

***TRANSPORTATION
AND ECONOMIC
DEVELOPMENT***

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)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
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**

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
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
Total	<u>253</u>	<u>245</u>	<u>(8)</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
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
Total	<u>41,565,900</u>	<u>33,600,900</u>	<u>(7,965,000)</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
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
Total	<u>41,565,900</u>	<u>33,600,900</u>	<u>(7,965,000)</u>

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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)**

Fund Type	Available 2001-02	Recommended 2002-03	Change
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)**

Program	Available 2001-02	Recommended 2002-03	Change
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>

EMPIRE STATE DEVELOPMENT CORPORATION

MISSION

The Empire State Development Corporation (ESDC) — formerly the Urban Development Corporation (UDC) — is a New York State public benefit corporation. It engages in four principal activities: economic and real estate development; State facility financing; housing portfolio maintenance; and privatization initiatives.

ECONOMIC AND REAL ESTATE DEVELOPMENT

The Corporation provides financial and technical assistance to businesses, local governments and community-based not-for-profit corporations for economic development and large-scale real estate projects that create and/or retain jobs and reinvigorate distressed areas.

STATE FACILITY FINANCING

The Empire State Development Corporation issues bonds to finance the construction and modernization of correctional facilities and other special projects for the State. Debt service on these bonds is paid from appropriations by the State.

HOUSING PORTFOLIO MAINTENANCE

In the early 1970's, the Urban Development Corporation built 113 large-scale housing developments for low- to middle-income persons. The Corporation also built non-residential civic and industrial properties, including the Niagara Falls Convention Center, the Wards Island Fire Training Center, the Monroe County Fairgrounds, the Ten Eyck Plaza in Albany, and public school facilities in Buffalo, Manhattan, the Bronx, and Brooklyn. Since the mid-1970's, activity in this area has been limited to the monitoring and loan servicing of projects.

PRIVATIZATION INITIATIVES

The Corporation is charged with facilitating efforts by State agencies and authorities to privatize State functions and assets.

ORGANIZATION AND STAFFING

State economic development programs are administered by the Empire State Development Corporation working in conjunction with the Department of Economic Development. The Corporation and Department are distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. In addition, the Corporation and Department will 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 Corporation will have a workforce of 249 in 2002-03. From the Corporation's central office in New York City, a Chief Operating Officer is responsible for day-to-day operations. The Corporation and Department of Economic Development share ten regional offices and two satellite offices.

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OVERSIGHT

The Corporation is governed by a nine-member Board of Directors comprising two ex-officio members and seven members appointed by the Governor with the consent of the Senate. The Chair of the Empire State Development Corporation Board is selected by the Governor and also serves as the Commissioner of Economic Development. Board members serve without compensation.

SUBSIDIARIES

The Corporation's Board of Directors is authorized to create subsidiaries to manage specific projects or economic development activities. Subsidiaries have been established to: (1) oversee revitalization of Lower Manhattan in the wake of the attack on the World Trade Center; (2) formulate policies and initiatives to promote economic growth in Harlem; (3) redevelop Times Square, including the condemnation and acquisition of blighted properties and recruitment of prospective tenants; (4) plan and oversee a mixed-use development on 74.5 acres on the East River in Queens County; and (5) redevelop the U.S. Postal Service facility known as the Farley Building in connection with the New York City Amtrak Train Station Redevelopment project.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

- The Empire State Development Corporation's activities are funded from State General Fund appropriations and corporate revenues generated by Corporation-owned residential and non-residential properties and by its financing programs. The Corporation's operating budget will be entirely supported by corporate revenues in 2002-03.
- The Executive Budget will provide \$70.5 million in support for economic development initiatives, including: the JOBS NOW program for large-scale projects which will create new jobs; the Empire State Economic Development Fund for projects that create or retain jobs; the Urban and Community Development and Minority- and Women-Owned Business Development and Lending programs; and military base retention initiatives.
- The Executive Budget will also include \$250 million for initial funding of high tech, biotech initiatives.
- Billions of dollars in development assistance, as well as substantial tax incentives, will be available from the Federal government for redevelopment of Lower Manhattan and New York City in the wake of the September 11, 2001 terrorist attacks.
- \$10 million in Port Authority of New York and New Jersey Regional Development funds will be made available to support projects in the Upper Manhattan/South Bronx Empowerment Zone.
- Initial funding of \$50 million will be provided for the "Empire Opportunity Fund". This funding will provide bridge financing until revenues that accrue to the State from up to six new casinos become available to support major economic development and infrastructure projects in areas outside of the City of New York. The casino revenues are expected to support \$750 million of State bonding to support projects beginning as early as 2004.

PROGRAM HIGHLIGHTS

The Empire State Development Corporation administers economic development programs which:

- Provide low-cost loans and grants to businesses to help cover the cost of machinery and equipment purchases, factory improvements, training and business incubator development;

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- Provide financial assistance for projects ranging from development of or improvements to commercial or retail facilities, tourism destinations, child care facilities, and commercial centers;
- Assist minority- and women-owned businesses, including programs administered in cooperation with local development organizations and community-based financial institutions;
- Provide funding for the economic development initiatives in distressed urban communities; and
- Provide funding for military base retention and redevelopment efforts.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	89,504,100	95,504,100	6,000,000	208,156,000
Capital Projects	0	275,000,000	275,000,000	351,755,000
Total	<u>89,504,100</u>	<u>370,504,100</u>	<u>281,000,000</u>	<u>559,911,000</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	89,504,100	95,504,100	6,000,000
Total	<u>89,504,100</u>	<u>95,504,100</u>	<u>6,000,000</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Economic Development			
General Fund	89,500,000	95,500,000	6,000,000
Payments to Municipalities			
General Fund	4,100	4,100	0
Total	<u>89,504,100</u>	<u>95,504,100</u>	<u>6,000,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Regional Development				
Community Enhancement Facilities Assistance Fund	0	0	0	336,755,000
Economic Development				
Capital Projects Fund	0	275,000,000	275,000,000	15,000,000
Total	<u>0</u>	<u>275,000,000</u>	<u>275,000,000</u>	<u>351,755,000</u>

ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

MISSION

The Energy Research and Development Authority was established in 1975 to develop and implement new energy technologies, focusing on renewable energy sources and energy conservation.

As part of its central mission, the Authority manages energy research, development and demonstration programs which are funded by assessments on gas and electric utilities. The Authority's programs strengthen New York's economic base by nurturing the growth of new products and industries and helping businesses reduce their costs. Projects are selected on a competitive basis to promote applied research on State energy problems. The Energy Research and Development Authority administers Federal grant programs which help businesses, schools and hospitals implement energy efficiency measures. It also issues tax-exempt bonds on behalf of investor-owned utilities for capital improvements. The Authority also administers the System Benefits Charge, which supports energy programs for the public during the transition to a fully competitive energy market. These programs focus on low-income consumers, energy efficiency, research, development and environmental protection.

The Authority also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park in Saratoga County.

