

WEDNESDAY, MARCH 21, 2018

1:19 P.M.

ACTING SPEAKER AUBRY: The House will come to order.

In the absence of clergy, let us pause for a moment of silence.

(Whereupon, a moment of silence was observed.)

Visitors are invited to join the members in the Pledge of Allegiance.

(Whereupon, Acting Speaker Aubry led visitors and members in the Pledge of Allegiance.)

A quorum being present, the Clerk will read the Journal of Tuesday, March 20th.

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. I move to dispense with the further reading of the Journal of Tuesday, March 20th and ask that the same stand approved.

ACTING SPEAKER AUBRY: Without objection, so ordered.

Mr. Morelle.

MR. MORELLE: Yes, thank you, Mr. Speaker, colleagues. We have another busy day as we continue work on our State Budget, and I'll get to the schedule in just a moment, but I do want to note that on this day in 1965, 3,200 Civil Rights demonstrators, led by the Reverend Dr. Martin Luther King, Jr., began an historic march from Selma, Alabama to the State Capitol at Montgomery. Dr. King and his Southern Christian Leadership Conference decided to make the small town of Selma the focus of their drive to win voting rights for African-Americans in the South.

And I also want to note today the world recognizes the important contributions of people with Down's Syndrome. Mr. Goodell reminds us that today is World Down's Syndrome Day and we want to recognize that.

And under the heading of "Did you know," did you know that in the War of 1812, General Winfield Scott stationed his entire army within the Village of Williamsville? Williamsville is located in the 146th Assembly District, which is represented by our friend, Mr. Walter. More than 6,000 troops stayed within the village limits. General Scott's headquarters were located at the corner of

Main Street and Mill Street in the village.

And with that historical note, let me talk about the history we will attempt to make today. Members have on their desks a main Calendar and if you have any housekeeping or introductions, we'll get to that as soon as I'm done, then once that's concluded we will, during the course of today, continue consent of bills already on the Calendar, and we will begin on page 62 with Calendar No. 474, we will consent. In addition, we will be taking up other bills from the main Calendar. Members should note, particularly if you're on the Committee on Rules, we will be calling that Committee at some point during the afternoon. That Committee will produce an A-Calendar of which bills may be taken up.

As I have said for the last several days and I'll continue to say as budget negotiations continue, we may be making announcements from the desk on any Budget Subcommittee Conference Committee meetings as they become available. So, members of those Committees should pay special attention to announcements on that schedule. For Majority members, there will be the need for the Democratic Conference in just a few moments and then at the conclusion of our Session today, as well, and as always I will be consulting with our colleagues on the Minority as to whether or not they may have any Conference needs as the day unfolds. At the conclusion of our work today, we will take up a resolution of which Speaker Heastie wishes to be heard, as well.

So, Mr. Speaker, with that and a full agenda of things

to accomplish this afternoon, if there's any housekeeping, I know there's some introductions, this would be the appropriate time.

ACTING SPEAKER AUBRY: Certainly, Mr. Morelle, and we have do have some housekeeping to take care of.

On a motion by Ms. Hooper, page 76, Calendar No. 544, Bill No. A7711-B, amendments are received and adopted.

And on a motion by Mr. Heastie, the following bill currently on Third Reading is recommitted to the following Committee: That's the Committee on Rules, Bill No. A7935, Calendar No. 562, page 80.

For the purposes of an introduction, Mr. Blake.

MR. BLAKE: Thank you, Mr. Speaker, and colleagues for allowing me to pause for the purpose of this introduction. This is a very personal one, a group that I've had the honor of being a national Co-Chair for that is doing great work in New York and across the country, New Leaders Council. New Leaders Council, Speaker and colleagues, is now the preeminent organization training millennials to get engaged in -- in -- in policy and politics around the country. Forty-six chapters around the country, 6,000 millennials, notably some of the local leaders that have -- have gone from training to be more engaged. We have Schenectady City School Board Member in Katherine Stevens; a Fulton County Supervisor, Greg Young; Albany City School Board Member, Tabetha Wilson; many of us have seen Dorsey (phonetic) and her incredible work, as well, locally in being a Rising Star.

It is a group that is doing remarkable work in mobilizing across the country and here. We have 17 fellows that have been going through a six-month training and they regularly are engaged in training, 17 board members and 73 alumni locally. As we celebrate Women's History Month, 61 percent of the members of NLC are women that have been getting engaged in politics across the country that we're very excited about. And this is their first ever Capital Region Day, Mr. Speaker, so that they can be more engaged in what's happening here. It is a group that was founded by Chris Kelly, who is the original General Counsel of Facebook, and I would encourage our colleagues, as we are recognizing that millennials are now the largest voting block in the country, it's a remarkable organization to be a part of, and I'm grateful to be a part of their leadership and very proud to see everything that they're doing, Mr. Speaker.

ACTING SPEAKER AUBRY: Certainly. On behalf of Mr. Blake, the Speaker and all the members, we welcome this remarkable group here to the New York State Assembly. We extend to you the privileges of the floor. We commend you on that interest in improving our world, improving our governing processes. We hope that you will be successful in your future. Thank you so very much for your work and your interest.

(Applause)

Mr. Santabarbara.

MR. SANTABARBARA: Thank you, Mr. Speaker.

Today, I rise to introduce several distinguished guests and military leaders from the Capital Region here with the Unified Military Affairs Council and representing the many local military instillations. They are joining us here for Capital Region Military Day at the State Capitol and they're here with the Chamber and the Unified Military Affairs Council to serve a mission that highlights the importance of the military presence here in the Capital Region and to ensure its long-term viability and success.

New York State is home to more than 900,000 military veterans and their families, many of them serve right here in the Capital Region. The dedicated members of our nation's Armed Forces who call the Capital Region their home are pillars of our communities and provide a great example to us all. And Capital Region Military Day highlights their contributions that have an impact on our global, national, State and regional economies.

