm Recovery and Rebuilding**

Superstorm Sandy was the worst natural disaster to hit New York in decades, bringing widespread devastation, including the deaths of 60 people. It caused catastrophic flooding of communities, leaving more than two million without power, damaging major transportation systems, destroying or damaging more than 300,000 homes and leaving countless families homeless.

In the year since the storm, Governor Cuomo worked diligently to address the long-term needs of storm victims and to secure our safety from future natural disasters.

Much of the State's efforts have been funded by significant federal aid that Governor Cuomo fought to obtain. New York State expects to receive \$30 billion in federal funds for recovery, rebuilding and mitigation. The Governor has focused his efforts in three primary areas related to Superstorm Sandy, Hurricane Irene and Tropical Storm Lee:

- Assisting the recovery and rebuilding for individuals, businesses and communities impacted by the storm.
- Improving New York State's emergency preparedness and response capabilities to protect against future storms.
- Upgrading the State's infrastructure to better withstand major weather incidents.

### **Building Back Better: Homes, Businesses and Communities**

Governor Cuomo's NY Rising programs are assisting individuals, businesses and communities to recover and rebuild following Superstorm Sandy, Hurricane Irene and Tropical Storm Lee.

#### **NY Rising Community Reconstruction Program**

Governor Cuomo's NY Rising Community Reconstruction Program (CRP) has empowered more than 100 severely damaged communities to create and implement locally-oriented strategies to build back better and prepare for future extreme weather.

Local leaders and experts formed local Planning Committees that will compete for awards ranging from \$3 million to \$25 million to implement plans due by the end of March 2014. The State will also award at least \$250 million from the FEMA-funded Hazard Mitigation Grant Program to communities. A \$3 million bonus will be awarded through CRP for the best plans in several categories, including community involvement, use of technology in planning and best regional collaboration.



#### **NY Rising Housing Recovery Program**

Governor Cuomo established the NY Rising Housing Recovery Program to assist with home repair, reconstruction and reimbursement, utilizing \$838 million in Community Development Block Grant Disaster Recovery funds allocated to the State by the United States Department of Housing and Urban Development (HUD) in April 2013. New York is not just building back, but Building Back Better – assisting homeowners to make their homes safer and more resilient to future storms – by, for example, providing elevation funds of up to \$50,000 beyond the \$300,000 maximum program benefit to elevate vulnerable households within the 100 year floodplain. The Housing Recovery program is currently providing assistance to nearly 6,000 homeowners across the State.