ORGANIZATION AND STAFFING

The Energy Research and Development Authority is headed by a 13-member board, consisting of 9 members nominated by the Governor with the consent of the Senate and 4 ex-officio members, which include the commissioners of the departments of Transportation and Environmental Conservation and the chairs of the Public Service Commission and the Power Authority of the State of New York. All board members serve without compensation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Energy Research and Development Authority is partially funded by assessments on State public utility gross intrastate operating receipts. The 2002-03 Budget recommends approximately \$14.7 million in appropriations for the Authority's energy, research and development programs and \$13.25 million for ongoing work at West Valley. The Authority will also continue to administer the Federal Petroleum Overcharge Recovery Program.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	14,656,000	17,156,000	2,500,000	0
Aid To Localities	0	0	0	0
Capital Projects	15,367,000	13,367,000	(2,000,000)	0
Total	30,023,000	30,523,000	500,000	0

ENERGY RESEARCH AND DEVELOPMENT

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	0	2,500,000	2,500,000
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>17,156,000</u>	<u>2,500,000</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Planning and Operation			
Special Revenue Funds - Federal	0	2,500,000	2,500,000
Research, Development and Demonstration			
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>17,156,000</u>	<u>2,500,000</u>

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

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Planning and Operation	2,500,000	2,500,000	2,500,000	2,500,000
Research, Development and Demonstration	14,656,000	0	14,656,000	0
Total	<u>17,156,000</u>	<u>2,500,000</u>	<u>17,156,000</u>	<u>2,500,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Western New York Nuclear Service Center Program				
Capital Projects Fund	15,250,000	13,250,000	(2,000,000)	0
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	117,000	117,000	0	0
Total	<u>15,367,000</u>	<u>13,367,000</u>	<u>(2,000,000)</u>	<u>0</u>

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

The Division of Housing and Community Renewal is responsible for the supervision, maintenance and development of affordable low- and moderate-income housing in New York State. The Division currently performs a number of activities in fulfillment of this mission, including:

- Oversight and regulation of the State's public and publicly assisted rental housing;
- Administration of the State's rent regulations; and
- Administration of housing development and community preservation programs, including State and Federal grants and loans to housing developers to finance construction or renovation of affordable housing.

ORGANIZATION AND STAFFING

Headed by a Commissioner, the Division of Housing and Community Renewal maintains three main offices and nine regional offices. Main offices in Albany and Manhattan are responsible for agency-wide administrative functions and the development and execution of the Division of Housing and Community Renewal's policies for its Community Development and Housing programs. The Division of Housing and Community Renewal's Rent Administration program is administered through the main office in Queens and local offices in rent regulated communities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Division of Housing and Community Renewal's fee revenues come from the following sources: 1) mortgage servicing fees; 2) application and monitoring fees collected from developers of housing projects that are partially financed by Federal low-income tax credits; 3) payments by New York City to finance a portion of the Division's rent regulation activities; and 4) fees collected from the U.S. Department of Housing and Urban Development in connection with State administration of the Federal Section 8 rental subsidy program.

The Division of Housing and Community Renewal is the lead State agency for the development, construction and oversight of State-assisted housing. The majority of the State's housing construction and rehabilitation programs are supported by appropriations administered by three public benefit corporations: the Housing Finance Agency; the Affordable Housing Corporation; and the Housing Trust Fund Corporation. The Division of Housing and Community Renewal provides administrative support to the Housing Trust Fund Corporation.

Executive Budget recommendations for the Division of Housing and Community Renewal total over \$262 million. The 2002-03 Budget will:

- Continue the Governor's Low-Income Housing Tax Credit Program with an additional \$2 million in support, resulting in nearly \$20 million in new funding for affordable housing over the next ten years;
- Provide over \$74 million in housing capital funds, including \$7 million for the nationally recognized Homes for Working Families Program;
- Provide over \$10 million to administer the development of low-income housing and \$16 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio; and
- Continue the Division's administration of the federally funded Weatherization Assistance Program, providing grants to local not-for-profit groups and governments to assist low-income households in reducing their energy consumption and lowering their fuel bills.

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PROGRAM HIGHLIGHTS

COMMUNITY DEVELOPMENT

Community Development staff provide support to the Housing Trust Fund Corporation, a public benefit corporation that provides State-funded loans and grants to for-profit and not-for-profit entities to develop housing for low-income families, tenants with special needs and the low-income elderly.

Community Development staff also administer the allocation of State and Federal low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the tax liability of investors who finance the acquisition and construction of these projects.

SMALL CITIES

The Governor's Office for Small Cities, operated within the New York State Housing Trust Fund, administers approximately \$58 million in annual block grant funds from the U.S. Department of Housing and Urban Development. The Small Cities program supports projects in communities with populations of less than 50,000 or non-urban counties with populations of less than 200,000 for housing rehabilitation, job creation or retention, infrastructure repair or replacement, micro-enterprise programs and homeownership assistance.

HOUSING OVERSIGHT

The Housing Program oversees the management of State-assisted housing projects. On a project-by-project basis, Housing Program staff periodically review the financial and physical condition of:

- 224 housing developments constructed between 1957 and 1974 under the State's Mitchell-Lama housing laws and financed with State-guaranteed debt. These projects provide more than 92,500 dwelling units to low- and moderate-income families;
- 74 public housing projects constructed between 1941 and 1973 and financed with State General Obligation bonds that provide over 20,000 apartments for low-income families; and
- Approximately 1,100 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program directly administers approximately 4,700 Federal Section 8 program vouchers, that provide rental assistance to low-income tenants in New York State.

RENT ADMINISTRATION

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation under the Division of Housing and Community Renewal in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants. In 1999, the Division's Office of Rent Administration was selected as a Work Force Champion Team for its efforts in making the Rent Administration Program more responsive to its customers.

HOUSING CAPITAL PROGRAMS

There are two primary low- and moderate-income housing construction programs supported by State appropriations: the Housing Trust Fund Program and the Affordable Housing Corporation Program. This Budget includes a \$29 million appropriation and \$92.4

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million in reappropriations for the Housing Trust Fund Program, which provides grants to finance construction or rehabilitation of low-income apartment buildings. The Affordable Housing Corporation will receive \$25 million in new funds and \$75.9 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$25,000 to first-time low- and moderate-income home buyers. At these funding levels, the two programs will be able to construct approximately 1,960 new housing units in the upcoming State fiscal year.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$73.1 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, this Budget recommends the reauthorization of on-going funding from prior years for a number of programs, including: the Permanent Housing for Homeless Families Program, the Housing Project Repair Program and the Federal National Affordable Housing Act Program.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	85,370,700	86,202,000	831,300	13,614,000
Aid To Localities	94,983,000	101,754,000	6,771,000	245,218,000
Capital Projects	74,200,000	74,200,000	0	341,695,000
Total	<u>254,553,700</u>	<u>262,156,000</u>	<u>7,602,300</u>	<u>600,527,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	77	77	0
Community Development			
General Fund	59	59	0
Special Revenue Funds - Federal	48	48	0
Special Revenue Funds - Other	11	11	0
Housing			
General Fund	61	61	0
Special Revenue Funds - Federal	37	37	0
Special Revenue Funds - Other	87	87	0
Housing Information Systems			
General Fund	71	71	0
Lead-Based Paint Abatement Program			
Special Revenue Funds - Federal	2	2	0
New Facilities			
Capital Projects Funds - Federal	42	42	0
Rent Administration			
General Fund	125	125	0
Special Revenue Funds - Other	440	440	0
Total	<u>1,060</u>	<u>1,060</u>	<u>0</u>

HOUSING AND COMMUNITY RENEWAL

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	30,747,700	29,868,000	(879,700)
Special Revenue Funds - Federal	8,696,500	8,700,000	3,500
Special Revenue Funds - Other	45,926,500	47,634,000	1,707,500
Total	85,370,700	86,202,000	831,300

