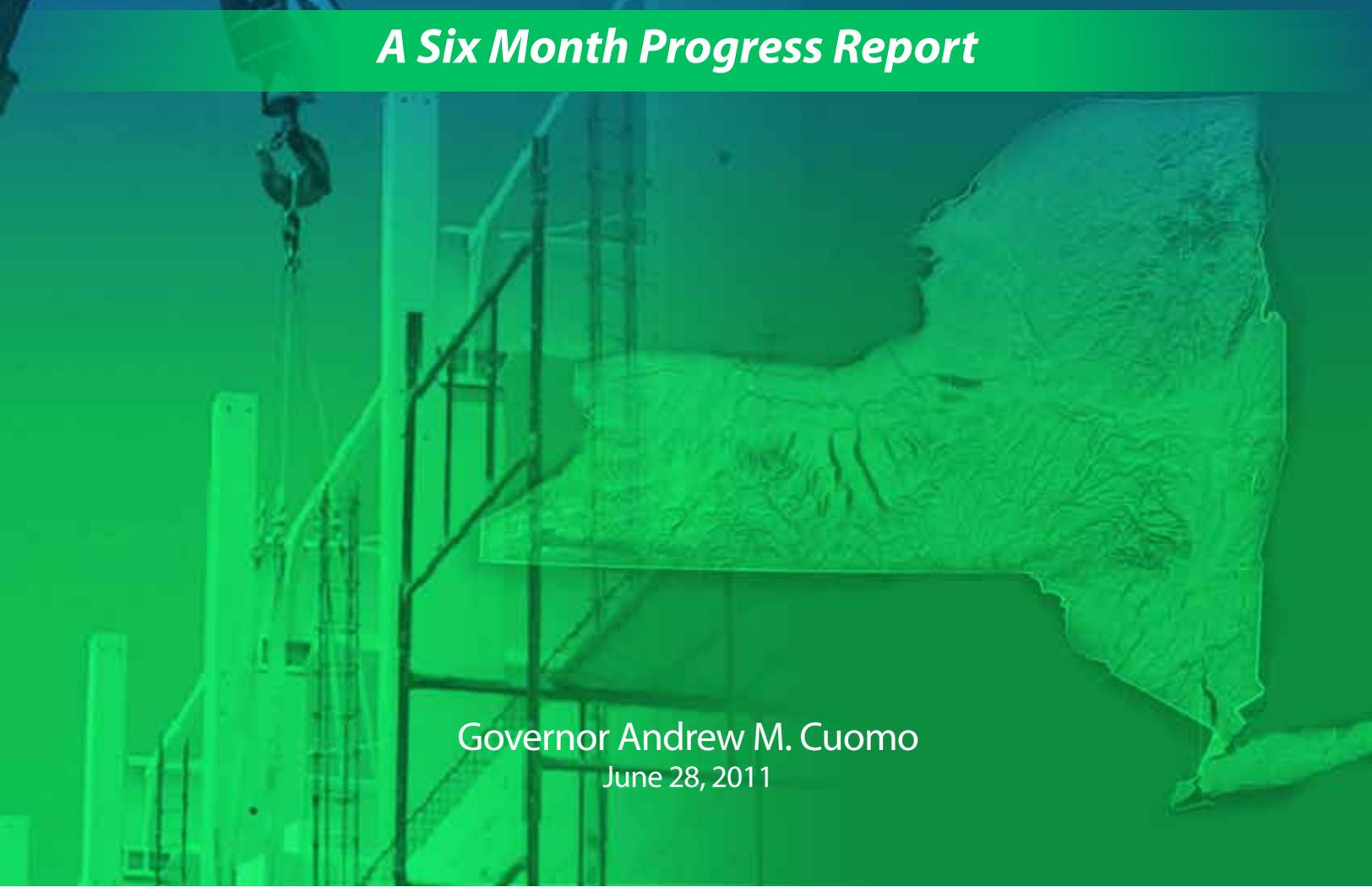




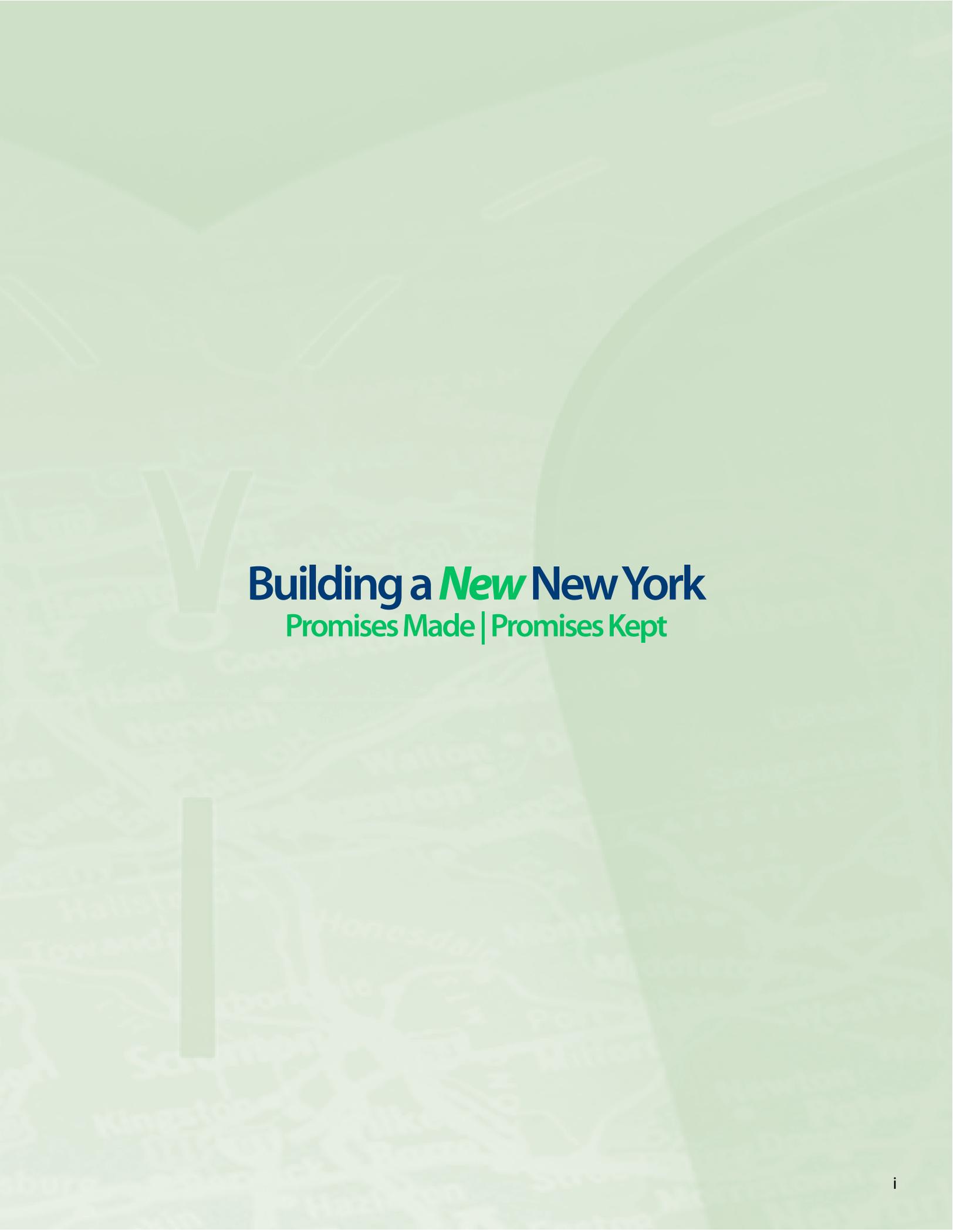
Building a *New* New York

Promises Made | Promises Kept

A Six Month Progress Report



Governor Andrew M. Cuomo
June 28, 2011



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Promises Made | Promises Kept

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Introduction

When Governor Cuomo took office six months ago, the state budget had a \$10 billion dollar deficit, and state and local taxes were making life unaffordable for our families and driving businesses from our state. Our economy was suffering, and our state policies and economic development efforts were an impediment to investment and job creation. The government was dysfunctional, and scandals had made the state capitol a national punch line.

In just six months, Governor Cuomo has begun to transform this great state and open the government to the people once again.

He started on his first day in office, signing an Executive Order which increased the public's access to the Capitol and opened up the second floor, where the Governor's office is located. He also ordered the removal of physical barriers around the Capitol building to make it more accessible to visitors. Then, for the first time in history, he opened his State of the State to the public and invited legislative leaders to speak. Approximately 2,200 people attended the historic event on January 5, 2011.

In his State of the State address, Governor Cuomo offered a transformational plan for a new New York, based on his vision of a performance-based state government that works for the people, not the lobbyists and special interests. In his speech, he promised the people of New York that he would bring order to the state's finances, work to clean up the ethical mess in Albany, cap local property taxes, rebuild our state's economy and create jobs, and restore New York State's role as a progressive leader in this nation.

In the weeks following, he took his case directly to the people, driven by his conviction that government works best when it engages the people. He held almost a dozen State of the State and Budget presentations throughout every region of New York.

A Balanced, On-Time Budget with No New Taxes

He then started to work to fulfill the promises he made in the State of the State. First, he tackled the state budget crisis head on. The state had a \$10 billion current year gap and faced a \$15 billion gap in 2012-2013. Years of unsustainable spending had left the state on the verge financial collapse.

The budget agreement he crafted was historic, and, for the first time in years, enacted on time. The Governor closed the \$10 billion current year gap with no new taxes and no borrowing. He reduced the 2012-2013 gap by 85%.