Joining us are several military leaders from instillations here in the Capital Region and the men and women that serve in those military instillations. They are joined by Thomas O'Connor, who is the Director of Government Relations at the Capital Region Chamber, and members of the Unified Military Affairs Council. Mr. Speaker, today I'm proud to sponsor a legislative resolution here in the State Assembly to honor these local military instillations and all those who serve here in the Capital Region. And I'm so very pleased to have these distinguished guests here in the Chamber and to thank them for the service to our great nation. Mr.

Speaker, if you would welcome them to the Chamber and extend to them all the cordialities of the House.

ACTING SPEAKER AUBRY: Certainly. On behalf of Mr. Santabarbara, the Speaker and all the members, we welcome you here -- and Ms. Walsh, we welcome you here to the New York State Assembly. We extend to you the privileges of the floor. We commend you on the service that you have provided to this State and this country. We are forever grateful and in your debt for what you have done and what you continue to do with your lives. Thank you so very much. You are always welcome here.

(Applause)

Ms. Weinstein for the purposes of an introduction.

MS. WEINSTEIN: Yes, thank you, Mr. Speaker. On behalf of myself and Assemblywoman Williams, I'd like to introduce some of our constituents who are here from the JCC of Marine Park. It's an organization that was established in 2008 to service the needs of the entire local Marine Park community and over the past 10 years, has grown to provide necessary services to our -- our youth, our community, food pantry, for not only our Marine Park community, but surrounding communities, Mill Basin, Georgetown, Canarsie and beyond. Here with us, the brave souls who are going to try and make their way back to Brooklyn later today through the snow are Shea Rubenstein, the Executive Vice President of the JCC Marine Park; Yitzy Weinberg, the Executive Assistant Director; Mendy Rinkoff, the Chief Financial Officer, along with Saul Singer, Shmully Rubenstein,

Rachael Rubenstein and Rifky Weinberg. If you could offer them the cordialities of our House and welcome them, Mr. Speaker, I'd be most grateful.

ACTING SPEAKER AUBRY: Certainly. On behalf of Ms. Weinstein, Ms. Williams, the Speaker and all the members, we welcome this most distinguished group here to the New York State Assembly. We extend to you the privileges of the floor. Thank you for the service that you're providing your communities and surrounding communities. We wish you well. Hope that you will continue that and we wish you safe on your way back to Marine Park. Please always know that you're welcome here. Thank you.

(Applause)

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. Why don't we begin on page 3 of the main Calendar with Assembly Resolution No. 937 by Ms. Simotas.

ACTING SPEAKER AUBRY: The Clerk will read.

THE CLERK: Assembly Resolution No. 937, Ms. Simotas. Legislative resolution memorializing Governor Andrew M. Cuomo to proclaim March 2018 as Greek History Month in the State of New York, in conjunction with the commemoration of the 197th anniversary of Greek Independence.

ACTING SPEAKER AUBRY: On the resolution, all those in favor signify by saying aye; opposed, no. The resolution is adopted.

THE CLERK: Assembly Resolution No. 938, Ms. Rosenthal. Legislative Resolution memorializing Governor Andrew M. Cuomo to proclaim March 2018 as Problem Gambling Awareness Month in the State of New York.

ACTING SPEAKER AUBRY: On the resolution, all those in favor signify by saying aye; opposed, no. The resolution is adopted.

Mr. Morelle.

MR. MORELLE: Yes, thank you, sir. I'd like to start consenting with Calendar No. 474 by Ms. Solages, which you will find on page 62 of the Calendar.

ACTING SPEAKER AUBRY: The Clerk will read.

THE CLERK: Assembly No. A06781, Calendar No. 474, Solages, Ortiz, Colton. An act to amend the Labor Law, in relation to regulations promulgated for systematic and sustained efforts to find work for unemployment benefits.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06797-A, Calendar No. 475, Woerner, Vanel, Lupardo, Sepulveda. An act to amend the Workers' Compensation Law, in relation to authorizing certain care and treatment to injured employees.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06809, Calendar No. 476, Stirpe, Weinstein. An act to amend the Estates, Powers & Trusts Law, in relation to testamentary disposition to trustee under, or in

accordance with, terms of existing inter vivos trust.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06837, Calendar No. 477, Weinstein. An act to amend the Family Court Act, in relation to adjournments in contemplation of dismissal and suspended judgments in child protective proceedings in the family court.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06838, Calendar No. 478, Weprin, Gottfried, Cymbrowitz, Mosley, Sepulveda, Paulin, Dickens, Harris, DenDekker, Colton, Dilan, Zebrowski, Jones, Brindisi, Fahy, Hikind, Rodriguez, Pheffer Amato, Dinowitz, M.G. Miller, Titone, Vanel, D'Urso, Skartados, Pellegrino, Crespo, Galef, Thiele, Magee, Ortiz, McDonald, Rivera, Ramos, Quart, Steck, Skoufis, Santabarbara, Benedetto, Cusick, Kim, Abinanti, Lentol, Carroll, Joyner, Hooper, Buchwald, Abbate, Taylor. An act to amend the Public Health Law, in relation to body imaging scanning equipment; and providing for the repeal of such provisions upon expiration thereof.

ACTING SPEAKER AUBRY: On a motion by Mr. Weprin, the Senate bill the before the House. The Senate bill is advanced and the bill is laid aside.

THE CLERK: Assembly No. A06865, Calendar No. 479, Weprin, Cusick, Benedetto, Abinanti, Seawright, Mosley. An act to amend the Executive Law, in relation to requiring counties to maintain a confidential registry of people of all ages with disabilities

for evacuation and sheltering during disasters.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06906, Calendar No. 480, Ryan, Brindisi, Williams, Colton, L. Rosenthal, Gottfried, Galef, Ra, Buchwald, Lupardo, Rozic, Sepulveda, Quart, Dinowitz, Zebrowski, Lifton, Paulin, Mosley, De La Rosa, Ortiz, Steck, D'Urso, Taylor, Harris, Abinanti. An act to amend the Public Health Law, in relation to the definition of elevated blood lead levels.