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	11,607,000	11,367,000	(240,000)
Community Development			
General Fund	4,226,000	4,145,000	(81,000)
Special Revenue Funds - Federal	3,153,600	3,155,000	1,400
Special Revenue Funds - Other	1,470,100	1,488,000	17,900
Housing			
General Fund	3,611,000	3,323,000	(288,000)
Special Revenue Funds - Federal	5,542,900	5,545,000	2,100
Special Revenue Funds - Other	6,788,000	7,457,000	669,000
Housing Information Systems			
General Fund	6,596,300	6,565,000	(31,300)
Rent Administration			
General Fund	4,707,400	4,468,000	(239,400)
Special Revenue Funds - Other	35,568,400	36,589,000	1,020,600
Small Cities Community Development Block Grant			
Special Revenue Funds - Other	2,100,000	2,100,000	0
Total	85,370,700	86,202,000	831,300

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

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,588,000	(240,000)	4,588,000	(240,000)
Community Development	3,946,000	(81,000)	3,946,000	(55,000)
Housing	3,176,000	(288,000)	3,176,000	(281,000)
Housing Information Systems	3,969,000	(31,300)	3,969,000	(14,300)
Rent Administration	28,866,000	63,000	28,866,000	63,000
Total	44,545,000	(577,300)	44,545,000	(527,300)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	0	0
Community Development	0	(20,000)	0	(6,000)
Housing	0	0	0	(7,000)
Housing Information Systems	0	0	0	(17,000)
Rent Administration	0	0	0	0
Total	0	(20,000)	0	(30,000)

HOUSING AND COMMUNITY RENEWAL

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

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	6,779,000	0	206,000	70,000
Community Development	199,000	0	30,000	0
Housing	147,000	0	8,300	3,200
Housing Information Systems	2,596,000	0	219,900	55,900
Rent Administration	12,191,000	718,200	0	0
Total	21,912,000	718,200	464,200	129,100

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	110,000	0	6,453,000	(90,000)
Community Development	135,000	0	34,000	0
Housing	41,000	0	97,700	(3,200)
Housing Information Systems	26,000	0	2,126,100	(282,900)
Total	312,000	0	8,710,800	(376,100)

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Administration	10,000	20,000	0	0
Housing Information Systems	224,000	227,000	0	0
Rent Administration	0	0	8,735,000	162,200
Total	234,000	247,000	8,735,000	162,200

Program	Maintenance Undistributed	
	Amount	Change
Rent Administration	3,456,000	556,000
Total	3,456,000	556,000

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Community Development	4,643,000	19,300	2,448,000	12,700
Housing	13,002,000	671,100	7,752,000	540,500
Rent Administration	35,939,000	1,020,600	24,298,000	452,000
Small Cities Community Development Block Grant	2,100,000	0	2,100,000	0
Total	55,684,000	1,711,000	36,598,000	1,005,200

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Community Development	1,195,000	6,600	1,000,000	0
Housing	3,750,000	130,600	1,500,000	0
Rent Administration	11,641,000	568,600	0	0
Total	16,586,000	705,800	2,500,000	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	59,533,000	57,304,000	(2,229,000)
Special Revenue Funds - Federal	25,450,000	34,450,000	9,000,000
Fiduciary Funds	10,000,000	10,000,000	0
Total	94,983,000	101,754,000	6,771,000

HOUSING AND COMMUNITY RENEWAL

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

Program	Available 2001-02	Recommended 2002-03	Change
Housing Development Fund Program			
Fiduciary Funds	10,000,000	10,000,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Low Income Weatherization			
Special Revenue Funds - Federal	12,350,000	21,350,000	9,000,000
Neighborhood Preservation			
General Fund	11,750,000	11,060,000	(690,000)
Periodic Subsidies - Local Areas			
General Fund	21,992,000	21,080,000	(912,000)
Rural Preservation			
General Fund	4,860,000	4,760,000	(100,000)
Rural Rental Assistance			
General Fund	20,604,000	20,104,000	(500,000)
Urban Renewal Periodic Subsidies			
General Fund	327,000	300,000	(27,000)
Total	<u>94,983,000</u>	<u>101,754,000</u>	<u>6,771,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	75,900,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	11,333,000
Low Income Housing Trust Fund				
Capital Projects Fund	4,000,000	4,000,000	0	4,000,000
Housing Program Fund	25,000,000	25,000,000	0	88,475,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	14,849,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	400,000
Housing Program Capital Improvement				
Capital Projects Fund	0	0	0	19,720,000
State Housing Bond Fund				
State Housing Bond Fund	0	0	0	7,344,000
New Facilities				
Capital Projects Fund	0	0	0	1,225,000
Federal Capital Projects Fund	0	0	0	38,299,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	73,150,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	7,000,000
Total	<u>74,200,000</u>	<u>74,200,000</u>	<u>0</u>	<u>341,695,000</u>

HOUSING FINANCE AGENCY

MISSION

The New York State Housing Finance Agency is a public benefit corporation created in 1960 to finance low- and moderate-income rental housing. The Agency issues taxable and tax-exempt bonds to provide mortgage loans to developers of mixed-income and affordable rental projects.

The Housing Finance Agency also plays a role in administering several housing programs supported by State and Federal appropriations. In 1990, the Agency's mission was expanded to include the issuance of bonds to reimburse the State for appropriated expenditures under the State's housing programs.

ORGANIZATION AND STAFFING

The Housing Finance Agency is governed by a Board of Directors consisting of seven members: the Commissioner of Housing and Community Renewal, the Director of the Budget, the Commissioner of Taxation and Finance and four members nominated by the Governor with the consent of the Senate. The Governor designates a Chairperson.

The Agency headquarters is located in New York City and is managed by a President/Chief Executive Officer, who is appointed by the Board of Directors. Staff is organized into five departments: the President's Office, Multi-Family Finance, Debt Issuance, Finance and Operations and Legal Services.

The Housing Finance Agency is operated and administered jointly with the State of New York Mortgage Agency, but the two agencies are governed by separate Boards of Directors.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Its operating budget is funded with fees and revenues the Agency generates through its financing activities.

From 1995 through 2001, the Housing Finance Agency has provided \$2.1 billion in loans for multi-family rental housing.

A 2002-03 General Fund Aid to Localities appropriation of \$665,000 supports the Capital Grant/Low Rent Lease Subsidy program, providing rental subsidies for approximately 204 low- to moderate-income individuals.

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of over \$4.5 billion for over 88,000 units of multi-family housing. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2001, the Agency provided \$2.1 billion in mortgage loans that created rental housing for over 11,000 families. During the Agency's 2000-01 fiscal year, over 2,100 units were financed with mortgage loans totaling over \$375 million.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	700,000	665,000	(35,000)	0
Capital Projects	0	0	0	0
Total	700,000	665,000	(35,000)	0

HOUSING FINANCE

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	700,000	665,000	(35,000)
Total	<u>700,000</u>	<u>665,000</u>	<u>(35,000)</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Capital Grant/Low Rent Lease			
General Fund	700,000	665,000	(35,000)
Total	<u>700,000</u>	<u>665,000</u>	<u>(35,000)</u>

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency is a public benefit corporation created in 1970 to increase the affordability of homeownership for low- to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. In 1978, the Agency's mission was expanded to include the issuance of mortgage insurance to promote the stabilization of neighborhoods throughout the State.

ORGANIZATION AND STAFFING

The Agency is overseen by a nine-member Board of Directors comprised of the Superintendent of Banks, the State Comptroller, the Director of the Budget, the Commissioner of Housing and Community Renewal and appointees of the Governor, the Temporary President of the Senate and the Speaker of the Assembly. Responsibility for operation of the Agency rests with the President/Chief Executive Officer, who also serves in this capacity for the Housing Finance Agency — the State's other major housing finance entity. The Agency is operated jointly with the Housing Finance Agency out of its central headquarters in New York City and from regional offices in Albany and Buffalo.