His budget reflected his commitment to real reform as opposed to short-term fixes. He ended automatic spending increases and enacted permanent law changes that tied spending to our state's ability to pay. He began a fundamental re-design of State government to make it more cost effective, and he demanded performance and efficiency in spending, particularly in the areas of education and healthcare.

The budget itself was important, but equally significant was the process by which Governor Cuomo got it done. He invited everyone to the table – the legislative and executive branches, Democrats and Republicans, industry and labor, upstate and downstate. They worked together with unprecedented civility, collaboration, and cooperation to act on the will of the people.

A key example of this new process was Medicaid reform. Governor Cuomo established a Medicaid Redesign Team that brought together heads of hospitals and nursing homes, union leaders and health-policy experts. Together, this diverse group recommended the best ways to spend the available money and identified \$2.3 billion in savings.

The budget agreement also began to reshape the state government, making good on Governor Cuomo's promise to make our government work better, smarter, and more efficiently. To that end, he created the Spending and Government Efficiency, or SAGE, commission, to streamline the state's operations and cut costs. The commission is working to root out waste, inefficiency, and needless duplication in the state's authorities and agencies, with the goal of cutting costs and reducing agencies, authorities and commissions by 20 percent. A number of agency consolidations were achieved in the budget, and many more will follow over the next few years.

In the same spirit, Governor Cuomo established a Mandate Relief Taskforce to find ways to eliminate unnecessary requirements imposed on municipalities and school districts to help give these units of government more ability to control costs.

After handling the budget crisis, Governor Cuomo turned his attention to the legislative priorities he laid out in his State of the State address. And once again, he brought his case to the people, this time also enlisting his Cabinet to visit communities all across the state. Over the course of the tour, the Governor and his team held almost 100 events and spoke directly to 15,000 New Yorkers about his reform agenda, which included passing ethics reform, marriage equality, and a property tax cap.



Property Tax Cap

New York State property taxes are among the highest in the nation, driving families from their homes and business from our state. In just a decade, property taxes increased 73% -- twice the rate of inflation. The average New York business pays \$2300 per employee in property taxes, making it one of the greatest job killers in New York. Governor Cuomo knew that the uncontrollable rise in property taxes had to end.

Property tax caps have been talked about since the 1970s, a cap was passed in Massachusetts in the 1980s, and one has been considered in New York since the 1990s, but nothing had gotten done until this year.