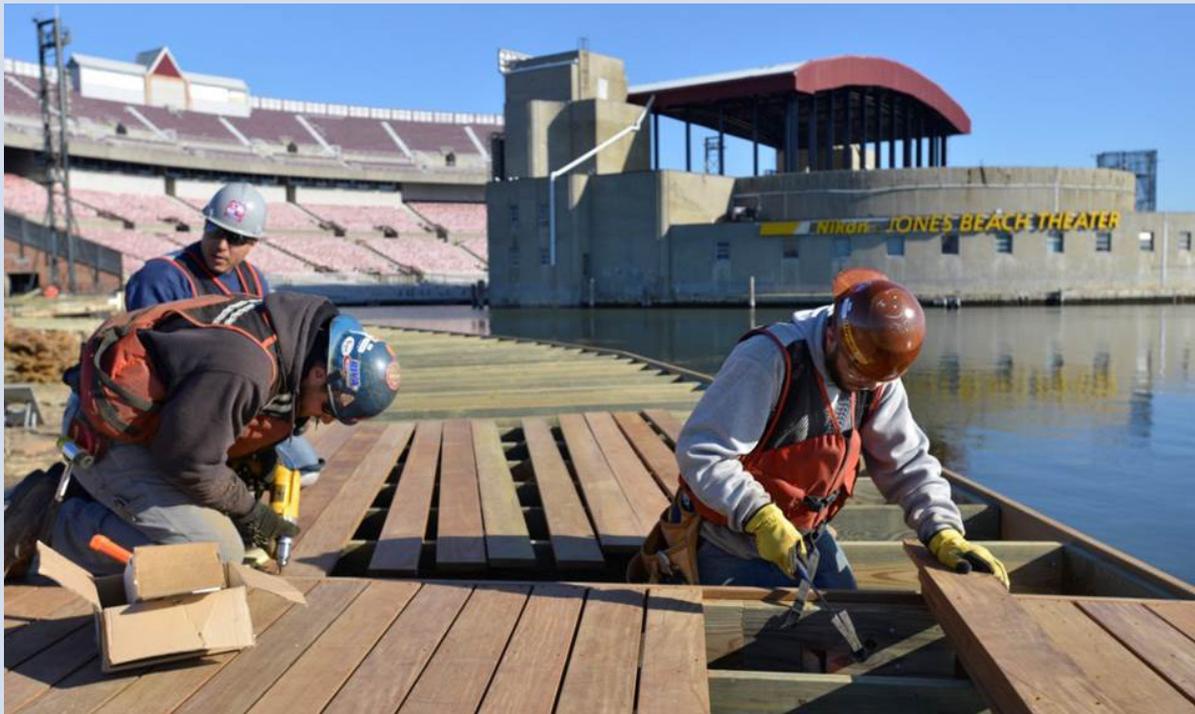
### NY Rising Home Buyout Program

Under Governor Cuomo's NY Rising Home Buyout Program, the State is purchasing properties from eligible homeowners. Homes in designated buyout areas are receiving pre-storm, fair market value for properties that will be maintained in perpetuity as open space, transformed into coastal buffer zones or parks, or used for other non-residential purposes to protect nearby communities from extreme weather. Owners of homes that sustained substantial damage within the 100-year flood plain but are not in designated buyout areas are being offered an optional acquisition program under which the property may be redeveloped.

The State has offered buyout invitations to over 1,000 homeowners in Nassau and Suffolk counties in Long Island and Staten Island, and has nearly 500 homes in the program. Three hundred forty-six homes are in the acquisition program and 186 offers to purchase have been issued.

### NY Rising Small Business Recovery Program

The NY Rising Small Business Recovery Program provides grants of up to \$50,000 and low interest loans of up to \$1 million. The Preliminary Award Initiative allows businesses to receive a grant award of \$10,000 as an initial payment while they complete their full application. Businesses can use the NY Rising funds to replace damaged equipment, to pay for repairs already made, or even take measures to guard against future damages. Additional grants of up to \$50,000 are available for coastal fisheries and seasonal tourism businesses.



## Improving Readiness, Emergency Preparedness and Response Capabilities

### Protecting New Yorkers' Access to Fuel

Governor Cuomo launched "Fuel NY," improving access to gasoline during severe storms and other major weather events. Fuel NY was developed as a direct response to gas shortages that occurred during Superstorm Sandy and includes the nation's strongest back-up power requirements for gas stations in strategic locations. Fuel NY is one step in a comprehensive initiative to protect the fuel supply chain in an emergency, providing up to \$17 million in funding to help retail gas stations improve their back-up power capacity so they can remain open during major storms.

The State has also established a Strategic Gasoline Reserve to prevent supply gaps and long lines at gas stations during emergencies, as well as an Emergency Gasoline Network to assist motorists.

### Providing State-of-the-Art Emergency Preparedness Training

Governor Cuomo created the first-ever statewide program designed to establish uniform emergency preparedness training for county chief executives, county emergency managers and local emergency first responders (e.g., fire chiefs, police chiefs, EMS directors and other county officials). The NYS Emergency Management Certification and Training Program (NYS-EMC) will certify participants for disaster response capabilities. Training is provided in partnership with a consortium of SUNY and other colleges and universities.