The State of New York Mortgage Agency has two program divisions. Its Single Family Mortgage Finance Division provides low-interest rate mortgages to low- and moderate-income first-time homebuyers (and for other eligible homebuyers in designated target areas) through the issuance of mortgage revenue bonds. The Agency uses a network of banking institutions to originate mortgages on its behalf. The Mortgage Insurance Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee certain obligations of the Agency. The Executive Budget recommends approximately \$191 million in appropriations in 2002-03 to satisfy this requirement, although no cash disbursements are projected to be made from this appropriation. All State of New York Mortgage Agency programs and operations are supported by Agency funds, consisting of mortgage income, application fees, insurance premiums and investment proceeds.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$7.6 billion of affordable financing for over 124,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2001, the Agency purchased \$2.8 billion in single-family mortgages — helping more than 32,000 New Yorkers buy their first homes. During the Agency's 2000-2001 fiscal year, 2,863 loans were financed for approximately \$239 million in mortgage loan volume.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$1.5 billion. In 2000-2001, mortgage insurance provided by the Agency totaled more than \$213 million.

MORTGAGE AGENCY

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	93,791,100	113,753,000	19,961,900	0
Capital Projects	0	0	0	0
Total	170,591,100	190,553,000	19,961,900	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	76,800,000	76,800,000	0
Total	76,800,000	76,800,000	0

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

Program	Available 2001-02	Recommended 2002-03	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues General Fund	61,800,000	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration General Fund	15,000,000	15,000,000	0
Total	76,800,000	76,800,000	0

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

Program	Total Amount	Change	Maintenance Undistributed Amount	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues	61,800,000	0	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration	15,000,000	0	15,000,000	0
Total	76,800,000	0	76,800,000	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	93,791,100	113,753,000	19,961,900
Total	93,791,100	113,753,000	19,961,900

MORTGAGE AGENCY

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

<u>Program</u>	<u>Available 2001-02</u>	<u>Recommended 2002-03</u>	<u>Change</u>
SONYMA Mortgage Insurance Fund			
Restoration			
General Fund	93,791,100	113,753,000	19,961,900
Total	<u>93,791,100</u>	<u>113,753,000</u>	<u>19,961,900</u>

DIVISION OF THE LOTTERY

MISSION

In 1966, New Yorkers approved a constitutional amendment to authorize a State Lottery in support of education. The Division of the Lottery raises revenue through the sale and marketing of Lottery games.

ORGANIZATION AND STAFFING

The Division of the Lottery is an independent unit of the Department of Taxation and Finance, whose Commissioner appoints the Director of the Lottery. The Division maintains a central office in Schenectady, regional offices in Buffalo, Schenectady, Syracuse, New York City and Long Island, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. District sales representatives are stationed in the regional offices, and recruit and support point-of-sale agents, which include convenience stores, newsstands, supermarkets, restaurants and bowling centers.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised in excess of \$20 billion in revenues for education since the Lottery's inception in 1967. In 2002-03, the Division estimates gross sales of \$6.6 billion.

The Division's costs are supported entirely with Lottery sales revenues. The 2002-03 Executive Budget recommends \$108.5 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration. Historically, the Lottery Division's total administrative costs have been below the statutory limit.

PROGRAM HIGHLIGHTS

Lottery games sold on the Division's on-line computer system include: Lotto, Pick 10, New York Numbers, Win 4, and Take Five. These games can be played from approximately 15,000 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place twice daily or twice weekly, depending on the game. Winning tickets up to \$600 can be validated and redeemed by customers at any location selling Lottery products.

The Lottery Division's Instant games have contributed significantly to the growth of Lottery revenues. The Division will market up to 34 new Instant games during 2002-03, with tickets ranging from \$1 to \$10.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes. Quick Draw is displayed at approximately 3,000 authorized establishments statewide, such as restaurants and bowling centers. In connection with the 2002-03 Executive Budget, legislation will be submitted to the Legislature that would extend the game's operating hours.

In 2001, legislation was enacted that broadened the Lottery gaming opportunities in New York State. In FY 2002-03, the Lottery will implement two major initiatives. The first initiative entails entering into an agreement with other jurisdictions to facilitate New York's participation in high jackpot, multi-state or multi-jurisdictional lottery games. Implementation of this initiative will result in increased Lottery revenues since New York residents will no longer need to visit surrounding states to participate in such games. The second initiative involves the development of a Video Lottery Program. The legislation authorizes the Lottery to institute a video lottery terminal program at various racetracks throughout the State. The net revenue raised by this program, after prizes and expenses are paid, will be used to provide additional aid to Education.

LOTTERY

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	108,543,000	108,543,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	108,543,000	108,543,000	0	0

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	358	358	0
Total	358	358	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	108,543,000	108,543,000	0
Total	108,543,000	108,543,000	0

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration of the Lottery			
Special Revenue Funds - Other	108,543,000	108,543,000	0
Total	108,543,000	108,543,000	0

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	108,543,000	0	16,105,300	0
Total	108,543,000	0	16,105,300	0

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	92,437,700	0
Total	92,437,700	0

METROPOLITAN TRANSPORTATION AUTHORITY

MISSION

The Metropolitan Transportation Authority (MTA) is responsible for operating, maintaining and improving public transportation in the Metropolitan Commuter Transportation District consisting of New York City and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties.

The Authority oversees the operations of the bus and subway systems in New York City, commuter railroads in the region, and seven bridges and two tunnels in New York City. This oversight includes general policy direction and development of operating and capital programs.

The Authority is comprised of three independent entities: The Metropolitan Transportation Authority, MTA New York City Transit and MTA Bridges and Tunnels. The Metropolitan Transportation Authority has four subsidiaries: MTA Staten Island Rapid Transit, MTA Long Island Rail Road, MTA Long Island Bus and MTA Metro North Railroad. MTA New York City Transit, which operates the New York City subway and bus systems, has one subsidiary, MTA Manhattan and Bronx Surface Transit.

ORGANIZATION AND STAFFING

Each of the three independent entities mentioned above is governed by its own Board, although by law membership on each Board is identical. There are 19 board members, 17 voting and 2 non-voting, each nominated by the Governor and confirmed by the Senate. Four members are nominated from a list provided by the Mayor of the City of New York and one each from lists prepared by the seven county executives in the Metropolitan Commuter Transportation District. The remaining six voting members are appointed directly by the Governor, with one serving as Board Chair.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The MTA sustained significant losses in the September 11th terrorist attacks on the World Trade Center. Property damage included destruction of approximately 1,800 feet of subway tunnels on the MTA's #1 and #9 lines, damage to subway stations located at Cortland Street, Rector Street and Wall Street and damage to subway cars and busses. Additional financial impacts include a substantial loss of revenue due to ridership declines in lower Manhattan and toll revenue losses on MTA bridges and tunnels, and increases in expenses from rescue efforts, debris removal, added security and customer information activities. The Authority anticipates that insurance reimbursements and Federal assistance will accelerate recovery and minimize impacts on the New York metropolitan regional economy.

The appropriation below represents only a portion of the more than \$1.44 billion subsidy provided by the State to the Metropolitan Transportation Authority each year, with the additional aid appropriated in the Department of Transportation's Aid to Localities budget.