Governor Cuomo championed and won passage of a cap that would limit how much local government and schools districts could raise property taxes each year. The cap limits increases to 2% or the rate of inflation, whichever is less. The plan allows local taxpayers who choose to spend more than the cap to suspend the cap with a 60% vote in the school budget vote or 60% of the legislative body in a local government.

As part of this property tax relief effort the Governor also got passed \$125 million dollars in mandate relief for local governments and school districts. This represented a first step in the comprehensive mandate relief effort that will be a focal point of his efforts in 2011 and 2012.

Cleaning Up Albany

As a result of years of scandal and corruption, New Yorkers had lost faith in their government in Albany. Governor Cuomo understood that the future of our State would depend on rebuilding a relationship of trust with the people. Towards this end, he led a successful fight for a comprehensive reform of the State's ethics laws. The result of this effort was the new Public Integrity Act of 2011 requires legislators to make unprecedented disclosures of outside clients and customers to whom they have provided service or acted to refer or solicit for their firm. It also requires more detailed disclosure of legislative and the executive branch officials' income and assets; creates new levels of transparency, including a new public database of who is appearing before state agencies; and establishes an independent commission to oversee enforcement. The bill also requires officials who are convicted of felonies related to their official duties to forfeit public pensions, and it expands and strengthens laws on lobbying.

Rebuilding New York's Economy and Creating Jobs

Governor Cuomo's new tax policies, his commitment to clean up Albany, and his historic budget sent a clear message that New York State is serious about retaining businesses and attracting new investment. This is a long-term effort, but in just six months, Governor Cuomo has laid important groundwork.

For example, he led the passage of an improved Excelsior jobs program to provide tax incentives to targeted industries. His Recharge NY program is helping to create jobs by making low cost power available to businesses. And his NY-SUNY2020 program will provide the support our state university system needs to be a private sector job engine.

At the cornerstone of his long terms efforts are 10 Regional Economic Councils to be established across the state. Chaired by Lieutenant Governor Robert Duffy, these Councils are bringing together business, government, and academic leaders in every region of the state to serve as a coordinated point of contact for efforts to stimulate economic development and create jobs.

The Regional Councils are a bottom-up approach to economic development that emphasizes regions' unique assets and empower them to set regional plans and priorities. The Councils will begin by designing 5-year strategic plans for their regions, which will serve as blueprints for economic development work for years to come. Governor Cuomo has made \$200 million in capital appropriations and tax incentives available to the Regional Councils in this budget and will align additional state resources with the Regional Councils' plans and priorities going forward. These Councils will begin their work in the next few weeks.

While Governor Cuomo is working to change our approach to economic development, he is also working to change the image of New York State. To do this, he will launch "NY Is Open for Business," a new coordinated communications campaign that will reach out to business leaders across the nation and the world. Led by a team of prominent business leaders from across New York State, this initiative will develop an advertising and marketing strategy to alert businesses across the nation and the world to New York's new economic climate and to persuade businesses to come to New York.

Restoring New York as a Progressive Leader

Finally, the Governor promised to restore New York State to its historic role as a progressive leader of our nation. No issue was more significant in this effort than his fight for marriage equality. Despite New York's historical heritage of fighting for what's right, our State had fallen behind in providing this basic freedom and right to same-sex couples. But under Governor Cuomo's leadership, marriage equality legislation was passed, making New York the largest state in the nation to allow and recognize same-sex marriages.

At the same time, Governor Cuomo fought to protect New York's rent regulation laws which provide access to affordable housing for almost a million New York families and individuals. The rent regulations proposed by Governor Cuomo and passed by the Legislature give tenants the greatest strengthening of our rent laws in nearly 40 years. Among the important pro-tenant changes, the measure raises the deregulation rent threshold for the first time since 1993 and raises the income threshold for the first time since 1997 and reduces the ability for landlords to manipulate the system to unjustifiably remove apartments from rent regulation. These regulations will ensure that these units will stay in the rent regulation system and remain available for hard-working New Yorkers.

Improving education was another important element in restoring New York's place as a national, progressive leader. In his first six months, Governor Cuomo has placed a new focus on teachers and teacher performance, working closely with the State Education Department and the Board of Regents on new rules to strengthen the criteria for teacher evaluations.

He also made important changes to the way the State distributes funding to school districts. Much like the federal Race to the Top program, his budget creates \$250 million in competitive grants that will be awarded to school districts that show significant improvement in student performance. A second \$250 million fund will be awarded to school districts that undertake long-term structural change that reduce costs and improve efficiency.

In addition to marriage equality, affordable housing and education, the Governor also worked to improve opportunities for minority- and women- owned businesses by increasing state contracting goals to 20%, hiring the most diverse senior staff and agency leadership in the State's history, reforming our juvenile justice system and working tirelessly on environmental protection. All of these efforts help re-establish New York State as a progressive capital of this nation.

In just six months, Governor Cuomo made great progress towards fulfilling his promises to bring order to the State's finances, clean up the ethical mess in Albany, cap local property taxes, rebuild our State's economy and create jobs, and restore New York State's reputation as a progressive leader.

While much has been done, there is more to do to restore our state to greatness. Among the Governor's top priorities going forward are continuing to grow the state's economy, lowering taxes through mandate relief and pension reform, advancing the next phase of restructuring state government through his SAGE commission, and ensuring world-class healthcare and education for all New Yorkers.

If the first six months of Governor Cuomo's time in office are any indication, we are on our way to making our government as good as the people and the State it serves.

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Legislative Session Accomplishments

The following is a review of the key legislative accomplishments of the Cuomo administration in the 2011 Legislative session.

I. Putting New York's Fiscal House in Order

Balanced Budget

Under Governor Cuomo's leadership, New York State passed an on-time budget for the first time in years. The budget eliminated a \$10 billion deficit with no new taxes and included historic reforms to redesign state government, create efficiencies through consolidation, cap spending increases for education and Medicaid, and transform the future budgeting process.

