

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 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 273 in 2001-02. The Department's central office is in Albany, with ten regional offices located in Albany, Buffalo, Rochester, Syracuse, Utica, Binghamton, Fishkill, Watertown, Plainview and New York City, and satellite offices in Plattsburgh, Ogdensburg and Elmira.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

State tax dollars from the General Fund will finance 90 percent, or \$50.7 million, of the Department of Economic Development's \$56.1 million Budget in 2001-02. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I ♥ NY" logo, sale of advertising in the "I ♥ 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 2001-02 Budget provides:

- \$1.7 million for the Empire State Technology Employment Incentive Program;
- \$11 million for "I ♥ NY" tourism advertising;
- \$5.8 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;
- \$3.3 million for local administration of Empire Zones, which includes funding for new Zones that will be designated in 2001;
- \$1.9 million to attract international trade to New York State, and increase export sales to foreign countries.

ECONOMIC DEVELOPMENT

PROGRAM HIGHLIGHTS

TECHNOLOGY EMPLOYMENT INCENTIVE PROGRAM

This 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 provide employees in targeted industries with cash incentives.

MARKETING AND ADVERTISING

This program promotes New York State as a premier tourist destination and business location. Major activities include the "I ♥ 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 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. The International Trade program will be enhanced — including the use of the latest e-commerce technology — in 2001-02 to further increase foreign investment in New York State and export sales by New York State businesses.

EMPIRE ZONES

The Empire 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 Empire Zones statewide that were selected on a competitive basis. Zones are located in the following communities: Albany, Amsterdam, Auburn, Binghamton, Brookhaven, 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 Air Force Base, Sunset Park/Red Hook/Southwest Brooklyn, Syracuse, Tioga County, Troy, Utica, Watertown, Watervliet Arsenal, and Yonkers. In addition, new Zones will be established in 2001.

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 2001-02, \$200 million is available for this program.

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 (dollars)

<u>Category</u>	<u>Available 2000-01</u>	<u>Appropriations Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations Recommended 2001-02</u>
State Operations	41,236,800	44,139,900	2,903,100	6,208,000
Aid To Localities	24,553,450	11,974,000	(12,579,450)	21,164,000
Capital Projects	0	0	0	0
Total	<u>65,790,250</u>	<u>56,113,900</u>	<u>(9,676,350)</u>	<u>27,372,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2000-01 Estimated FTEs 03/31/01</u>	<u>2001-02 Estimated FTEs 03/31/02</u>	<u>FTE Change</u>
Administration			
General Fund	50	50	0
Special Revenue Funds - Other	8	8	0
Clean Air			
Special Revenue Funds - Other	5	5	0
Economic Development			
General Fund	144	144	0
Special Revenue Funds - Other	4	4	0
Marketing and Advertising Program			
General Fund	41	61	20
Special Revenue Funds - Other	1	1	0
Total	<u>253</u>	<u>273</u>	<u>20</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
General Fund	35,515,900	38,730,000	3,214,100
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	4,720,900	4,409,900	(311,000)
Total	<u>41,236,800</u>	<u>44,139,900</u>	<u>2,903,100</u>

Adjustments:

Transfer(s) From	
Special Pay Bill	
General Fund	(1,097,000)
Special Revenue Funds - Other	(61,000)
Appropriated 2000-01	<u>40,078,800</u>

ECONOMIC DEVELOPMENT

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Administration			
General Fund	3,211,000	3,360,000	149,000
Special Revenue Funds - Other	1,752,080	1,739,900	(12,180)
Clean Air			
Special Revenue Funds - Other	519,000	500,000	(19,000)
Economic Development			
General Fund	13,901,800	15,000,000	1,098,200
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	1,435,540	1,170,000	(265,540)
Marketing and Advertising Program			
General Fund	18,403,100	20,370,000	1,966,900
Special Revenue Funds - Other	<u>1,014,280</u>	<u>1,000,000</u>	<u>(14,280)</u>
Total	<u>41,236,800</u>	<u>44,139,900</u>	<u>2,903,100</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2001-02 RECOMMENDED (dollars)

<u>Program</u>	<u>Total Personal Service</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	2,336,000	69,000	2,307,800	69,000
Economic Development	8,836,000	271,000	8,805,000	271,000
Marketing and Advertising Program	<u>3,323,000</u>	<u>1,421,100</u>	<u>3,308,500</u>	<u>1,421,100</u>
Total	<u>14,495,000</u>	<u>1,761,100</u>	<u>14,421,300</u>	<u>1,761,100</u>
	<u>Holiday/Overtime Pay (Annual Salaried)</u>			
	<u>Amount</u>	<u>Change</u>		
Administration	28,200	0		
Economic Development	31,000	0		
Marketing and Advertising Program	<u>14,500</u>	<u>0</u>		
Total	<u>73,700</u>	<u>0</u>		

ECONOMIC DEVELOPMENT

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2001-02 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total Nonpersonal Service</u>		<u>Supplies and Materials</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	1,024,000	80,000	119,600	9,600
Economic Development	6,164,000	827,200	144,810	9,810
Marketing and Advertising Program	17,047,000	545,800	59,432	28,432
Total	<u>24,235,000</u>	<u>1,453,000</u>	<u>323,842</u>	<u>47,842</u>

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	45,200	3,200	812,200	63,200
Economic Development	317,160	26,160	3,561,950	277,950
Marketing and Advertising Program	74,940	35,540	1,396,828	646,828
Total	<u>437,300</u>	<u>64,900</u>	<u>5,770,978</u>	<u>987,978</u>

<u>Program</u>	<u>Equipment</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	47,000	4,000	0	0
Economic Development	168,080	13,080	1,972,000	500,200
Marketing and Advertising Program	800	0	15,515,000	(165,000)
Total	<u>215,880</u>	<u>17,080</u>	<u>17,487,000</u>	<u>335,200</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2001-02 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	1,739,900	(12,180)	487,100	(8,990)
Clean Air	500,000	(19,000)	195,000	(14,000)
Economic Development	2,170,000	(265,540)	130,000	(11,470)
Marketing and Advertising Program	1,000,000	(14,280)	70,000	(10,540)
Total	<u>5,409,900</u>	<u>(311,000)</u>	<u>882,100</u>	<u>(45,000)</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	1,252,800	(3,190)	0	0
Clean Air	305,000	(5,000)	0	0
Economic Development	1,970,000	(254,070)	70,000	0
Marketing and Advertising Program	930,000	(3,740)	0	0
Total	<u>4,457,800</u>	<u>(266,000)</u>	<u>70,000</u>	<u>0</u>

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE
APPROPRIATIONS
(dollars)**

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
General Fund	24,553,450	11,974,000	(12,579,450)
Total	<u>24,553,450</u>	<u>11,974,000</u>	<u>(12,579,450)</u>

ECONOMIC DEVELOPMENT

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Program	Available 2000-01	Recommended 2001-02	Change
Economic Development			
General Fund	9,349,000	5,797,000	(3,552,000)
Marketing and Advertising Program			
General Fund	7,901,600	6,177,000	(1,724,600)
Community Projects			
General Fund	7,302,850	0	(7,302,850)
Total	<u>24,553,450</u>	<u>11,974,000</u>	<u>(12,579,450)</u>