### Increased National Guard Readiness

As directed by Governor Cuomo, the National Guard is prepared to deploy hundreds of members trained to provide security, logistics, transportation and communications support to help rapidly restore power promptly after a disaster through modular and expandable teams of National Guard members. The National Guard has worked with the State's major utility providers to coordinate and plan for their roles in security, logistics, transportation and communication support, thereby maximizing the ability of utility linemen to rapidly restore power.



### Resiliency Leadership

Governor Cuomo established the New York State Resiliency Institute for Storms and Emergencies (NYS RISE), a research and education think-tank on emergency preparedness led by New York University and Stony Brook University. The Resiliency Institute will serve as a statewide anchor for policymakers and emergency responders, providing a comprehensive analysis to inform critical decisions before, during, and after extreme weather events.

### New York State Evacuation of Facilities in Disasters System (NYS e-FINDS)

Governor Cuomo launched a statewide emergency tracking system to ensure the safety of patients when healthcare facilities are forced to evacuate. NYS e-FINDS has been rolled out to over 2,500 healthcare providers covering up to 300,000 patients and health facility residents.

## Upgrading Infrastructure to Better Withstand Major Weather Incidents

The Governor has made investment in large-scale critical infrastructure a priority as communities across the State build back better.

### Mass Transportation

Governor Cuomo proactively shut down vulnerable transportation systems before Superstorm Sandy made landfall, mitigating against casualties and damage. These actions allowed the MTA to begin restoring service only one day after the storm passed.

Three months after landfall by Sandy, the MTA had executed more than \$200 million in recovery construction. By October of 2013, the MTA had 16 projects totaling \$600 million under contract, five projects totaling \$75 million in the procurement process, and more than 70 other projects totaling more than \$4 billion in design. More than 2.5 million employee work-hours were required to accomplish basic repairs.

Restoration work has included replacing nine miles of subway track and 22 miles of Hudson line track bed and shoreline, replacing 100 miles of electrical cable, installation of three miles of storm surge wall along the vulnerable line of the A-train in the Rockaways, pumping 130 million gallons of water from train and vehicular tunnels and replacing more than 1,000 signal components and three sub-stations on Long Island.

Under Governor Cuomo's leadership, the MTA has been piloting alternative strategies to protect mass transit against storm surge. The MTA is designing solutions to fully prevent water incursion at approximately 600 entry points in Lower Manhattan as well as vulnerable vent plants and openings in other flood prone areas. Prototypes of tunnel plugs, vent covers and other barriers are being developed. Across the MTA, more than 70 projects totaling \$4.5 billion in investment are in the design phase. An additional 21 projects totaling \$650 million are in procurement or are under construction.

### Port Authority

Port Authority assets sustained an estimated \$2 billion in damage from Sandy. At the World Trade Center alone, the Port Authority has spent more than \$100 million on repair and mitigation measures and has approved more than \$300 million in additional repair and mitigation funding.

To strengthen resiliency, the Port Authority spent \$59 million in 2013 on 85 flood protection measures to better withstand future storms and minimize service interruption or damage. This includes 171 generators with 44.5 megawatts of capacity to ensure that facilities rebound after a loss of commercial power and more than 15,000 feet of waterproof barriers across Port Authority facilities. The Port Authority now has a robust emergency stockpile of sandbags, pumps, generators and electrical cabling to ensure operational continuity at the Authority's airports, bridges, tunnels, seaport, PATH transit system and the 16-acre World Trade Center site. The Port Authority has invested more than \$330 million this year to repair damage under the Sandy Recovery and Resiliency Program, in coordination with FEMA and the Federal Transit Administration.

## New York State Roads

New York State Long Island roadways impacted by Sandy include Ocean Parkway and the Orient Point Park roadway. The Ocean Parkway required total replacement for which the New York State Department of Transportation utilized a \$33.2 million design-bid-build emergency reconstruction contract. The project also included dune restoration and limited beach replenishment at the Robert Moses traffic circle.