The \$131.7 billion budget reduces overall spending by \$3.1 billion from the previous year. This goal was reached primarily through spending reductions, with no fiscal gimmicks. The budget also cut the 2012-13 projected budget deficit from \$15 billion to about \$2 billion. The budget contains significant initiatives proposed by Governor Cuomo to transform the state budget, recalibrate future spending and improve New York's fiscal condition while redesigning programs in every area of state government.

It ends the long standing practice of embedding unsustainable spending increases into permanent law without regard to fiscal realities, performance, or the need for accountability.



Redesigning Medicaid and Healthcare

The budget process brought together health care providers, labor, government and other Medicaid stakeholders to form Governor Cuomo's Medicaid Redesign Team (MRT). The budget implements a majority of the MRT proposals towards fundamentally restructuring and reforming New York's extensive Medicaid program, and providing critical health care services at lower costs.

Total Medicaid spending including federal, state and local funds of \$52.6 billion represents a decrease of \$337 million, or minus 1 percent. Prior to Governor Cuomo's budget, state Medicaid spending was projected to grow at an unaffordable rate of 13 percent for the 2011-12 fiscal year. Future growth in the Department of Health Medicaid spending will be limited to the 10-year rolling average of the Medical CPI, currently 4 percent. As Medicaid represents the largest and one of the fastest growing components of state spending, this cap is a major contributor to the closing of out-year budget gaps.

The budget also implements significant reforms that improve the delivery of healthcare services, including a major expansion of patient-centered medical homes, better control of home healthcare, and increased care management for individuals with complex and continuing healthcare needs.



Realigning School Aid

The budget realigns education financing to provide sustainable and predictable funding while reaffirming the commitment to improve educational outcomes in the classroom. Prior to this budget, education spending was projected to grow at an unaffordable rate of 13 percent for the 2011-12 school year.

The budget includes school aid of \$19.6 billion for the 2011-12 school year. Following 2011-12, school aid will be tied to the growth of the New York State personal income rate. New York's schools will continue to have among the highest spending per pupil in the nation, but under this new approach, growth will be limited to sustainable levels. The budget also created new education performance and efficiency grants, with \$500 million in funding for districts that either demonstrate significant student performance improvements or undertake long-term structural changes to reduce costs and improve efficiency.

Promoting Real Economic Development

The budget also makes significant reforms and investments to create jobs. It provides resources to support the development of 10 Regional Economic Development Councils – a key platform for Governor Cuomo’s long-term economic development efforts. The Councils will act as a coordinated point of contact for state-supported economic development funding and business assistance programs in each region.

In addition, the budget strengthens the Excelsior Jobs Program providing \$500 million annually in job creation and investment tax credit incentives to businesses in targeted industries. It also creates the Recharge New York program by allocating a blend of stable, low-cost hydropower and market power for use by businesses that seek to grow and create jobs in New York State. Additional programs will support farmers, development efforts in low-income communities, and small businesses looking to grow. These reforms and program expansions will produce measurable results for New York’s economy.

Rightsizing Government

The budget reflects Governor Cuomo’s proposed 10 percent year-to-year general fund reductions for all state agency operations, and includes the consolidation of eight agencies and authorities into four, as well as provisions to eliminate excess capacity in our state prison system and mental health facilities. Actions include the consolidation of Parole and Corrections which will save \$16.8 million, the merger of NYSTAR into Department of Economic Development which will save \$1.9 million, and the merger of Consumer Protection into the Department of State will save \$500,000.

A consolidation of particular note is the result of the enactment of Governor Cuomo’s “Financial Services Law”, which merges the State’s Banking and Insurance Departments into a new Department of Financial Services (DFS). The DFS is designed to more effectively regulate financial products and services that present risks to consumers and our financial system. Through complaint mediation, rulemaking, and enforcement, the DFS will have the authority to address a range of currently unregulated financial activities in order to protect consumers

and promote a healthy marketplace. This consolidation will provide improved service to consumers, businesses, and investors while making government more cost-effective.

Prison Closures

The budget authorized the Governor to eliminate excess prison capacity. It is anticipated that the closure will eliminate approximately 3,800 prison beds and do so with less than one year's notice. The Governor also established an Executive Order directing the State to identify facilities that can be closed without compromising the safety of inmates and employees while also considering the economic impact on surrounding communities. To off-set the impact of local prison and juvenile justice facility closures, the budget included a new tax credit program that will support the creation of new businesses in those communities impacted by closures.

Spending and Government Efficiency (SAGE) Commission

In addition to the mergers and consolidations authorized in the budget, Governor Cuomo also established a Spending and Government Efficiency (SAGE) Commission to reduce the number of state agencies, authorities, and commissions by 20 percent.

The plan authorizes the Governor to submit an annual reorganization plan to the Legislature, which must act on the plan with a simple up or down vote within 30 days. The Governor can reorganize all administrative units of government, including but not limited to agencies, boards, bureaus, commissions, departments, divisions, institutions, offices, state public authorities, and state task forces. This legislation will allow for a sweeping reorganization of state government, providing savings over many years and more efficient delivery of government services.





Groundbreaking Labor Contract

Governor Cuomo and the Civil Service Employees Association (CSEA) reached a groundbreaking five-year labor deal that is a win-win for CSEA members and the State of New York. CSEA is the largest state public employee union representing 66,000 New York State employees. The Governor's agreement includes a three-year base wage freeze and redesigns of the health care contribution and benefit system that will bring savings of more than \$160 million to our state over the next two years. Additionally, when ratified by CSEA's members, the deal will achieve the cost cuts necessary to protect CSEA from broad layoffs. This agreement sets a standard for union contracts in New York; if the terms of this deal are adopted by the state's other collective bargaining units, the state's workforce costs will be reduced by \$1.63 billion over the next five years.

II. Property Tax Cap and Mandate Relief

Property Tax Cap

For the first time in New York's history, there will be a property tax cap to protect homeowners and businesses from skyrocketing property tax hikes. The property tax increases will be capped at 2 percent or the rate of inflation, whichever is less.