ACTING SPEAKER AUBRY: Read the last section.

THE CLERK: This act shall take effect immediately.

ACTING SPEAKER AUBRY: The Clerk will record the vote.

(The Clerk recorded the vote.)

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. Ladies and gentlemen, this represents our first tally of the day, so please cast your tally for or again (sic). And those folks who are outside the Chamber and can hear the sound of my voice, please make your way in for the first vote of the day.

ACTING SPEAKER AUBRY: First vote of the day, members. Please come to the Chamber and cast your ballot. Thank you.

Mr. Ra to explain his vote.

MR. RA: Thank you, Mr. Speaker. I just want to commend the sponsor for his continued efforts regarding this issue.

I've had the opportunity to meet with some organizations that are -- that are trying to work on this issue, and this bill will have a positive impact on the health of the children of New York State. We're -- we're just basically moving to -- to change our -- our Public Health Law to reflect what we now know is an appropriate standard at the Federal level and the impact that will have is it'll qualify additional children for services early on that will hopefully make a tremendous difference in their futures. So, I thank the sponsor for his efforts with regard to this issue and I hope that this year, the Senate will join us in passing this legislation. Thank you.

ACTING SPEAKER AUBRY: Mr. Ra in the affirmative.

Are there any other votes? Announce the results.

(The Clerk announced the results.)

The bill is passed.

THE CLERK: Assembly No. A06915-A, Calendar No. 481, Harris, Hyndman, Ortiz, Vanel, Simon, Mosley, Crespo, Dickens, Sepulveda, Hevesi, Glick, Barron, Jean-Pierre. An act to amend the Real Property Tax Law, in relation to providing language access services to individuals relating to the tax abatement program for rent-controlled and rent-regulated property occupied by senior citizens or persons with disabilities.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06926-A, Calendar No. 482, Magnarelli, McDonald, Harris, Schimminger, D'Urso, Jones,

Wallace, Cook, Galef. An act to amend the Vehicle and Traffic Law, in relation to special hauling permits for vehicle combinations.

ACTING SPEAKER AUBRY: Read the last section.

THE CLERK: This act shall take effect on the 60th day.

ACTING SPEAKER AUBRY: The Clerk will record the vote.

(The Clerk recorded the vote.)

Are there any other votes? Announce the results.

(The Clerk will announce the results.)

The bill is passed.

THE CLERK: Assembly No. A06928-A, Calendar No. 483, Galef. An act to amend the Criminal Procedure Law, in relation to designating uniformed court officers in the Town of Ossining, County of Westchester as peace officers.

ACTING SPEAKER AUBRY: Read the last section.

THE CLERK: This act shall take effect immediately.

ACTING SPEAKER AUBRY: The Clerk will record the vote.

(The Clerk recorded the vote.)

Are there any other votes? Announce the results.

(The Clerk announced the results.)

The bill is passed.

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. Would

you please call on Mr. Otis so he may make an announcement?

ACTING SPEAKER AUBRY: Mr. Otis for the purposes of an announcement.

MR. OTIS: There will be an immediate meeting of the Democratic Conference as soon as you can get yourselves over there.

ACTING SPEAKER AUBRY: Democratic Conference immediately.

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. I now move that the House stand in recess until the conclusion of Party Conference.

ACTING SPEAKER AUBRY: The House will stand in recess.

(Whereupon, at 1:55 p.m., the Assembly stood in recess.)

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AFTER THE RECESS

2:54 P.M.

ACTING SPEAKER AUBRY: The House will come to order.

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. Before we start, I'd like to ask members of the Rules Committee to move to the Speaker's Conference Room so we can do a Committee on Rules, Speaker's Conference Room.

ACTING SPEAKER AUBRY: Committee on Rules, Speaker's Conference Room immediately.

MR. MORELLE: Mr. Speaker.

ACTING SPEAKER AUBRY: Mr. Morelle.

MR. MORELLE: If -- while we await the work of the Rules Committee and the A-Calendar which it hopefully will produce, let's resume consenting. Let's pick up where we left off with Calendar No. 484 on page 64 of the main Calendar by Mr. Zebrowski.

ACTING SPEAKER AUBRY: The Clerk will read.

THE CLERK: Assembly No. A06949-B, Calendar No. 484, Zebrowski, Brindisi, Skartados, Jenne, McDonald, Sepulveda, Blake, Lupardo. An act to amend the Banking Law, in relation to the Banking Development District Program; to amend Chapter 526 of the Laws of 1998, amending the Banking Law relating to participation in the Banking Development Districts Program, in relation to the effectiveness thereof.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06967, Calendar No. 485, Zebrowski, Sepulveda, Cook, Hooper, Vanel, Cahill, Jaffee, Gottfried, Harris, Colton, Niou. An act to amend the Real Property Law, in relation to requiring landlords to mitigate damages if a tenant vacates a premises in violations of the terms of the lease.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06971, Calendar No. 486, O'Donnell, Barron. An act to amend the Administrative Code of

the City of New York, the Emergency Tenant Protection Act of 1974 and the Emergency Housing Rent Control Law, in relation to building eligibility for major capital improvement rent surcharges.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06974, Calendar No. 487, Jaffee, Lupardo, D'Urso, Galef, Seawright, Gottfried, Abinanti, Cook, Hevesi, Sepulveda, Jean-Pierre, Steck, Taylor, Colton, Harris. An act to amend the Social Services Law, in relation to reimbursement for child care absences.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06977-A, Calendar No. 488, Barron, Jaffee, Ortiz, Hyndman, Harris. An act to amend the Education Law, in relation to establishing an appeals process for students denied the State resident tuition rate at a public college or university.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06983, Calendar No. 489, Titone, Steck, Weinstein, Sepulveda, Seawright, Abinanti, D'Urso. An act to amend the Civil Practice Law and Rules, in relation to arbitration agreements.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06989, Calendar No. 490, Jaffee, Lupardo, D'Urso, Simon, Simotas, Gottfried, Abinanti, Glick, Colton, Sepulveda, Jean-Pierre, M. L. Miller, Crespo, Harris, Wright, Taylor. An act to amend the Labor Law, in relation to

compelling family reasons and the continuance of unemployment benefits.