PROGRAM HIGHLIGHTS

MTA NEW YORK CITY TRANSIT AND MTA COMMUTER RAILROADS

The Metropolitan Transportation Authority provides 24 hour-a-day transit and commuter services in the New York City metropolitan region. Its subway system is the largest in the nation and one of the largest in the world. MTA New York City Transit operates approximately 230 local and express bus routes throughout New York City. Complementing

METROPOLITAN TRANSPORTATION

this service are additional bus routes in Nassau County provided by MTA Long Island Bus. MTA Long Island Rail Road and MTA Metro North Railroad, the two largest commuter rail systems in the nation, provide transportation for travelers entering New York City from outlying suburban areas in New York State and Connecticut. Over 2 billion passengers ride the subways, buses and commuter rail systems each year.

MTA BRIDGES AND TUNNELS

MTA Bridges and Tunnels, the largest toll system in the Nation, operates nine intra-city bridges and tunnels in New York City: Triborough Bridge, Bronx-Whitestone Bridge, Henry Hudson Bridge, Marine Parkway-Gil Hodges Bridge, Cross Bay Veterans' Memorial Bridge, Throgs Neck Bridge, Verrazano-Narrows Bridge, Queens-Midtown Tunnel and Brooklyn Battery Tunnel. It also provides financing for MTA New York City Transit's and the commuter railroads' capital programs. In addition, MTA Bridges and Tunnels is required by law to transfer surplus revenues to MTA New York City Transit and the commuter railroads to support their operations.

OTHER SUBSIDIARIES

The other subsidiaries — MTA Staten Island Rapid Transit, MTA Long Island Bus, and MTA Manhattan and Bronx Surface Transit — provide regional transportation services. MTA Staten Island Rapid Transit operates transit services on Staten Island. MTA Manhattan and Bronx Surface Transit, in conjunction with MTA New York City Transit, provides bus service within New York City, primarily to passengers traveling within a particular borough or as feeder service to the subway.

MTA Long Island Bus provides bus service to Nassau County, western Suffolk County and eastern Queens County, connecting these areas to MTA New York City Transit's subway stations. The Metropolitan Transportation Authority is responsible for the operation and general oversight of MTA Long Island Bus. Nassau County is financially responsible for MTA Long Island Bus' operating costs that are over and above those supported by fares and by Federal and State assistance.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	391,397,000	476,900,000	85,503,000	0
Capital Projects	0	0	0	36,000,000
Total	<u>391,397,000</u>	<u>476,900,000</u>	<u>85,503,000</u>	<u>36,000,000</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	391,397,000	476,900,000	85,503,000
Total	<u>391,397,000</u>	<u>476,900,000</u>	<u>85,503,000</u>

METROPOLITAN TRANSPORTATION

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

Program	Available 2001-02	Recommended 2002-03	Change
Dedicated Tax			
Special Revenue Funds – Other	391,397,000	476,900,000	85,503,000
Total	<u>391,397,000</u>	<u>476,900,000</u>	<u>85,503,000</u>

**CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Mass Transportation and Rail Freight Metropolitan Transportation Authority				
Capital Projects Fund - Advances	0	0	0	36,000,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,000,000</u>

DEPARTMENT OF MOTOR VEHICLES

MISSION

The New York State Department of Motor Vehicles (DMV) promotes traffic safety, provides consumer protection and information services, and assists other government agencies achieve their missions. DMV collects fees and generates non-tax revenues to support these objectives.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, the Department operates from its main office in Albany (Empire State Plaza) and from three regional headquarters in Albany, Long Island and New York City. The Department also operates 31 district and branch offices which issue licenses and registrations. In addition, County Clerk offices act as DMV agents at 94 locations throughout the State.

Approximately 73 percent of the Department's positions are supported by State tax dollars and 26 percent are financed by fees, including a portion of traffic violation fines in certain localities. The remaining one percent are funded with Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends approximately \$109 million in State tax dollars in 2002-03 to support 46 percent of the Department's budget. The balance is financed by Federal funds, the Dedicated Highway and Bridge Trust Fund and various fees and fines. These recommendations continue efforts to enhance customer service and driver safety, and support a variety of technology initiatives.

In 2002, the Department will continue to develop its Internet website — which now receives 10,000 visitors each day — by expanding the number of services that customers can conduct from the convenience of a personal computer.

The 2002-03 Executive Budget moves a portion of the Department's transportation support expenses from the General Fund to the Highway and Bridge Dedicated Fund. The Dedicated Fund is supported primarily by revenues from motor vehicle fees, highway use and motor fuel taxes, and the Petroleum Business Tax.

PROGRAM HIGHLIGHTS

CUSTOMER SERVICE

DMV issues driver's licenses and vehicle registrations, collects nearly \$1 billion in revenue for the State and localities, monitors driver training and enforces the directives of local magistrates and departmental referees. State offices are also responsible for conducting road tests and maintaining enforcement sections that issue conditional and restricted use licenses and handle other suspension and revocation activities. The Department of Motor Vehicles served more than 20 million customers last year.

The Department also adjudicates traffic violations at 11 locations in New York City, and several other jurisdictions across the State. This allows local judges and criminal courts to dedicate their activities to criminal matters. This program is funded entirely by fines collected from violators. After State operating expenses are deducted, remaining funds are returned to the jurisdictions where the violations occurred.

The Department has greatly enhanced its Internet website and telephone services to provide customers alternative means for transacting Department business. In 2002, the Department will continue to expand opportunities for customers to utilize these services for transactions that previously required office visits.

MOTOR VEHICLES

Currently, via the Internet, customers can renew a registration; order specialized plates, custom plates and duplicate titles; and check the status of these transactions. Customers can also look up the mailing date of their new Empire plates and schedule their road tests. Businesses can order inspection station stickers online. The Department is working on system development for additional transactions, such as ordering duplicate registrations and duplicate licenses.

VEHICLE AND DRIVER SAFETY

Governor Pataki's highway safety policies have resulted in reductions in fatalities and serious injuries on our roads. Contributing to this success have been enforcement and educational efforts by State, local and non-profit agencies, including: a statewide crackdown to stop those who drink and drive or engage in aggressive driving; initiatives to promote proper child safety seat usage; and the statewide Buckle Up NY enforcement campaign, which has increased seatbelt usage to over 80 percent. These efforts have resulted in New York State's roadways being some of the safest in the nation.

DMV vehicle safety activities include: licensing and monitoring safety and emissions inspection stations; registering auto repair shops, dealers, transporters and dismantlers; and certifying vehicle inspectors, junk and salvage businesses and automotive body damage estimators.

Driver safety initiatives include implementation and oversight of educational or rehabilitative programs for motorists convicted of alcohol or drug-related driving offenses, the point insurance reduction program, and pre-licensing courses. DMV also licenses and monitors driving schools and instructors.