For more than 15 years, both houses of the Legislature along with three governors have talked about a property tax cap for New York's overburdened homeowners with no results. New York's property taxes are among the highest taxes in the nation:

- As a percentage of personal income, New York has the highest local taxes in the nation – 79 percent above the national average
- From 1998 to 2008, property tax levies in New York grew by more than 73 percent – more than twice the rate of inflation during that span
- Companies pay five times more in property taxes than they do in corporate taxes
- Meanwhile, New York – especially Upstate New York – continues to hemorrhage population and jobs at a greater rate than the national average

This cap, a hallmark of Governor Cuomo's campaign and a priority of his administration's first year, will finally deliver relief to millions of homeowners and business owners across the state who have been burdened by out-of-control property taxes.

Local communities and local voters could override the cap, but it would require a 60 percent vote on the budget for school boards or relevant legislative bodies.

This cap on property taxes includes safeguards to ensure delivery of critical services for New Yorkers. There will be limited exceptions to the cap, including:

- Judgments or court orders arising out of tort actions that exceed 5 percent of the localities' levy
- Certain growth in pension costs where the system's average rate increases by more than 2 percentage points from the previous year. The amount of contributions above the 2 percentage points will be excluded from the limit.
- Growth in tax levies due to economic development

Mandate Relief

State mandates increase local government and school district costs and add to the increases in property taxes. Governor Cuomo has made reducing state mandates among his key priorities and the mandate relief package passed this session begins to give schools and local governments greater flexibility, improves services, and saves taxpayer money.

The relief efforts passed include a number of mandate reform recommendations that will benefit local governments, saving more than \$125 million annually. In addition, the Governor will pursue recommendations reviewed by the Mandate Relief Redesign Team for regulatory reforms that will save local governments and schools more than \$40 million annually. The mandate relief package:

- Establishes a combined Legislative and Executive Mandate Relief Council to refer unfunded mandates to the Legislature and agencies for modification or repeal
- Empowers local governments to petition the Council for permanent relief from burdensome or costly regulations

- Eases procurement requirements on local governments, allowing them to capture savings by joining on to federal and county contracts
- Expands the number and type of agreements that the Department of Transportation can enter into with municipalities
- Establishes clear authority for school districts to more efficiently manage their bus fleets

III. Cleaning up Albany

Historic Ethics Reforms Instituted to Clean Up Albany

Governor Cuomo achieved historic ethics reforms that will help bring integrity, accountability, unprecedented transparency, and public confidence back to New York State government.

The Public Integrity Reform Act of 2011 contains the most comprehensive ethics enhancements in modern history and will usher in a dramatic change in the way our government does business. Among many improvements, it requires state officials to disclose outside clients and customers to whom they provided services or acted to refer or solicit for their firms. It requires detailed disclosure of official's income and assets. It creates a public "Project Sunlight" database of all individuals and firms that represent clients before state agencies in any matter, requires that all lobbyists and clients of lobbyists disclose all business relationships with public officials and broadens the definition of lobbying to increase oversight of lobbying behavior.

The bill creates a new Joint Commission on Public Ethics with investigative oversight over both the executive and legislative branches and lobbyists. Investigative findings will be made public so the people can judge whether the punishment fits the crime. The new commission will provide mandatory ethics training for executive and legislative branch employees, and lobbyists

The law also provides for pension forfeiture for public officials convicted of a felony related to their office.

After years of stalled reform efforts, the Legislature passed the Governor's ethics package with overwhelming bipartisan support. By cleaning up Albany, Governor Cuomo is beginning a new era of transparency and accountability to repair the broken relationship between State government and the people it serves.

Insurance Dept. Directed to Eliminate “Pay-to-Play” in the State Pension Fund

The Governor directed the Insurance Department to issue permanent regulations banning placement agents, lobbyists, and – for the first time – elected officials from any pension fund business. These new regulations will permanently ban "pay-to-play" at the pension fund, preventing favoritism and political pressures from corrupting pension fund deals and protecting taxpayer dollars from abuse.

IV. Rebuild Economy and Create Jobs

Regional Economic Development Councils

Since taking office, Governor Cuomo’s top priority has been getting New York’s economy running again. To do this, he is changing the State’s approach to economic development from a top-down, one-size-fits-all model to a model that empowers each region to determine its own plans for economic growth.

At the center of these efforts will be 10 Regional Economic Development Councils – public-private partnerships that will develop long-term strategic plans and priorities for each region, better align limited state resources, and identify and eliminate obstacles to economic development. Chaired by Lt. Governor Duffy, these Councils will bring together academic, business, and local stakeholders to chart initial five-year strategic plans based on the priorities, resources and assets unique to each region. To facilitate the success of these plans, the Governor has made \$200 million available in State resources available to be awarded to regions on a competitive basis.

Beyond this initial round of funding, Regional Councils will benefit from long-term, systematic changes to how State agencies review and allocate funding in the future. In addition, Regional Councils will provide a central and coordinated point of contact for businesses, streamlining the process and making it easier than ever for companies to create jobs and flourish in New York State.





Groundbreaking Plan for Higher Education

The NYSUNY 2020 Challenge Grant Program – a joint program between the Governor and State University of New York (SUNY) – enhances the State University of New York's academic mission, maintains academic affordability, and places college campuses across New York at the center of the state's regionally-based economic revitalization strategy.

The program supports bottom-up, individualized long-term economic development plans on SUNY campuses and the surrounding communities. Two of the four SUNY university centers have already presented their plans to Governor Cuomo's administration, SUNY Chancellor Nancy Zimpher, and the Legislature:

- The University of Buffalo's UB 2020 plan has the potential to revitalize Western New York by creating jobs, breathing new life into the City of Buffalo, and helping its namesake university become one of the nation's leading public research institutions.
- Stony Brook's plan will use public-private partnerships to create thousands of jobs and reinvigorate the business climate across Nassau and Suffolk counties. In addition, it will ensure that Stony Brook becomes one of the country's most advanced public research facilities.

As part of the program, the NYSUNY 2020 plan will allow each SUNY and City University of New York (CUNY) campus to raise tuition by \$300 per year for five years. For the past 20 years, the average annual SUNY tuition increase has been 6.7 percent, well above the five-year, \$300 increases included in this legislation. During that time, there were periods without tuition increases followed by sudden and dramatic tuition spikes of up to 40 percent. This plan replaces this unpredictable situation with a rational and predictable approach allowing students and families to properly plan for the cost of a college education for the first time in New York's history.