ACTING SPEAKER AUBRY: The bill is laid aside.

THE CLERK: Assembly No. A06991, Calendar No. 491, Abbate. An act to amend Chapter 154 of the Laws of 1921, relating to the Port Authority of New York and New Jersey, in relation to paid time off for Port Authority police officers who become ill or injured in the performance of their duties.

ACTING SPEAKER AUBRY: Read the last section.

THE CLERK: This act shall take effect immediately.

ACTING SPEAKER AUBRY: The Clerk will record the vote.

(The Clerk recorded the vote.)

ACTING SPEAKER DE LA ROSA: Are there any other votes? Announce the results.

(The Clerk announced the results.)

The bill is passed.

THE CLERK: Assembly No. A07009, Calendar No. 492, Paulin, Blake, Dinowitz, Galef, Jaffee, M.G. Miller, L. Rosenthal, Zebrowski, Crouch, Raia. An act to amend the Election Law, in relation to mailing special ballots for victims of domestic violence.

ACTING SPEAKER DE LA ROSA: Read the last section.

THE CLERK: This act shall take effect immediately.

ACTING SPEAKER DE LA ROSA: The Clerk will record the vote.

(The Clerk recorded the vote.)

Are there any other votes? Announce the results.

(The Clerk announced the results.)

Mr. Morelle.

The bill is passed.

MR. MORELLE: Thank you, Madam Speaker.

There are, on members' desks, an A-Calendar. I now move to advance the A-Calendar.

ACTING SPEAKER AUBRY: On Mr. Morelle's motion, the A-Calendar is advanced.

Mr. Morelle.

MR. MORELLE: Yes, thank you, Mr. Speaker. I'd like to go directly to page 3 of the A-Calendar and take up Rules Report No. 17, 1-7, a Budget Bill.

ACTING SPEAKER AUBRY: The Clerk will read.

THE CLERK: Assembly No. A09502, Rules Report No. 17, Budget Bill. An act to making appropriations for the legal requirements of the State debt service and lease purchase payments and other special contractual obligations.

ACTING SPEAKER AUBRY: Mr. -- Oh.

An explanation is requested, Ms. Weinstein.

MS. WEINSTEIN: Yes, thank you, Mr. Speaker.

The bill that is before us today -- well, this is the beginning of our first

bill of our budget for '18-'19 and the bill that is before us today provides for the debt service payments of \$5.7 billion. Debt service payments in this bill are estimated to decrease by \$675 million from the prior year and will remain in compliance with the limitations set forth by the Debt Reform Act of 2000. This bill is necessary for the State to make legally-required debt service payments on outstanding bonds and new State-supported issues. As I think most members know that debt service pays the State General Obligation Bonds, lease purchase agreements, special contractual payments and revenue bond financing agreements. Debt service will remain under the debt cap for the State-supported bond payments of principal, interest and other related expenses.

The debt service payments within support \$55.2 billion in outstanding debt and the State debt supports, transportation, public protection infrastructure, SUNY/CUNY and other educational facilities, economic development projects, as well as housing and parks initiatives. I'd be happy to respond to some questions -- specific questions.

ACTING SPEAKER AUBRY: Mr. Oaks.

MR. OAKS: Thank you, Mr. Speaker. And seeing as I've already been offered questions to be asked, I guess I'll start in without asking if I might.

As Chair of Ways and Means and now seeing the first of the budget bills, I guess a lot of people in the Chamber today, certainly on my side of the aisle and perhaps on yours, as well, are, in

addition to looking for what we're talking about in debt today in this bill, of just looking at where we are, the clock is ticking toward April 1st and I know Conference Committees have met, but in your perspective where we stand today to get us to the finish line in a timely fashion, what is your perspective with where we stand today?

MS. WEINSTEIN: As you -- as you know, the -- traditionally we act on the Debt Service Bill to make sure the bond raters and everybody know that the State is going to be secure in advance of the final passage of the bill, but I believe that we are on track for an on-time budget which this year really means an early budget since it's because of the various religious holidays. I'm optimistic that by this time -- well, actually by just over a week from now that we'll be standing here debating our -- the final -- the final Budget.

MR. OAKS: I hope that the Chair is -- is correct and thank you, Helene, for that perspective. As we -- you know, you went through some of the summary we did in Ways and Means and just looking at where the dollar figures are telling us that we're within the caps that are been placed on by the total amount of debt, what the debt service is, how much we're appropriating in this bill and how much those debt payments will be. And one of the things you brought up that actually sounded good to me was you said that we are going to be actually anticipating about \$675 million or so less than the current fiscal year and, actually, debt service payments. But I also -- I guess what I would like to say in that, though, in the five-year plan that we

have, the State would -- what the Governor is showing or in the Executive's Financial Plan, we'd show that we're going to add, you know, or authorize over those next five years like \$33 billion and that would total \$10.7 billion more than what's projected. So, it kind of sounded to me like, gee, maybe we're making progress, we're going to be paying less in debt service, but now I look at it in saying, going forward, we're looking to probably expand significantly the total amount of debt that we're going to have, raising up to \$65.9 billion over the next five years.

And I guess, you know, my question would end up being is do you see that as being sustainable? Can we, in the midst of, you know, what the payments are today, how much we owe today, \$52 billion, we're authorizing to get up to \$55-, but then in five years several billions more on top of that. Are we going to be able to continue to fit within the caps and meet our obligations of the State?

MS. WEINSTEIN: Yes, we believe so and, obviously, there's a difference between the cap on -- on -- on the bonds themselves versus the interest payments, the debt payments.

MR. OAKS: Right.

