

# ***DEPARTMENT OF ECONOMIC DEVELOPMENT***

## ***MISSION***

Together with the Empire State Development Corporation, the New York State Department of Economic Development:

- Advises the Governor and Legislature on all major economic development issues and decisions;
- Develops State economic development strategies;
- Provides technical and financial assistance to businesses through a network of regional offices; and
- Coordinates the efforts of other State agencies, authorities and organizations, as well as local governments, on actions which affect the State's economy.

## ***ORGANIZATION AND STAFFING***

State economic development programs are administered by the Department of Economic Development working in conjunction with the Empire State Development Corporation. The Department and Corporation are distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. In addition, the Department and Corporation will work closely with the New York Office of Science, Technology and Academic Research (NYSTAR), which was established in 1999 to foster technology-related job creation.

The Department of Economic Development will have a workforce of 253 in 2000-01. The Department's central office is in Albany, with ten regional offices located in Albany, Buffalo, Rochester, Syracuse, Utica, Binghamton, Fishkill, Ogdensburg, Plainview and New York City, and satellite offices in Lake Placid, Plattsburgh and Elmira.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

State tax dollars from the General Fund will finance 89 percent, or \$46.5 million, of the Department of Economic Development's \$52.1 million Budget in 2000-01. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I 1 NY" logo, sale of advertising in the "I 1 NY" Travel Guide, and through seminars and programs run by the Department which directly offset the costs of these programs. Also included are Federal dollars used to help defense-dependent industries diversify into new markets, support recycling market development and to help small business comply with Clean Air Act mandates.

The 2000-01 Budget provides:

- \$1.7 million for the Empire State Technology Employment Incentive Program;
- \$11 million for "I 1 NY" tourism advertising;
- \$4.8 million for local tourism matching grants;
- \$4.5 million for marketing and promoting the State's favorable business climate;
- \$177,000 for the Adirondack North Country Association;
- \$600,000 for economic development projects in the Catskill watershed;
- \$3.1 million for local administration of Economic Development Zones, which includes funding for six new Zones that will be designated in 2000;

## ***ECONOMIC DEVELOPMENT***

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- \$165,000 to continue State efforts to ensure a complete count of New York State's population in the 2000 Federal Census; and
- \$1.5 million to attract international trade to New York State, and increase export sales to foreign countries.
- \$1 million for the New York State Technology Enterprise Corporation to commercialize technologies developed at the United States Air Force Rome Laboratory and \$300,000 for the Griffiss Local Development Corporation to redevelop the former Griffiss Air Force Base. This funding represents the final year of State support for these organizations.

### ***PROGRAM HIGHLIGHTS***

#### ***TECHNOLOGY EMPLOYMENT INCENTIVE PROGRAM***

This new program will address the shortage of highly skilled employees facing New York State's high technology companies. In order to encourage graduates of the State's leading engineering, computer science and applied science programs to make their careers in New York, this program will enable employers in targeted industries to offer prospective employees cash incentives worth \$3,400 annually for four years.

#### ***MARKETING AND ADVERTISING***

This program promotes New York State as a premier tourist destination and business location. Major activities include the "I 1 NY" advertising campaign and local tourism matching grants administered through locally based tourism promotion agencies representing the State's 62 counties. The Department of Economic Development also manages tourist information services at the Beekmantown and Binghamton Gateway Centers, develops the State's tourism master plan, targets information to consumers and the travel trade, participates in national and international trade shows, provides technical assistance to tour directors, and creates publications for use by the Department and the other economic development agencies.

#### ***INTERNATIONAL***

The International Trade program promotes exports from, and attracts foreign investment to, New York State. Based in New York City, this program manages the Department's international offices in Montreal, Toronto, London, and Tokyo, and contractual presences in Frankfurt, Jerusalem, Mexico City, Chile, Brazil, Argentina and South Africa. The program also coordinates State participation in trade shows and missions, compiles and disseminates trade leads, and administers grants and seminars designed to encourage increased exporting.

#### ***ECONOMIC DEVELOPMENT ZONES***

The Economic Development Zones program benefits distressed areas suffering from high unemployment. Businesses located in a designated Zone may qualify for tax incentives and other economic development benefits designed to encourage business expansion and job creation. Currently, there are 52 Economic Development Zones statewide that were selected on a competitive basis. Zones are located in the following communities: Albany, Amsterdam, Auburn, Binghamton, Brookhaven,

## ***ECONOMIC DEVELOPMENT***

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Brooklyn Navy Yard, Buffalo, Dunkirk, East New York, East Harlem, Elmira, Friendship, Fulton, Geneva, Gloversville, Griffiss Air Force Base, Hancock Air Force Base, Hunts Point, Islip, Jamestown, Kingston, Kirkwood, Lackawanna, Lowville/Martinsburg, Moriah/Port Henry, Niagara Falls, North Shore/Staten Island, Norwich, Ogdensburg, Olean/Allegany, Oswego, Plattsburgh, Plattsburgh Air Force Base, Port Morris, Potsdam, Poughkeepsie, Riverhead, Rochester, Rockaway, Rome, Schenectady, South Jamaica, Seneca Army Depot, Stewart

## ***ECONOMIC DEVELOPMENT***

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Air Force Base, Sunset Park/Red Hook/Southwest Brooklyn, Syracuse, Tioga County, Troy, Utica, Watertown, Watervliet Arsenal, and Yonkers. In addition, legislation enacted in 1999 will result in the establishment of six new zones in 2000.