The modest increases will help build these institutions into regional economic development generators and world-class centers of research and innovation. It will also allow schools to add more faculty, educate additional students, increase class offerings and improve graduation rates.

Also for the first time, SUNY and CUNY will guarantee tuition credits or discounts to students least able to afford tuition payments. In order to maintain affordability

and access to higher education, the legislation provides tuition credits to students who are eligible to receive a Tuition Assistance Program award.

“Recharge NY” Program Created

The high cost of energy is one of the greatest barriers to creating or growing a business in New York State. To help reduce this problem, Governor Cuomo made improvements to the Power for Jobs Program which provided low-cost power to New York businesses in exchange for retaining and creating jobs. This revised program – Recharge NY – allows businesses to enter into seven-year contracts for discounted, market-priced power. New businesses are eligible for the program when power is available. This program is part of Governor Cuomo’s overall effort to protect existing jobs, attract new jobs, encourage new investment in the state, and grow New York’s tax base.

Unemployment Insurance Benefits Extended

Governor Cuomo proposed and signed into law an extension of federally-funded unemployment insurance benefits through 2011. Without this new law, the State would have been unable to continue to pay 93 weeks’ worth of benefits, forfeiting \$620 million in federal payments, and impacting approximately 166,000 unemployed New Yorkers.

Secured \$354.4 Million in Additional Federal High-Speed Rail Funding

Governor Cuomo fought for and secured \$354.4 million in federal high-speed rail funding to rebuild our transportation infrastructure, expand high-speed rail, and put New Yorkers back to work. These funds will go towards three projects that advance our State’s high-speed rail plans.



New York City Ratepayers Protected from Rate Increase

Governor Cuomo and New York City Mayor Bloomberg prevented a massive rate hike that would have cost New York City energy customers hundreds of millions of dollars. By allowing the City to guarantee property tax abatements to power plants, the Governor and the Mayor eliminated the grounds that the Federal Energy Regulatory Commission (FERC) had cited for a potential rate increase.

Inspector General Directed to Audit LIPA and Review Rate Hikes

The Governor directed the State Inspector General to conduct a thorough audit of the Long Island Power Authority (LIPA), based on concerns that LIPA was raising rates, making questionable charges, and overbilling more than \$230 million over the last decade. Long Islanders already pay among the highest energy rates in the nation, and this review will ensure customers are not subjected to unnecessary and avoidable rate hikes. The review is ongoing.

Business Investment and Job Creation

Governor Cuomo has been committed to attracting and retaining good jobs in New York State. Since he took office:

- General Motors Components Holdings, LLC announced it will invest \$100 million in Rochester to manufacture a new fuel injection product line, securing the jobs of hundreds of hourly and salaried employees and creating an additional 30 jobs;
- Kawasaki Rail Car, Inc. announced it will invest \$25 million into their Yonkers facility and retain all 375 current positions;
- First Niagara Financial Group announced it will create 500 new high-paying jobs throughout its growing upstate New York operations over the next five years and invest substantial capital in infrastructure improvements and facility operations located throughout the state;
- North Carolina-based Flanders Corporation, a leading air filter manufacturer, announced it will establish its Northeast production operation in Columbia County, creating 180 new jobs, and will invest approximately \$7 million in the facility;
- The Atlas Air Worldwide Holdings, Inc. announced its headquarters will remain in Purchase, retaining 460 existing jobs and creating 50 new full-time positions;

- Mercury Print Productions, Inc. announced it will invest in a new, high-speed book printing and binding machine in Rochester that will result in the retention of 81 at-risk jobs and create 40 new jobs over a three year period;
- Silicon Valley firm Group4 Labs Inc., which uses synthetic diamonds to create energy-efficient semiconductor wafers, announced that it is opening a manufacturing facility at UAlbany's College of Nanoscale Science and Engineering (CSNE), initially creating 10 jobs with the ultimate goal of 50 high-tech jobs in the Capital Region by 2015. The company also has a manufacturing and test plant in Syracuse, which is expected to grow to approximately 94 jobs by 2015;
- The Pepsi Bottling Company has recommitted to Westchester for its headquarters, preserving more than 900 jobs and demonstrating New York's appeal to global corporations.

V. Restore New York as Progressive Leader

Marriage Equality Achieved for All New Yorkers

Despite New York's proud legacy as a progressive leader, for too long, same-sex couples were denied rights that other New Yorkers took for granted, including more than a thousand federal and state rights.

Governor Cuomo believed legalizing same-sex marriage to be a matter of fairness, dignity and equal rights. He built an unprecedented bipartisan coalition of organizations and supporters, the Governor worked to build momentum in every region of this state - culminating in the passage of the Marriage Equality Act.

Now, same-sex couples who marry in New York have equal status under the law. With this historic victory, New York is the largest state in the nation to grant same-sex couples the freedom to marry.

The Marriage Equality Act also includes protections for religious entities, benevolent organizations or not-for-profit corporations that are operated, supervised or controlled by a religious entity, or their employees to protect them from having to perform marriage ceremonies or provide their facilities for marriage ceremonies, consistent with their religious principles.





Affordable Housing: Strengthened Rent Regulation Laws

Governor Cuomo believes that affordable housing is essential to preserving our communities and protecting New York's middle class. The rent regulations proposed by the Governor and passed by the Legislature give tenants the strongest rent regulations in nearly 40 years and protects more than 1 million New Yorkers from skyrocketing rent. Among the important pro-tenant changes, the measure raises the deregulation rent threshold for the first time since 1993 and raises the income threshold for the first time since 1997.

From 1994 to the present day, more than 238,000 apartments were removed from the rent regulation system, leaving middle class New Yorkers with fewer affordable housing options. Without this expanded bill, it is estimated that more than 100,000 additional apartments would be lost to decontrol in the next few years.