MS. WEINSTEIN: So, as we've added additional capital, we've added additional capital for things like hospitals and SUNY/CUNY. As we've added more of that capital, the debt service starts to -- those payments are starting to become -- come due, and they will, over time, as you say, will be on an -- on an increase. But I think we're confident that we'll be able to make the debt service

payments.

MR. OAKS: When we went through and you gave some of the figures both in Ways and Means and in your opening comments today. Is your expectation that by any of the actions we're going to take over the next week or so and authorizations of things as we look forward to that, are we going to be impacting any of those figures as we look toward the future and the financial plan that the Governor put out with -- with his budget proposal?

MS. WEINSTEIN: I think we're -- we're confident that there is enough room in the appropriation, in the dry appropriation that's there to be able to sustain additional -- additional debt and if we need to, obviously, we can come back. If you remember the discussion we had in the one-House, there are some -- we're hoping there still will be some reserves, if necessary, to make an adjustment.

MR. OAKS: One of the things the Governor talked about in his financial plan, as well, was doing -- assuming some capital efficiencies and capital spending reductions to stay within the debt cap. Do we have any specifics on what these efficiencies or reductions are at the same time we're raising the amount of capital investment?

MS. WEINSTEIN: You know, I think at this moment I couldn't give you the specifics. I know that they are looking at different mechanisms to try and manage the debt, you know, whether it's stretching out -- stretching it out or looking at other kinds

of efficiencies. I think that's -- that's where we -- we are at the moment.

MR. OAKS: Well, one of the things I know under the Federal Tax Reform, the advanced refundings are no longer tax exempt and so the State utilizes those as a way to lower the debt and manage it. So, has this issue come up yet in negotiations and is there anything that the State plans to do specifically with that to keep the Financial Plan needs met?

MS. WEINSTEIN: There isn't really discussion going on now. I think when, you know, last year when the Federal Plan was enacted, there was estimations that I guess, nationwide, it would be about a 20 percent impact, about 20 percent of the bonds, municipal bonds to get refinanced. And in anticipation of -- of that happening and, actually, after being enacted, the State did do some refinancing of our debt, but, as you know, you know, at the moment interest rates are relatively low so the refinancing generally would be to take advantage of a -- of a lower rate so for the moment, it's not an issue on many of our -- in the current situation. It may, you know, as time goes on, that -- that Federal change may, in fact, impact New York State, as well as other states.

MR. OAKS: One of the things we talked about last week with the one-House was the Governor's proposal that was rejected in the Assembly one-House as well as, it's my understanding, the Senate one-House, that would direct the Director of the Budget to take 50 percent of whatever is the cash surplus at the end of the fiscal

year to move that to the Debt Reduction Reserve Fund. So, that was rejected by both of the Houses in their one-House proposals. Have we come to any final resolution on that issue whether or not that will end up in the final budget or no?

MS. WEINSTEIN: It's not been resolved yet. It's still under negotiations so probably a week from now, I could give you a much better definitive answer.

MR. OAKS: I may ask that question again, or be able to find it out myself.

On the debt service costs and how we apply that, the bond markets look at us and rate us on our ability to pay. We put the PIT against that, but there -- with the changes in Alb -- or Washington with the Tax Law with some of the proposed changes, the payroll tax system and others, has there have been any agreement to an increase in the percentage of receipts that the PIT would be applied to, to keep our bond rating strong as we go forward? Or has there been any other discussion about what we're going to do if we incorporate the payroll tax system?

MS. WEINSTEIN: Well, there's no final agreement on that, but, yes, and we'll discuss that when we talk about the revenue, when we talk about revenue next week hopefully. There is a proposal that if we do enact the payroll tax, expand the -- enact the payroll tax as a way for people to make a contribution and to try and deal with some of the impact of the -- of the changes in the Tax Law of Washington, particularly for the PIT bonds which have a AAA

rating because of the backing of our personal income tax to increase the percentage. Right now, it's 25 percent of the PIT -- of our PIT, the personal income taxes, are dedicated to these bonds to back up the security for these bonds. So, there is a proposal to increase. The Governor does have a proposal to increase that percentage and, also, to have a percentage from the funding that would come in from a payroll system if we were to adopt that.

MR. OAKS: Thank you very much. I appreciate your answers.

On the bill, Mr. Speaker.

ACTING SPEAKER AUBRY: On the bill, Mr. Oaks.

MR. OAKS: Today, we see the first bill of the stack of budget bills that will hopefully appear on our desks in the coming days, and this is the bill that says to the State and to our bondholders, et cetera, that the State will meet its obligation of debt that we have incurred over the years and that we will follow through with that. I, myself, plan to vote for this because I think we need to meet those obligations, but in talking with the Chair and receiving some of the answers as we look forward, I would also hesitate - all of us in this Chamber - Majority, Minority members alike and the other House and the Executive, that as we go forward, there are things that can impact our ability to pay.

The strength of the Personal Income Tax in New York State and, very honestly, the Governor has downgraded some of

that as we look forward on the dollars coming in; that is yet to be determined. We have dwindling settlement dollars that have been applied toward some of the -- the debt in the past. We have interest rates that are rising, to what level we don't know, but the debt service on growing debt is of grave concern to me in our State and our ability to pay annually the dollars that we have. Thank goodness we created back nearly 20 years ago some debt reform in this State, but within that, we still have a great impact on our annual budget of money going to debt service out of the dollars coming in from the taxpayers of New York being focused on and having to be focused on clearly debt that we've incurred much of it; in fact, over 90 percent -- 90-plus percent of that never approved by the voters of New York State.

So as we go forward, my concern today would be to raise to each one of us would we take action in this next budget as we put that out again. Today, we're approving the payments for debt we've already incurred not to and hold back and try to do all we can to hold down the debt and the growth of debt in the State as we go forward. Thank you.

ACTING SPEAKER AUBRY: Mr. Goodell.

MR. GOODELL: Thank you very much, Mr. Speaker. Would the sponsor yield?