The entrance roadway to Orient State Park at Orient Point was completed at a cost of \$2 million to repair and restore undermined pavement, replace conduits, and plant and install dune fencing to protect the dunes from future erosion.

## New York State Canals

The New York State Canal Corporation was still recovering from damage caused by Hurricane Irene and Tropical Storm Lee when they were inundated with severe flooding in Herkimer, Oneida and Montgomery Counties in 2013. The severe flooding in 2013 spurred the advancement of mitigation measures to protect assets and warn the public more accurately about the potential risk of flooding. The Canal Corporation has been working with FEMA on movable dams that will cost \$28 million and an Upstate flood warning system that will cost \$8.5 million.

The Movable Dams are already 40% complete. Work is underway from Lock E-8 (Scotia) to Lock E-15 (Fort Plain) in Montgomery and Schenectady Counties.

The Upstate Flood Warning System was approved by FEMA in November of 2013, and is scheduled for completion in 2015. The project covers 13,000 square miles in 27 Upstate counties (the Oswego, Mohawk, and Upper Hudson River Basins). The early warning system will save lives, protect human health and reduce property loss.

## Hardening Energy Infrastructure

It is essential that the State take steps to underground or harden circuits that experienced the greatest damage from Sandy and are the most vulnerable to outages during storm events. The State has committed \$430 million to harden the 350 worst performing circuits on the Long Island Power Authority system that service approximately 800,000 customers.

The State is working to invest \$72 million to raise as many as 32 flood prone coastal power transmission and distribution substations above ground and install a new \$51 million state-of-the-art Outage Management System to improve PSEG-Long Island's outage restoration capabilities.

Microgrid generators help to maintain electric supply to customer load pockets negatively impacted by weather events, electric system failure or severe flooding. The State is working to secure funding for the Yorkville project in Manhattan (Con Edison service area) and the Four Corners project in East Fishkill (Central Hudson service area).

## Coastal Storm Protection

Over \$700 million in funding will be used as part of a US Army Corps of Engineers project to improve storm protections along 83 miles of coastal area in Suffolk County, from Fire Island to Montauk Point. This extensive project will include beach and dune re-nourishment, breach closure planning, elevation of homes on mainland Long Island and elevation of utilities and roads.

The State is planning to invest \$18 million in Spring Creek Storm Risk Reduction at Jamaica Bay to re-contour the land to prevent floodwater from entering the Howard Beach community. This innovative project also includes low- and high-level vegetated salt marshes, dune complexes, grasslands and maritime forests to protect against storm surge and provide an additional level of resiliency against sea level rise.

New York State will implement an enhanced training project for floodplain administrators throughout the State on managing development in flood hazard areas. Floodplain administrators are usually building inspectors, local community engineers or code enforcement officials.

## Safeguarding Access to Clean Water and Resiliency for Wastewater Plants

The Governor secured Federal Funds to undertake flood-mitigation projects at wastewater and drinking water plants in communities damaged by Sandy. Working with the US Environmental Protection Agency, New York State has established the Storm Mitigation Loan Program with a combination of interest-free loans and non-reimbursable grants. Mitigation projects include the installation of floodwalls, water-tight doors, and back-up generators, as well as the relocation of electrical systems and entire treatment facilities out of flood-prone areas.

The State is committed to protecting our water resources through comprehensive rehabilitation and mitigation for sewage and water treatment systems. Projects include: \$455 million for the Bay Park Sewage Treatment Plant in Nassau County and \$242 million for the Bergen Point Wastewater Treatment Facility in Suffolk County.

## Natural Resources

New York State is committed to investments in natural resources that make the State more resilient. Project examples include: \$40.5 million for a new storm resilient bulkhead at Roberto Clemente Park, \$30 million to upgrade seven high hazard dams in Harriman State Park, and \$40 million to restore and improve the resiliency of the beach and infrastructure at Robert Moses State Park.



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# Year End Report 2013

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Governor Andrew M. Cuomo  
December 2013