These regulations will ensure that these units will stay in the rent regulation system and remain available for hard-working New Yorkers. The new rent regulations, which will be in effect until 2015, include the following important pro-tenant changes:

- Raises the deregulation rent threshold from \$2,000 to \$2,500
- Raises the income threshold from \$175,000 to \$200,000
- Limits landlords to collect only one vacancy bonus per year, reducing the manipulation of leases in order to push units out of the system
- Changes how improvements are calculated and verified for individual apartments, which will reduce a landlord's ability to abuse these renovations as a tool to force units out of regulation.

Environment Leadership

Historic Energy Policy Reforms

In the nearly ten years since Article X expired, not one power plant has been sited in the state. The Power NY Act of 2011 will encourage investment in clean power plants, engage communities more fully in the siting process, and expand opportunities for homeowners and businesses to invest in energy efficiency under the "Green Jobs/Green New York" program.

After years of gridlock, this important measure has advanced with support from industry, environmental advocates, consumer groups, and labor and community organizations. The Power NY Act of 2011 will:

- Streamline the permitting process for power plants greater than 25 megawatts by creating a “one-stop” multi-agency siting board that will make siting decisions
- Empower communities to participate in the process by requiring power plant applicants to provide "intervener funding" for the community affected by the proposed plant to hire experts and lawyers
- Improve the environment and public health by requiring the siting board to determine whether a proposed facility will create a disproportionate environmental impact in a community and, if so, requiring applicant to minimize or avoid those impacts
- Reduce energy demand by allowing homeowners and businesses to pay back loans for energy efficiency upgrades using a surcharge on local utility bills
- Create jobs by encouraging investment in new power plants and energy- efficiency retrofits

Indian Point Safety

After the Japanese nuclear disaster, Governor Cuomo sent key members of his administration – including Lieutenant Governor Robert Duffy and Director of State Operations Howard Glaser – to meet with members of the U.S. Nuclear Regulatory Commission (NRC) regarding the Indian Point nuclear facility in Westchester County. As a result of the meeting, the NRC pledged to make Indian Point its top priority in its assessment of seismic risk at 27 nuclear plants throughout the country. The NRC also agreed to perform a cooperative review of Indian Point along with New York State, include New York experts as part of an on-site inspection team, and share federal data on Indian Point’s seismic risk with New York technical experts. In addition, NRC Chair Greg Jaczko conducted a personal site inspection of Indian Point with New York officials. Governor Cuomo has long been opposed to Indian Point and has worked to prevent the federal relicensing of the facility. He and senior officials will continue to work with the NRC to monitor Indian Point and protect nearby residents from any potential risks.





\$191 Million in Awards to Increase Renewable Energy in New York State

Governor Cuomo believes that one of the best ways to grow New York's economy is to increase renewable and clean energy resources across the State. As a result, the New York State Energy Research and Development Authority and the Public Service Commission awarded \$191 million to 17 power projects across the state that will produce and deliver renewable electricity to New Yorkers. In addition to creating enough clean energy to power 145,000 homes each year, these power projects will produce nearly \$500 million in economic benefits over the expected 20-year life of the facilities. The projects competitively selected include four wind projects, four hydroelectric projects, seven landfill gas-to-electricity projects, and two anaerobic digester projects located at dairy farms.

Green Jobs and Farmer's Markets

Governor Cuomo made a pledge in his State of the State address to expand farmers' markets into underserved communities, opening new markets for New York farmers and bringing fresh produce into urban areas. In the budget, he made farmers' markets eligible for funding through the Healthy Food/Healthy Communities portion of the Upstate Agricultural Economic Development Fund. The budget also created a new "Share NY Food" Community Supported Agriculture program, which helps farmers purchase equipment, seeds, fertilizer, and other items necessary for production.

Water Withdrawal Legislation Passed

The Governor pushed for greater protections to our waterways through the creation of a permitting system for large withdrawals from many of New York's rivers, lakes, and streams. Legislation passed that will require those extracting large amounts of water – at least 100,000 gallons – to first get a permit from the Department of Environmental Conservation. Under this new system, we can better safeguard New York's precious natural resources.



Creating a World Class Education System

Created New Education Performance and Efficiency Grants

Governor Cuomo included two funds at \$250 million each in the budget to incentivize school districts to increase efficiency and improve student performance in the classroom. Funds will be awarded competitively to districts that demonstrate significant improvements in student performance and undertake long-term structural changes to reduce costs and improve efficiency.

Strengthened Teacher Evaluations

Governor Cuomo worked with the State Education Department and the Board of Regents to improve the criteria for teacher evaluations and restore greater performance in our education system. The Governor's recommendations included increasing the percentage of statewide objective data, like measuring student growth on statewide test scores, used to evaluate teacher performance; imposing rigorous classroom observation and other subjective measures; requiring a positive rating on both subjective and objective measures to receive a positive rating overall; and accelerating the implementation of the evaluation system. Only school districts which adopt the evaluation system will be eligible for a \$500 million School Performance Incentive Program.

Additional Accomplishments to Restore Progressive Leadership

Improving Opportunities for Minority- and Women-Owned Businesses

Governor Cuomo issued an Executive Order establishing a team to explore ways to meet his goal of doubling minority- and women-owned business enterprise (M/WBE) participation in state contracts to 20 percent. The budget also provided a new market tax credit to help these businesses thrive.

Juvenile Justice System Reformed

The budget made significant reforms of the State's juvenile justice system by encouraging greater use of preventive services and community-based alternatives, downsizing the state juvenile facilities system by more than 30 percent, and investing resources into enhanced services for juveniles who remain in custody.



“Complete Streets” Legislation Enacted

Governor Cuomo successfully pushed for the passage of “Complete Streets” legislation which will ensure planners consider more than just roads and bridges when planning and developing transportation projects. Under the provisions of “Complete Streets,” planners will be required to consider additional infrastructure elements – like curb cuts, sidewalks, and crosswalks – that facilitate safe use of the transportation system by New Yorkers of all ages and abilities. In addition to making communities more livable, the increase in walking and bicycling will help improve air quality and make New York a cleaner and greener state.