ACTING SPEAKER AUBRY: Will you yield, Ms. Weinstein?

MS. WEINSTEIN: Yes.

ACTING SPEAKER AUBRY: The sponsor yields.

MR. GOODELL: Thank you very much, Ms. Weinstein. I read over the Debt Service Bill and I note that the debt payments are broken down by a number of different categories that reference various entities that have debt that we're backing apparently. Urban Development Corporation, for example on page 2, the Housing Finance Agency, MTA, Thruway Authority, Dormitory Authority, Environmental Facilities Corporation, New York City Veterans' Home, and there are undoubtedly others I missed; is that correct?

MS. WEINSTEIN: Yes.

MR. GOODELL: And are these entities public corporations or public authorities?

MS. WEINSTEIN: Yes, right.

MR. GOODELL: Why are we paying -- making the debt payments for these separate entities or separate authorities?

MS. WEINSTEIN: Well, there's several reasons. First of all, these -- the debt that they have outstanding is for public purposes for -- to improve services for our citizens. They -- we've entered into -- the State has entered into agreements with them to provide some of these services and we can talk about, I assume you probably want to reach the Constitutional questions whether we're allowed to, but I think the short answer is they're providing services to the State and to our citizens and we have entered into the agreements to allow them to do that.

MR. GOODELL: Is it accurate, then, to state that we have contractual agreements with these various entities pursuant to

which we basically guarantee their debt, or guarantee the payment of their debt?

MS. WEINSTEIN: Right. What we do is we guarantee the debt service payments, not the debt. I think that's an important distinction, especially when we look at our -- our Constitution that allows us to -- to do that.

MR. GOODELL: So is it your view then that we are within our Constitutional rights to say we're not going to pay it?

MS. WEINSTEIN: Yes, yes; you know, I believe so.

MR. GOODELL: Of course, we're all --

MS. WEINSTEIN: Yeah, there may be -- we may have a moral -- may feel that we have a moral obligation, but we don't have a legal obligation; in fact, if you look at those offerings on the bonds, they generally say that they are not -- that the State of New York does not guarantee the principals of those bonds.

MR. GOODELL: Of course we also have a moral obligation to follow the Constitution to the best of our ability, wouldn't you agree?

MS. WEINSTEIN: We have a legal obligation, yes.

MR. GOODELL: And a moral obligation, presumably.

MS. WEINSTEIN: I would think legal would probably trump that.

MR. GOODELL: So, if we have a legal obligation to comply with the Constitution and this debt is not in accordance with

the Constitution, then don't we have both a legal and -- how can we have an ethical obligation or a moral obligation to violate the Constitution? That assumes that it violates the Constitution.

MS. WEINSTEIN: I guess what I was saying that the -- that we are -- we are allowed, the court case is interpreting the various Articles of the Constitution relating to gifts and loans allows the State of New York to pay on an annual -- to authorize and pay on an annual basis the debt service of these bonds. We are, for the various public authorities that you mentioned, we do not guarantee the -- we're not the issuers of -- of the bonds and we do not guarantee the principal of the bonds.

MR. GOODELL: As you mentioned the court cases, and I'm sure you're aware the Court of Appeals case *Wein v. State* dealing with the issuance of a bond to back New York City when they were in a fiscal crisis in the '70s and at that time the Court of Appeals expressed great concern that we're right on the edge of the Constitution, but authorized it because we were helping a municipality, not -- I mean, but this borrowing or this debt payments are not for municipal purposes or municipal entities. As we mentioned before, it's a number of public corporations and authorities.

And so my question is under Article VII, Section 8, the State Constitution prohibits the Legislature from using the money. It says, "The money of the State nor its credit shall be given or loaned to or in aid of any individual, public or private, corporation or association." Aren't we today backing to the tune of \$5.7 billion using

the credit of the State or acknowledging that we previously used the credit of the State to back public or private corporations?

MS. WEINSTEIN: Well -- well, first of all, I think, as you know that, following *Wein* was -- which really laid out I think the clear, Constitutional authority for this action we take was the *Schulz v. the State* in 1994 and there the court rejected the challenge to the Transportation Bond Act based on these same limitations that you -- you raise and said that -- and said that what we were doing was Constitutional.

MR. GOODELL: But wasn't the *Schulz* case on a different section of the Constitution about borrowing money?

MS. WEINSTEIN: Section 8, you said, right?

MR. GOODELL: Yes, yes. Wasn't the *Schulz* case on Section 11?

MS. WEINSTEIN: No, it was Section 7, Section 8 -- I mean, Article VII, Section 8; Article VIII, Section 1; Article X Section 5, and then there's been others since the *Bordeleau v. the State* in 2011 also supported the use of economic development grants bonding through some of these -- some of the same agencies through --

MR. GOODELL: If I can look at the economic development provisions. As you know, this section of the Constitution expressly allows the State to use its credit to back economic development. And, in particular, it references corporations formed specifically for that purpose, which I believe was implemented

with the development of that job development agency; would you agree?

MS. WEINSTEIN: You know, let me just clarify something, particularly for some of the, perhaps non-lawyers who may have difficulty following some of this discussion or be totally uninterested in following this discussion, whichever the case may be, but the difference between the credit of the State of New York, I think it's very important to use -- to not characterize some of this debt service is based upon the credit of the State of New York because that's where the prohibition of -- in the Constitution lies relating to the credit of New York. And that's why I mentioned that on the face of the bonds by some of these agencies, there's expressed language that says that they are not -- that the State of New York is not the issuer of the bonds. So New York State, through, we've contracted with some of the various public authorities to be the services of these bonds, the issuers of these bonds. It is based upon -- the bonds being issued are based upon their revenues. The State in -- because we support the use of these bonds for public service purposes has in this bill and has traditionally on an annual basis paid the debt service costs of these bills. So, it's a distinction in law, but I think it's an important one that get us to the Constitutionality of -- of this -- of the issues of this debt and our being able to pay the debt service.

