

# ***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 State 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 245 in 2002-03. The Department's central office is in Albany, with ten regional offices located in Troy, Buffalo, Rochester, Syracuse, Utica, Binghamton, New Windsor, Plattsburgh, Hauppauge and New York City, and satellite offices in Watertown and Elmira.

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

State tax dollars from the General Fund will finance 88 percent, or \$38.5 million, of the Department of Economic Development's \$43.9 million Budget in 2002-03. 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 2002-03 Budget provides:

- \$7.7 million for "I ♥ NY" tourism advertising;
- \$5.8 million for local tourism matching grants;
- \$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; and
- \$1.5 million to attract international trade to New York State, and increase export sales to foreign countries.

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### ***PROGRAM HIGHLIGHTS***

#### ***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.

#### ***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. Fifty-two Empire Zones statewide were selected on a competitive basis prior to 2001. 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, nine zones were designated in 2001 located in the Town of Tonawanda, Monroe County, Columbia County, Staten Island/West Shore, Sullivan County, Cortland County, City of Hornell, Warren County and Saratoga County. An additional five zones will be designated in the near future.

#### ***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

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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 2002-03, \$300 million would be available for this program, reflecting a proposed \$100 million increase from existing levels.

### ***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 DIVISION***

This 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.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2001-02</b>	<b>Appropriations Recommended 2002-03</b>	<b>Change</b>	<b>Reappropriations Recommended 2002-03</b>
State Operations	41,565,900	33,600,900	(7,965,000)	13,975,000
Aid To Localities	10,274,000	10,274,000	0	13,287,000
Capital Projects	0	0	0	0
Total	51,839,900	43,874,900	(7,965,000)	27,262,000

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

<b>Program</b>	<b>Full-Time Equivalent Positions (FTE)</b>		
	<b>2001-02</b>	<b>2002-03</b>	<b>FTE Change</b>
	<b>Estimated FTEs 03/31/02</b>	<b>Estimated FTEs 03/31/03</b>	
Administration			
General Fund	50	48	(2)
Special Revenue Funds - Other	8	8	0
Clean Air			
Special Revenue Funds - Other	5	5	0
Economic Development			
General Fund	148	143	(5)
Marketing and Advertising Program			
General Fund	41	40	(1)
Special Revenue Funds - Other	1	1	0
<b>Total</b>	<b>253</b>	<b>245</b>	<b>(8)</b>

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

<b>Fund Type</b>	<b>Available 2001-02</b>	<b>Recommended 2002-03</b>	<b>Change</b>
General Fund	36,226,000	28,191,000	(8,035,000)
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	4,339,900	4,409,900	70,000
<b>Total</b>	<b>41,565,900</b>	<b>33,600,900</b>	<b>(7,965,000)</b>

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

<b>Program</b>	<b>Available 2001-02</b>	<b>Recommended 2002-03</b>	<b>Change</b>
Administration			
General Fund	3,360,000	3,321,000	(39,000)
Special Revenue Funds - Other	1,739,900	1,739,900	0
Clean Air			
Special Revenue Funds - Other	500,000	500,000	0
Economic Development			
General Fund	14,500,000	14,352,000	(148,000)
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	1,100,000	1,170,000	70,000
Marketing and Advertising Program			
General Fund	18,366,000	10,518,000	(7,848,000)
Special Revenue Funds - Other	1,000,000	1,000,000	0
<b>Total</b>	<b>41,565,900</b>	<b>33,600,900</b>	<b>(7,965,000)</b>

# ECONOMIC DEVELOPMENT

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,297,000	(39,000)	2,268,800	(39,000)
Economic Development	8,688,000	(148,000)	8,657,000	(148,000)
Marketing and Advertising Program	1,927,000	(33,000)	1,912,500	(33,000)
Total	12,912,000	(220,000)	12,838,300	(220,000)

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	28,200	0
Economic Development	31,000	0
Marketing and Advertising Program	14,500	0
Total	73,700	0

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,024,000	0	119,600	0
Economic Development	5,664,000	0	143,370	(1,440)
Marketing and Advertising Program	8,591,000	(7,815,000)	59,432	0
Total	15,279,000	(7,815,000)	322,402	(1,440)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	45,200	0	812,200	0
Economic Development	313,560	(3,600)	3,568,910	6,960
Marketing and Advertising Program	74,940	0	755,828	0
Total	433,700	(3,600)	5,136,938	6,960

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	47,000	0	0	0
Economic Development	166,160	(1,920)	1,472,000	0
Marketing and Advertising Program	800	0	7,700,000	(7,815,000)
Total	213,960	(1,920)	9,172,000	(7,815,000)

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2002-03 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,739,900	0	487,100	0
Clean Air	500,000	0	195,000	0
Economic Development	2,170,000	70,000	0	(130,000)
Marketing and Advertising Program	1,000,000	0	70,000	0
Total	5,409,900	70,000	752,100	(130,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,252,800	0	0	0
Clean Air	305,000	0	0	0
Economic Development	2,100,000	130,000	70,000	70,000
Marketing and Advertising Program	930,000	0	0	0
Total	4,587,800	130,000	70,000	70,000

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

<b>Fund Type</b>	<b>Available 2001-02</b>	<b>Recommended 2002-03</b>	<b>Change</b>
General Fund	10,274,000	10,274,000	0
Total	<u>10,274,000</u>	<u>10,274,000</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2001-02</b>	<b>Recommended 2002-03</b>	<b>Change</b>
Economic Development			
General Fund	4,097,000	4,097,000	0
Marketing and Advertising Program			
General Fund	6,177,000	6,177,000	0
Total	<u>10,274,000</u>	<u>10,274,000</u>	<u>0</u>