VI. Other noteworthy accomplishments

Tour Bus Safety Crackdown

Governor Cuomo ordered a crackdown on bus safety following the tragic tour bus accident in the Bronx in March 2011, which led to more than 2,300 random on-site audits of tour bus operators and roadside bus inspections. As a result of the crackdown, hundreds of unsafe buses and drivers were taken off the road, and more than 46 commercial drivers, including bus drivers, were arrested in and around New York City. The arrests were facilitated by facial recognition technology, conducted in conjunction with federal, state, and local law enforcement. Several arrested also had unanswered traffic tickets and some even had open felony warrants. To ensure long-term protection of bus passengers, Governor Cuomo established the Motor Carrier Safety Task Force, an interagency group to coordinate efforts to improve bus safety. New York State agencies will continue working with law enforcement partners to ensure New Yorkers can have confidence in the public transportation system.

Capitol Restoration Project to be Completed Ahead of Schedule/Under Budget

The Governor announced a revised and expedited timeline for the completion of the New York State Capitol restoration project, which will result in estimated savings of \$2.3 million. The project, has taken years longer than originally planned, wasting taxpayer dollars and contributing to an eyesore surrounding the historic State Capitol building. Accelerating the timeline for the Capitol renovations is an example of the kind of change that Governor Cuomo seeks across state government: to work faster, better, smarter, and more efficiently.





Military Voting Bill Passed

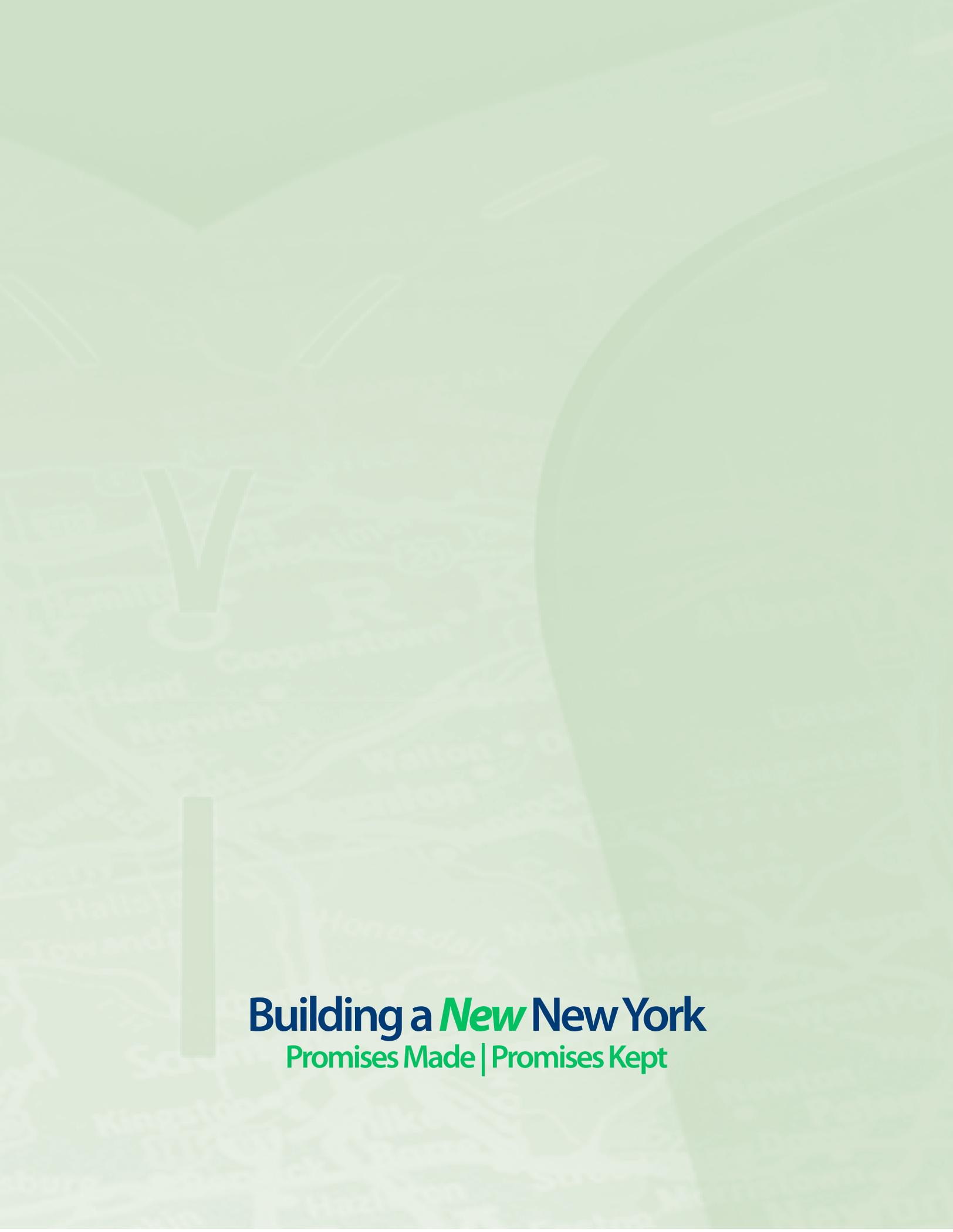
Governor Cuomo championed legislation that ensures New Yorkers serving in the military overseas will have their votes counted in special elections. Previously, special elections had been held between 30 and 40 days from the date they were announced, which did not provide enough time for county officials to mail ballots overseas. Governor Cuomo's measure increased that time to between 70 and 80 days to give members of the military sufficient time to receive and return their ballots.

VII. CONCLUSION

In his first six months in office, Governor Cuomo has made significant progress in making his transformational plan for building a *New New York* a reality.

While much has been done, much more still needs to be accomplished to restore our State to greatness. In the year ahead, Governor Cuomo will continue working to rebuild the State's economy, lower taxes through mandate relief and pension reform, initiate the next phase of restructuring State government through his SAGE commission and ensure world class healthcare and education for our people.

Together we can make our government as good as the people and the State it serves.



Building a *New* New York
Promises Made | Promises Kept