MR. GOODELL: As you know, Article VII, Section 8 which we've been talking about, has a specific exception that allows the State to lend money or its credit or any combination to what is

now known as the Job Development Agency; would you agree that's the third subparagraph of that Section?

MS. WEINSTEIN: Yes, but -- but just so that you know in this bill, or -- there is no appropriation for the Job Development Agency or for the tobacco bonds. Those bonds have been -- both of those bonds in those areas have been retired. They've been paid off.

MR. GOODELL: So none of this debt payment relates in any way to any debt of the JDA or any State debt incurred on behalf of the JDA?

MS. WEINSTEIN: Correct.

MR. GOODELL: Am I correct the JDA has an outstanding debt right now of \$6.8 billion?

MS. WEINSTEIN: Not on behalf of the State. There may be businesses or other entities that have, where there may be some debt, but it is not on behalf of the State.

MR. GOODELL: Okay. Now, as you know, I usually talk about a different section of the Constitution which says that no debt shall be incurred by or on behalf of the State, with certain exceptions; unless it's approved by the voters. We have some debt that's being paid for under this bill that has been approved by the voters, correct?

MS. WEINSTEIN: Yes.

MR. GOODELL: And how much of that debt payment is associated with voter-approved debt?

MS. WEINSTEIN: So there's \$3.2 billion of debt that is the General Obligation Debt that's a debt that has been approved by the voters.

MR. GOODELL: And am I correct that the payment that we're authorizing in this bill for that debt service is about \$303 million?

MS. WEINSTEIN: Yes.

MR. GOODELL: And so out of \$5.7 billion, \$303 million has been approved by the voters -- raises the debt approved by the votes and the other \$5.4 billion are debt payments that have not -- related to debt that has not been approved by the voters?

MS. WEINSTEIN: Right. So there haven't been referendums. You're correct in that there haven't been referendums on the ballot, but they have been approved by the Public Authorities Control Board.

MR. GOODELL: So as you know the State Constitution says except for debts or refunding of debts as specified by the few narrow exceptions relating to interactions and forest fires and things of that nature, no debt shall be contracted by or on behalf of the State unless such debt has been authorized by law for some single work or purpose and approved by the voters. Why do you think that Constitutional provision was there?

MS. WEINSTEIN: Well, the reality I guess of why the Constitutional provision is there you have to go back to some of the -- you go back to the 1800's when we took over the debt of the

private railroads and the majority of the State debt was to help pay off the railroad debt so the Constitution was changed at various -- at various times, but that is the Constitution that's been there since 1938. There are -- we follow that provision in terms of State-issued debt, but we are, as I said, under the Court of Appeals cases, and *Schulz* being probably the most dramatic in terms of setting forth the rules, we are able to act through public -- to public authorities that we're not -- the State isn't liable to those bondholders so we're -- and because the State doesn't become indebted, the financing subject to that appropriation does not constitute the lending of credit or the assumption of liability of the public corporation and, therefore, we're not in violation of the section of the Constitution that you cite.

MR. GOODELL: Now you said the total amount of voter-approved debt was \$2 billion-something.

MS. WEINSTEIN: \$3.2-.

MR. GOODELL: \$3.2 billion. So in other words, the total amount of voter-approved debt is about one-half, one-half of the amount of the debt payment we're being asked to approve. I mean, we could pay off all the voter-approved debt and have about \$3.3- or \$3.4 billion extra for State purposes if we didn't have all this debt that wasn't approved by the voters, correct?

MS. WEINSTEIN: In theory, you're -- you know, on a very narrow definition you're correct, but we, in fact, this is debt that -- these are projects that we -- that have been authorized by the Legislature. They're projects that support facilities, the roads, bridges

in all of our communities and I think if we were -- if that money were not -- if that debt were out there, those bonds we're not out there, there'd be a lot of complaints about lack of services around our State.

ACTING SPEAKER AUBRY: Will you suffer an interruption? Mr. Goodell, you have elapsed your first 15 and we offer you graciously the opportunity for a second 15.

MR. GOODELL: You are so gracious. I'm not sure all of our colleagues are, but you are very gracious.

(Laughter)

And on the bill. Thank you very much, Ms. Weinstein.

MS. WEINSTEIN: Sure.

ACTING SPEAKER AUBRY: And you're going to take that.

MR. GOODELL: Not the entire 15.

ACTING SPEAKER AUBRY: Well, we'll hold it in a bank for you.

MR. GOODELL: That'd be 14 minutes, 35 seconds to hold in advance --

(Laughter)

-- but here's my concern. Our State constitution says the State will not borrow money by or on behalf of the State without voter approval. And the reason for that, as correctly noted by my colleague, goes back to the 1930's when this State was on the verge of fiscal collapse because of runaway debt. And so, the voters who

approved this Constitution said, *You cannot -- you, as a Legislature, cannot borrow money for the State or on behalf of the State without our approval.* And from time to time we reach out to the voters and we ask them can we borrow money for transportation or for education or for whatever the purpose might be, and from time to time the voters have said yes, and sometimes they say no.

So, we have \$3 billion in approved voter debt, \$3 billion; yet, the amount of our debt is in excess of \$55 billion. Now, one of two things: Either that \$55 billion is not by or on behalf of the State, and if it's not by or on behalf of us, my friends, we shouldn't be paying the payment. But here we are being asked to pay \$5.7 billion on debt that either is on our behalf or isn't. And if it's not on our behalf, we shouldn't be paying it, and if it is on our behalf, we should have gone to the voters and asked for their approval before we borrow the money.

So, out of \$5.7 billion, we're being asked to approve today only \$303 million, \$303 million with an "M", \$303 million is needed to pay voter-approved debt service. \$5.4 billion we're being asked to appropriate today to pay for debt that wasn't approved by our constituents, none of them, because none of them had a chance to vote on any of that.