FIELD INVESTIGATION AND AUDIT

One of the Department's major functions is to issue credentials which establish the identity and license status of drivers, the ownership of vehicles and boats, and the authenticity of auto-related businesses. External investigation activities concern stolen automobiles, odometer fraud, fraudulent identity and motor vehicle documents and complaints regarding unlicensed and suspended drivers. In a continuing effort to increase document security and integrity, the Department began online verification of social security numbers for all original driver license applications in November 2001.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	214,269,100	208,852,000	(5,417,100)	17,069,000
Aid To Localities	10,920,000	12,380,000	1,460,000	13,084,000
Capital Projects	0	14,788,000	14,788,000	0
Total	<u>225,189,100</u>	<u>236,020,000</u>	<u>10,830,900</u>	<u>30,153,000</u>

MOTOR VEHICLES

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

Program	Full-Time Equivalent Positions (FTE)		
	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	261	247	(14)
Administrative Adjudication			
Special Revenue Funds - Other	462	462	0
Clean Air			
Special Revenue Funds - Other	159	159	0
Compulsory Insurance			
Special Revenue Funds - Other	186	225	39
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	20	32	12
Operations			
General Fund	1,569	1,530	(39)
Transportation Safety			
General Fund	628	613	(15)
Special Revenue Funds - Other	0	1	1
Total	3,285	3,269	(16)

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	125,442,400	108,504,000	(16,938,400)
Special Revenue Funds - Federal	7,967,300	12,764,000	4,796,700
Special Revenue Funds - Other	79,359,400	85,084,000	5,724,600
Internal Service Funds	1,500,000	2,500,000	1,000,000
Total	214,269,100	208,852,000	(5,417,100)

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	32,873,000	30,024,000	(2,849,000)
Special Revenue Funds - Other	775,000	775,000	0
Administrative Adjudication			
Special Revenue Funds - Other	31,295,600	35,198,000	3,902,400
Clean Air			
Special Revenue Funds - Other	10,476,200	10,996,000	519,800
Compulsory Insurance			
Special Revenue Funds - Other	14,627,600	15,577,000	949,400
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	7,967,300	12,764,000	4,796,700
Operations			
General Fund	81,219,400	67,650,000	(13,569,400)
Internal Service Funds	1,500,000	2,500,000	1,000,000
Transportation Safety			
General Fund	11,350,000	10,830,000	(520,000)
Special Revenue Funds - Other	22,185,000	22,538,000	353,000
Total	214,269,100	208,852,000	(5,417,100)

MOTOR VEHICLES

**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	12,618,000	(862,300)	12,056,900	(862,300)
Operations	55,493,000	668,600	54,751,000	668,600
Transportation Safety	24,661,000	(520,000)	24,292,100	(520,000)
Total	92,772,000	(713,700)	91,100,000	(713,700)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	124,100	0	437,000	0
Operations	193,000	0	549,000	0
Transportation Safety	39,500	0	329,400	0
Total	356,600	0	1,315,400	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	17,406,000	(1,986,700)	306,000	0
Operations	12,157,000	(14,238,000)	488,000	0
Transportation Safety	(13,831,000)	0	910,000	0
Total	15,732,000	(16,224,700)	1,704,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	119,000	0	16,754,000	(1,986,700)
Operations	25,000	0	11,239,000	(14,238,000)
Transportation Safety	1,041,000	0	5,379,000	0
Total	1,185,000	0	33,372,000	(16,224,700)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	227,000	0	0	0
Operations	405,000	0	0	0
Transportation Safety	39,000	0	(21,200,000)	0
Total	671,000	0	(21,200,000)	0

MOTOR VEHICLES

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	775,000	0	0	0
Administrative Adjudication	35,198,000	3,902,400	18,365,000	621,000
Clean Air	10,996,000	519,800	6,499,000	220,500
Compulsory Insurance	15,577,000	949,400	7,911,000	1,234,000
Governors Traffic Safety Committee	12,764,000	4,796,700	466,000	16,000
Operations	2,500,000	1,000,000	0	0
Transportation Safety	22,538,000	353,000	100,000	100,000
Total	100,348,000	11,521,300	33,341,000	2,191,500

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	775,000	0	0	0
Administrative Adjudication	16,833,000	3,281,400	0	0
Clean Air	4,497,000	299,300	0	0
Compulsory Insurance	7,666,000	(284,600)	0	0
Governors Traffic Safety Committee	238,000	20,700	12,060,000	4,760,000
Operations	0	0	2,500,000	1,000,000
Transportation Safety	1,238,000	253,000	21,200,000	0
Total	31,247,000	3,569,800	35,760,000	5,760,000

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	10,920,000	12,380,000	1,460,000
Total	10,920,000	12,380,000	1,460,000

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

Program	Available 2001-02	Recommended 2002-03	Change
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	10,920,000	12,380,000	1,460,000
Total	10,920,000	12,380,000	1,460,000

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Transportation Support				
Dedicated Highway and Bridge Trust Fund	0	14,788,000	14,788,000	0
Total	0	14,788,000	14,788,000	0

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

MISSION

In 1980, Lake Placid and the surrounding areas were host to the Winter Olympic Games. The following year, the Olympic Regional Development Authority was established to create and administer a post-Olympic program for the Lake Placid facilities. These facilities include: the Olympic Ice Center; the Olympic Speedskating Oval; the Whiteface Mountain Ski Area and Veterans' Memorial Highway; the Mt. Van Hoevenberg Complex that includes bobsled and luge runs, cross-country ski trails and a biathlon range; the Olympic Ski Jumping Complex; and the U.S. Olympic Training Center. In 1984, the Olympic Regional Development Authority's responsibility expanded to include the management of the Gore Mountain Ski Center in North Creek, Warren County.

ORGANIZATION AND STAFFING

The Authority is governed by a ten-member Board of Directors, consisting of the commissioners of Economic Development, Environmental Conservation, Parks, and seven other members appointed by the Governor and confirmed by the Senate. The Governor selects one of the members as Chair. The Commissioner of Economic Development currently chairs the Authority. Board members serve without compensation.

The agency has a workforce of 180 and employs up to 800 full- and part-time hourly workers, depending on the season.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, State tax dollars from the General Fund will finance 30.4 percent, or \$7.6 million, of the Authority's \$25 million operating budget. State funding supplements \$16 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$646,000 from the Town of North Elba; \$411,000 from the United States Olympic Committee to cover the costs associated with use of Authority facilities; \$200,000 from the Winter Sports Education Trust Fund; and \$150,000 from the Olympic Training Center Account.

PROGRAM HIGHLIGHTS

OLYMPIC FACILITIES

The Olympic Regional Development Authority manages one of three primary sites (the others being in California and Colorado) for year-round training of America's Olympic athletes. In 2000-01, the Olympic facilities at Lake Placid received more than 225,000 visitors, which, when adjusted for the one-time increase in visitors associated with the Goodwill Games, is a year-to-year increase of more than 6 percent. The Authority hosts numerous national and international athletic and entertainment events — in 2000-01, the ECAC Hockey Championships, the Empire State Winter Games, the World Cup Biathlon, Bobsled Luge Competitions, ESPN Great Outdoor Games, Disney on Ice and U.S. Skiing Junior Olympic Championships were held at Authority sites. In addition, the Authority has been the home of the Stars on Ice figure skating rehearsal and preview show since 1992.

OLYMPIC REGIONAL DEVELOPMENT

SKI FACILITIES

The Authority also manages the Gore and Whiteface mountain ski centers, two major downhill ski facilities that received more than 303,000 visitors in the 2000-01 ski season; and over 134,000 visitors for off-season activities such as mountain biking and sightseeing tours. Efforts are underway to significantly upgrade the ski facilities at Gore and Whiteface with private capital and expertise.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	7,902,000	7,902,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	7,902,000	7,902,000	0	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	7,552,000	7,552,000	0
Special Revenue Funds - Other	150,000	150,000	0
Fiduciary Funds	200,000	200,000	0
Total	7,902,000	7,902,000	0

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

Program	Available 2001-02	Recommended 2002-03	Change
Operations			
General Fund	7,552,000	7,552,000	0
Special Revenue Funds - Other	150,000	150,000	0
Fiduciary Funds	200,000	200,000	0
Total	7,902,000	7,902,000	0

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

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Operations	7,552,000	0	7,552,000	0
Total	7,552,000	0	7,552,000	0

OLYMPIC REGIONAL DEVELOPMENT

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

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Operations	350,000	0	200,000	0
Total	<u>350,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>

Program	Maintenance Undistributed	
	Amount	Change
Operations	150,000	0
Total	<u>150,000</u>	<u>0</u>

NEW YORK STATE PUBLIC AUTHORITIES

New York State has statutorily created public authorities to carry out a variety of functions. These authorities play a critical role in managing, maintaining and improving New York State's infrastructure by building or financing roads, bridges and mass transit systems; rail, aviation, water, port and energy facilities; and housing, schools, public protection facilities and public buildings.