### ***BUSINESS ASSISTANCE PROGRAMS***

To improve the competitiveness of New York State companies, the Department of Economic Development provides assistance to businesses for productivity assessments, business-specific skills training for new and existing workers and third-party technical assistance to develop strategies for expanding export markets.

### ***SMALL BUSINESS ASSISTANCE***

The Division for Small Business serves as an ombudsman for small business and also offers these enterprises training and technical assistance. In addition, the Department provides State and Federal procurement assistance to small business. The Division also operates the Clean Air Act Ombudsman Unit, which helps small business comply with these environmental regulations.

### ***LINKED DEPOSIT PROGRAM***

This joint public/private program enables companies to obtain loans from commercial banks at an interest rate that is 2 percent to 3 percent lower than the prevailing rate. The banks are compensated by deposits of State funds earning interest at comparably reduced rates. In 1999, legislation was enacted to increase funding available for this program by \$50 million, increasing the program from \$150 million to \$200 million.

### ***RECYCLING MARKET DEVELOPMENT PROGRAM***

The Department of Economic Development is the lead agency in developing New York's recycling industries and creating programs to help municipalities and businesses develop uses for secondary materials.

### ***MINORITY AND WOMEN'S BUSINESS DEVELOPMENT***

The Division of Minority and Women's Business Development was established to increase the participation of minority- and women-owned businesses in State procurement opportunities. The Division identifies and certifies minority- and women-owned business enterprises; publishes a directory of certified firms to market small businesses to public and private sector organizations; and provides technical assistance to minority- and women-owned businesses.

### ***POLICY AND RESEARCH***

This joint Empire State Development Corporation/Department of Economic Development division develops the annual State strategic plan for economic development; collects and disseminates economic and demographic information; performs policy analysis and economic research; monitors and intervenes in State regulatory activities affecting energy supply, telecommunications, transportation, environmental facilities and commercial/industrial site and facility development; and coordinates the development and review of State economic development programs.

## ECONOMIC DEVELOPMENT

### ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations .....	\$40,355,700	\$40,078,800	-\$276,900	\$10,947,000
Aid To Localities .....	21,840,235	12,033,600	-9,806,635	12,240,000
Capital Projects .....	.....	.....	.....	.....
<b>Total .....</b>	<b>\$62,195,935</b>	<b>\$52,112,400</b>	<b>-\$10,083,535</b>	<b>\$23,187,000</b>

### ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	2000-01 Recommended Average Fill Level				Change
	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administration					
General Fund .....	51	50	.....	50	-1
Special Revenue Funds - Other .....	8	8	.....	8	.....
Clean Air					
Special Revenue Funds - Other .....	5	5	.....	5	.....
Economic Development					
General Fund .....	144	144	.....	144	.....
Special Revenue Funds - Other .....	4	4	.....	4	.....
Marketing and Advertising Program					
General Fund .....	42	41	.....	41	-1
Special Revenue Funds - Other .....	1	1	.....	1	.....
Science & Technology - Administration					
General Fund .....	8	.....	.....	.....	-8
<b>Total .....</b>	<b>263</b>	<b>253</b>	<b>.....</b>	<b>253</b>	<b>-10</b>

### STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund .....	\$34,695,800	\$34,418,900	-\$276,900
Special Revenue Funds - Federal .....	1,000,000	1,000,000	.....
Special Revenue Funds - Other .....	4,659,900	4,659,900	.....
<b>Total .....</b>	<b>\$40,355,700</b>	<b>\$40,078,800</b>	<b>-\$276,900</b>

# ECONOMIC DEVELOPMENT

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administration			
General Fund . . . . .	\$3,014,000	\$3,014,000	. . . .
Special Revenue Funds - Other . . . . .	1,739,900	1,739,900	. . . .
Clean Air			
Special Revenue Funds - Other . . . . .	500,000	500,000	. . . .
Economic Development			
General Fund . . . . .	12,666,800	13,166,800	+ \$500,000
Special Revenue Funds - Federal . . . . .	1,000,000	1,000,000	. . . .
Special Revenue Funds - Other . . . . .	1,420,000	1,420,000	. . . .
Marketing and Advertising Program			
General Fund . . . . .	18,420,100	18,238,100	-182,000
Special Revenue Funds - Other . . . . .	1,000,000	1,000,000	. . . .
Science & Technology - Administration			
General Fund . . . . .	594,900	. . . .	-594,900
Total . . . . .	<u>\$40,355,700</u>	<u>\$40,078,800</u>	<u>-\$276,900</u>

## STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administration . . . . .	\$2,070,000	. . . .	\$2,041,800	. . . .	\$28,200	. . . .
Economic Development . . . . .	7,830,000	+ \$285,000	7,799,000	+ \$285,000	31,000	. . . .
Marketing and Advertising Program . . . . .	1,736,900	. . . .	1,722,400	. . . .	14,500	. . . .
Science & Technology - Administration . . . . .	. . . .	-320,900	. . . .	-320,900	. . . .	. . . .
Total . . . . .	<u>\$11,636,900</u>	<u>-\$35,900</u>	<u>\$11,563,200</u>	<u>-\$35,900</u>	<u>\$73,700</u>	<u>. . . .</u>

# ECONOMIC DEVELOPMENT

## STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration . . . . .	\$944,000	. . . .	\$110,000	. . . .
Economic Development . . . . .	5,336,800	+ \$215,000	135,000	+ \$4,000
Marketing and Advertising Program . . . . .	16,501,200	-182,000	31,000	. . . .
Science & Technology - Administration . . . . .	. . . .	-274,000	. . . .	-8,000
<b>Total . . . . .</b>	<b>\$22,782,000</b>	<b>-\$241,000</b>	<b>\$276,000</b>	<b>-\$4,000</b>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration . . . . .	\$42,000	. . . .	\$749,000	. . . .
Economic Development . . . . .	291,000	+ \$17,000	3,284,000	+ \$192,000
Marketing and Advertising Program . . . . .	39,400	. . . .	750,000	. . . .
Science & Technology - Administration . . . . .	. . . .	-19,000	. . . .	-244,000
<b>Total . . . . .</b>	<b>\$372,400</b>	<b>-\$2,000</b>	<b>\$4,783,000</b>	<b>-\$52,000</b>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration . . . . .	\$43,000	. . . .	. . . .	. . . .
Economic Development . . . . .	155,000	+ \$2,000	\$1,471,800	. . . .
Marketing and Advertising Program . . . . .	800	. . . .	15,680,000	-\$182,000
Science & Technology - Administration . . . . .	. . . .	-3,000	. . . .	. . . .
<b>Total . . . . .</b>	<b>\$198,800</b>	<b>-\$1,000</b>	<b>\$17,151,800</b>	<b>-\$182,000</b>

## STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration . . . . .	\$1,739,900	. . . .	\$487,100	. . . .
Clean Air . . . . .	500,000	. . . .	195,000	. . . .
Economic Development . . . . .	2,420,000	. . . .	130,000	. . . .
Marketing and Advertising Program . . . . .	1,000,000	. . . .	70,000	. . . .
<b>Total . . . . .</b>	<b>\$5,659,900</b>	<b>. . . .</b>	<b>\$882,100</b>	<b>. . . .</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration . . . . .	\$1,252,800	. . . .	. . . .	. . . .
Clean Air . . . . .	305,000	. . . .	. . . .	. . . .
Economic Development . . . . .	2,220,000	. . . .	\$70,000	. . . .
Marketing and Advertising Program . . . . .	930,000	. . . .	. . . .	. . . .
<b>Total . . . . .</b>	<b>\$4,707,800</b>	<b>. . . .</b>	<b>\$70,000</b>	<b>. . . .</b>

# ***ECONOMIC DEVELOPMENT***

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## **AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS**

<u>Fund Type</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
General Fund . . . . .	\$21,840,235	\$12,033,600	-\$9,806,635
<b>Total</b> . . . . .	<u>\$21,840,235</u>	<u>\$12,033,600</u>	<u>-\$9,806,635</u>
Adjustments:			
Transfer(s) To			
Science, Technology and Academic Research, Office of Special Revenue Funds - Federal . . . . .	+ 5,000,000		
Appropriated 1999-00 . . . . .	<u>\$26,840,235</u>		

## **AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS**

<u>Program</u>	<u>Available 1999-00</u>	<u>Recommended 2000-01</u>	<u>Change</u>
Economic Development			
General Fund . . . . .	\$6,602,000	\$6,857,000	+ \$255,000
Marketing and Advertising Program			
General Fund . . . . .	6,676,600	5,176,600	-1,500,000
Community Projects			
General Fund . . . . .	<u>8,561,635</u>	. . . .	<u>-8,561,635</u>
<b>Total</b> . . . . .	<u>\$21,840,235</u>	<u>\$12,033,600</u>	<u>-\$9,806,635</u>