Now, we've heard about how we're within the debt ceiling, the debt cap. Very interesting concept, isn't it? We have a debt cap and a Constitution that says zero amount unless you get voter approval, but let's forget about the Constitution for a minute, we have

the self-imposed debt cap and we're told we're below it. So, how's New York State rank in terms of debt? How do we compare to, say, Texas, a much bigger State, they have schools and roads and everything else that need help. Well, we have more debt than Texas. We have more debt than Florida. The only one in the state -- in the nation that exceeds our debt level is California, and they have a lot more residents than we do.

So when we approve debt, we're borrowing money from our kids and grand kids, aren't we, and we're doing it without their approval. So, this is not the debt authorization bill. It's a debt payment bill. I have a very simple premise in my household. If I didn't borrow the money, you shouldn't ask me to pay it back. It's sometimes a hard lesson for my kids. Actually, my kids are very fiscally responsible, they're almost as cheap as I am, so it's not an issue, but should they ever have the audacity to ask me to pay their debts, I would suggest to them it was their responsibility to pay their own debt and since they didn't ask me about their permission to borrow it, they shouldn't ask me for my permission to pay it back with my money. Same thing applies to our voters, right? Same thing applies to our constituents. We're asking all of our constituents to spend \$5.4 billion this year alone to pay for debt that we never got their permission to borrow in the first place.

So, my friends, we've had an interesting legal discussion. There's a number of cases out there. No one is disputing what the purpose of the Constitution was. It's written in plain English.

You can't borrow by or on behalf of the State without voter approval. We've done it. Now, we're paying the price and in a few days, we'll be asked to do it again and again and again. So, because I think it violates the State Constitution, I don't feel any moral obligation to violate the State Constitution or pay for debt that was incurred in violation of the State Constitution.

Thank you very much, Speaker. I note that I have a few seconds left, please put it in the bank for me.

(Laughter)

ACTING SPEAKER AUBRY: With no interest.

Read the last section.

THE CLERK: This act shall take effect immediately.

ACTING SPEAKER AUBRY: The Clerk will record the vote.

(The Clerk recorded the vote.)

Are there any other votes? Announce the results.

(The Clerk announced the results.)

The bill is passed.

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. I understand that we have housekeeping and resolutions, one by the Speaker which he wishes to speak on. If we could call that one up right now.

ACTING SPEAKER AUBRY: The Clerk will read.

THE CLERK: Assembly Resolution No. 940, Mr.

Heastie. Legislative Resolution honoring the life and legacy of Floyd Carter, Sr.

SPEAKER HEASTIE: Thank you. This morning, I was supposed to travel down to my district to -- actually into Manhattan to honor one of my constituents who was one of the Tuskegee Airmen, Floyd Carter, who I pretty much known, I'd say for probably 30 years of my life. And I just remember the times of seeing him and his -- his beautiful wife at events and I would just love for them to tell me -- he would tell me the stories of what they went through when they were heros to some in the country, but not heros to everybody in the country.

And -- but the amazing thing about Lieutenant Colonel Floyd Carter, and I used to just call him "the Colonel", it never seemed like they were sorrow -- they had any sorrow or upset that they weren't treated like the heros that they should have been all the time. And I used to tell him every time I would see him and even some of the others that I knew very well, and -- and -- and -- and Dr. Brown, who I had a very close relationship with, as well, I used to tell them they are amazing heros to me.

And so, I just thought it would be fitting to do this resolution and I wanted to be there to hand the -- the proclamations to his wife and his son and daughter. And he and Mrs. Carter were married for 73 years. They met each other, she was one of the women who would work on servicing the planes and after he badgered her enough, she finally gave in and they were the best of friends. Her

health is not as well, either, but I just really wanted to do this resolution in saying our farewell to the Colonel, so...

Mr. Blake on the resolution.

MR. BLAKE: Thank you, Mr. Speaker. Lieutenant Colonel Carter was a hero who served this country in so many remarkable ways. He served in World War II. He served in Vietnam and he served in the Korean War. As you know, we had the honor of bringing up the Tuskegee Airmen last year and even in this year, and he passed away at 95 years young, was repeatedly active and encouraging people to be responsible in their service. His mantra was, *Always do what's right and keep the Lord first*. And you think about how some of us say, as people of faith, you don't believe in coincidence. The fact that he was laid to rest today as we recognize the march in Selma, I don't believe in coincidence, Mr. Speaker.

Mr. Carter and his family were heroes not just for those of us in the Bronx, but across our country, and it should be a reminder to all of us to stand up for our veterans. And as the only African-American male in the Veterans' Affairs Committee and as someone whose brother served this country for 29 years, we are forever indebted to what our Lieutenant Colonel Floyd Carter has done, and obviously recognizing the history of our Tuskegee Airmen.

SPEAKER HEASTIE: On the resolution, all those in favor signify by saying aye; opposed, no. The resolution is adopted.

Rest well, Colonel.

(Pause)

ACTING SPEAKER AUBRY: Mr. Morelle, we do have some housekeeping.

On a motion by Mr. Gottfried, page 40, Calendar No. 304, Bill No. A3991-A, amendments are received and adopted.

We do have another fine resolution. On the resolution, all those in favor signify by saying aye; opposed, no. The resolution is adopted.

(Whereupon, Assembly Resolution No. 939 was unanimously approved.)

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. Could you please recognize Mr. Otis for an announcement?

ACTING SPEAKER AUBRY: Mr. Otis for the purposes of an announcement.

MR. OTIS: There will be an immediate meeting of the Democratic Conference upon the closure of Session.

ACTING SPEAKER AUBRY: Democratic Conference immediately following Session.

Mr. Morelle.

MR. MORELLE: Thank you, Mr. Speaker. I now move that the Assembly stand adjourned until Thursday, March 22nd, 10 a.m. -- at 10 a.m., tomorrow, ladies and gentlemen, is a Session day.

ACTING SPEAKER AUBRY: The Assembly stands adjourned.

(Whereupon, at 4:07 p.m., the Assembly stood adjourned until Thursday, March 22nd at 10:00 a.m., Thursday being a Session day.)