Established as public benefit corporations rather than departments of the State, the authorities are governed by boards of directors whose members can be appointed by the Governor, on the recommendation of the Legislature or local officials and by other involved municipalities. Although oversight mechanisms vary, all public authorities are accountable to the State and must submit reports to the Governor, the Legislature and the State Comptroller, including annual reports, independent financial audits and budget reports.

Detailed information on a number of public authorities reflected in Tables 1 through 4 can be found elsewhere in this Executive Budget. These authorities include:

BRIDGE, TUNNEL AND HIGHWAY

Triborough Bridge and Tunnel Authority
Thruway Authority

ECONOMIC DEVELOPMENT

Empire State Development Corporation
Job Development Authority

ENERGY AND ENVIRONMENT

Energy Research and Development Authority
Environmental Facilities Corporation

HOUSING, HEALTH AND FINANCE

Housing Finance Agency
Local Government Assistance Corporation
State of New York Mortgage Agency

REGIONAL TRANSPORTATION

Metropolitan Transportation Authority

Public authorities which are not included elsewhere in the Executive Budget are discussed below:

BRIDGE, TUNNEL AND HIGHWAY AUTHORITIES

Buffalo and Fort Erie Public Bridge Authority

The Buffalo and Fort Erie Public Bridge Authority owns and operates the international "Peace Bridge," crossing the Niagara River between Buffalo and Fort Erie, Ontario. All capital improvements and operating expenses are funded by tolls and rentals of property and buildings. No State funds are used to support the Authority.

PUBLIC AUTHORITIES

New York State Bridge Authority

The New York State Bridge Authority is responsible for the Bear Mountain, Kingston-Rhinecliff, Mid-Hudson, Newburgh-Beacon and Rip Van Winkle toll bridges that span the Hudson River. Various bridge tolls cover Authority costs; no State funds are used to support the Authority.

Thousand Islands Bridge Authority

The Thousand Islands Bridge Authority operates two bridges connecting U.S. Interstate 81 in Jefferson County with Highway 401 in Ontario, Canada. The Authority also operates a sewage treatment facility and recreational and tourist facilities. Tolls from the bridge and other service fees cover operating costs; no State funds are used to support the Authority.

ECONOMIC DEVELOPMENT AUTHORITIES

Battery Park City Authority

The Battery Park City Authority manages the commercial and residential development of a 92-acre landfill on the southwest end of Manhattan, immediately adjacent to the World Trade Center site. The Authority generates revenues from the collection of rents and real estate tax equivalent payments to support its operations.

The terrorist attacks on the World Trade Center Towers on September 11th resulted in significant property damage within the Battery Park City site. Since then, the Authority has made significant progress in its efforts to recover from the disaster. Within weeks, the Authority's 28-acre park system was cleared of debris and reopened and all of Battery Park's residential and commercial structures were inspected and found to be structurally sound. Repair work is underway on the many damaged structures that are in close proximity to the World Trade Center. Reconstruction will be financed primarily from a combination of insurance payments and Federal assistance.

United Nations Development Corporation

The United Nations Development Corporation develops and manages commercial and residential facilities for United Nations-related activities in New York City including One, Two and Three United Nations Plaza. The Corporation does not rely on any State support to pay debt service or for its own operations.

ENERGY AND ENVIRONMENTAL AUTHORITIES

New York Power Authority

The New York Power Authority finances, builds and operates electric generation and transmission facilities. It currently owns and operates five major generating facilities, five small hydroelectric facilities and a major transmission system. It has recently completed the sale of its two nuclear generating facilities — James A. Fitzpatrick and Indian Point 3.

The Authority generates and transmits electric power at wholesale rates to its primary customers — municipal and investor-owned utilities, rural electric cooperatives throughout the State, major industrial concerns and various New York City-area public corporations.

The Authority receives no State subsidy. It generally finances construction projects through sales of bonds and notes and pays the related debt service with revenues from the generation and transmission of electricity.

Long Island Power Authority

The Long Island Power Authority has the broad authority to ensure adequate, dependable and affordable electric service on Long Island. The Authority has reduced commercial and residential electricity rates by approximately 20 percent. The reduction is encouraging economic development and lowering the cost of living in Long Island. No State tax dollars are used to fund the Authority.

HOUSING, HEALTH AND FINANCE AUTHORITIES

Dormitory Authority

The Dormitory Authority provides financing, construction management, planning and design, and equipment purchasing services for higher education, not-for-profit health care, judicial and other institutions. The Authority funds its operations from its own client-generated revenues.

Municipal Assistance Corporation for the City of New York

The Municipal Assistance Corporation for the City of New York was created in 1975 to provide access to the credit markets for the City during a period of fiscal crisis and to help oversee its fiscal affairs. MAC's financing mission on behalf of New York City has been completed. MAC expects its only financing role in the future to be management of its existing debt. No State money is used to finance the Corporation; it is funded through a portion of New York City's sales tax.

Municipal Assistance Corporation for the City of Troy

The Municipal Assistance Corporation for the City of Troy was created in 1995 to provide the City with access to credit markets and to oversee Troy's fiscal affairs. The Authority is subject to a debt cap of \$75 million. The State is authorized, subject to legislative review and appropriation, to provide moneys as necessary to ensure a 1.5:1 debt service coverage ratio on Authority debt. No such appropriation is required in the 2002-03 State fiscal year. No State moneys are used to finance the Corporation, and failure of the State to appropriate State aid to the City does not constitute an event of default for Corporation obligations.

Municipal Bond Bank Agency

The Municipal Bond Bank Agency was established in 1972 to provide low-cost capital financing to towns, villages, cities and counties. In addition, the Agency is authorized to issue special program bonds and tax lien collateralized securities. The Agency is staffed by the Housing Finance Agency. No State tax dollars are used to fund the Agency.

Project Finance Agency

The Project Finance Agency was created in 1975 to provide long-term financing for low- and middle-income residential housing projects originally financed by the Urban Development Corporation. During the mid-1970's, the Urban Development Corporation faced a potential default on bonds issued to construct these projects, preventing the issuance of long-term debt to complete projects under way. The Project Finance Agency was created as the financing vehicle to complete these projects. No State tax dollars are used to fund the Agency.

PUBLIC AUTHORITIES

PORT DEVELOPMENT AUTHORITIES

Albany Port District Commission

The Albany Port District Commission develops and operates port facilities in the cities of Albany and Rensselaer. In past years, the Authority has completed a new warehouse, rehabilitated dock facilities and added rail tracks to update the port facilities. Lease revenues account for 50 to 70 percent of the Port's annual revenue with maritime traffic making up the remainder.

Ogdensburg Bridge and Port Authority

The Ogdensburg Bridge and Port Authority operates an international bridge between Ogdensburg and Prescott, Ontario, Canada, as well as a port, an airport, an industrial park and a short-line railroad. The Authority has become increasingly involved in developing port and industrial park properties in the North Country. The Authority's industrial park now has 14 buildings which house companies providing 1,000 jobs. Its marine terminal provides the North Country's mining industries with low-cost transportation.

Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey was created in 1921 to improve port and transportation facilities in the New York metropolitan area. This bi-state authority is responsible for the management and daily operation of more than 30 facilities, including airports, marine terminal facilities, bus terminals, interstate bridges and tunnels, an interstate commuter railroad and industrial parks. No New York State funds are used to support the Port Authority.

The Port Authority suffered catastrophic losses in the September 11th terrorist attacks, including over 70 staff members who are confirmed or presumed dead. The World Trade Center, which was owned by the Authority and served as its official headquarters, was totally destroyed. Direct damage at Ground Zero also encompassed an Authority-owned PATH subway station and numerous operational facilities and equipment. The financial impacts of the disaster on the Port Authority are wide-ranging, including loss of revenue due to disruptions of business at the Authority's aviation, bridge, tunnel and port facilities. While the Port Authority's prudent financial practices and reserve policies have positioned the Authority to survive these difficulties, the Authority is actively pursuing insurance reimbursements and Federal assistance to accelerate recovery and minimize impacts on the New York Metropolitan regional economy.

Port of Oswego Authority

The Port of Oswego Authority operates port facilities in the Oswego Port District, which includes the City of Oswego, the Town of Scriba, and all waters of the Oswego River and Lake Ontario within its boundaries. The Authority operates a port terminal and storage facilities and supports a marine museum and maritime foundation.

REGIONAL TRANSPORTATION AUTHORITIES

Capital District Transportation Authority

The Capital District Transportation Authority provides public transportation service within Albany, Rensselaer, Saratoga and Schenectady counties. State funding for the Capital District Transportation Authority is provided through appropriations to the New York State Department of Transportation.

Central New York Regional Transportation Authority

The Central New York Regional Transportation Authority provides public transportation service within Central New York through three subsidiary corporations: CNY Centro (Onondaga County), Centro of Oswego (Oswego County) and Centro of Cayuga (Cayuga County). State funding for the Central New York Regional Transportation Authority is provided through appropriations to the New York State Department of Transportation.

Niagara Frontier Transportation Authority

The Niagara Frontier Transportation Authority oversees the operations of a public transportation system providing bus, rail and paratransit services in Niagara and Erie counties. The Authority also operates both a primary and reliever airport, a small boat harbor and two metro transit centers which are primary terminals for private inter-city bus service for Niagara and Erie counties. State funding for the Niagara Frontier Transportation Authority is provided through appropriations to the New York State Department of Transportation.

Rochester-Genesee Regional Transportation Authority

The Rochester-Genesee Regional Transportation Authority provides public transportation service in the counties of Genesee, Livingston, Monroe, Wayne and Wyoming. The Authority operates the Regional Transit Service (Rochester area), Wayne Area Transportation System, Livingston Area Transportation Service, Wyoming Transportation Service and Batavia Bus Service. State funding for the Rochester-Genesee Regional Transportation Authority is provided through appropriations to the New York State Department of Transportation.

PUBLIC AUTHORITIES

**TABLE 1
FINANCIAL OPERATIONS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)**

Authorities by Function	Fiscal Year Begins	2001				2002			
		Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}	Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}
BRIDGE, TUNNEL AND HIGHWAY									
Buffalo and Fort Erie Public Bridge Authority	Jan. 1	26,870	12,447	4,292	10,131	24,952	13,131	4,276	7,545
New York State Bridge Authority	Jan. 1	38,893	16,462	4,778	17,653	39,360	18,340	7,850	13,170
Thousand Islands Bridge Authority	Mar. 1	9,408	5,300	762	3,346	7,534	5,417	743	1,374
Triborough Bridge and Tunnel Authority	Jan. 1	959,350	271,046	347,444	340,860	935,157	298,148	379,710	257,299
Thruway Authority ^{d/}	Jan. 1	440,506	272,489	90,722	77,295	461,832	281,773	98,632	81,427
ECONOMIC DEVELOPMENT									
Battery Park City Authority	Nov. 1	156,278	22,018	68,360	65,900	149,261	27,405	69,314	52,542
Development Authority of the North Country	April 1	8,380	5,276	3,104	0	8,515	5,364	3,151	0
Empire State Development Corporation	April 1	484,970	49,543	435,427	0	503,304	52,026	451,278	0
Job Development Authority	April 1	29,741	14,681	15,060	0	73,075	16,637	56,438	0
United Nations Development Corporation	Jan. 1	29,566	12,843	10,356	6,367	30,533	13,759	10,354	6,420
ENERGY AND ENVIRONMENT									
Energy Research and Development Authority	April 1	189,824	174,862	14,962	0	199,215	184,264	14,951	0
Environmental Facilities Corporation	April 1	465,478	12,518	447,210	5,750	490,917	13,991	470,893	6,033
Long Island Power Authority	Jan. 1	2,404,827	1,854,926	512,265	37,636	2,424,242	1,932,344	491,402	496
Power Authority	Jan. 1	2,062,800	1,690,900	338,200	33,700	2,193,100	1,885,400	361,200	(53,500)
HOUSING, HEALTH AND FINANCE									
Dormitory Authority	April 1	2,720,949	70,684	2,650,265	0	3,098,195	73,395	3,024,800	0
Housing Finance Agency	Nov. 1	425,404	18,831	401,124	5,449	415,134	18,794	390,447	5,893
Local Government Assistance Corporation	April 1	463,000	4,000	459,000	0	325,000	5,000	320,000	0
Mortgage Agency	Nov. 1	692,999	33,546	659,453	0	607,005	32,100	574,905	0
Municipal Assistance Corporation for the City of New York	July 1	522,219	8,450	513,259	510	520,823	8,450	512,373	0
Municipal Assistance Corporation for the City of Troy	Jan. 1	3,868	28	3,840	0	4,176	30	4,146	0
Municipal Bond Bank Agency	Nov. 1	6,568	150	6,131	287	8,432	227	7,903	302
Project Finance Agency	Nov. 1	37,792	197	37,500	95	40,542	241	40,052	249
PORT DEVELOPMENT									
Albany Port District Commission	Jan. 1	2,999	1,740	80	1,179	3,149	1,827	80	1,242
Ogdensburg Bridge and Port Authority	April 1	3,420	2,915	505	0	3,500	3,030	470	0
Port Authority of New York and New Jersey ^{d/}	Jan. 1	2,879,742	2,070,280	502,000	307,462	-	-	-	-
Port of Oswego Authority	April 1	960	875	85	0	1,130	1,012	114	4

PUBLIC AUTHORITIES

TABLE 1
FINANCIAL OPERATIONS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)

Authorities by Function	Fiscal Year Begins	2001				2002			
		Total Revenues	Operating Expenses	Debt Service Require- ments	Surplus (Deficit) ^{b/}	Total Revenues	Operating Expenses	Debt Service Require- ments	Surplus (Deficit) ^{b/}
REGIONAL TRANSPORTATION									
Capital District Transportation Authority	April 1	33,959	33,868	91	0	33,358	33,358	0	0
Central New York Regional Transportation Authority	April 1	25,963	25,943	20	0	27,110	27,090	20	0
Metropolitan Transportation Authority	Jan. 1	7,132,400	6,653,800	438,800	39,800	7,511,400	6,973,000	534,500	3,900
Niagara Frontier Transportation Authority	April 1	113,082	103,943	8,990	149	111,215	100,741	10,474	0
Rochester-Genesee Regional Transportation Authority	April 1	45,035	45,035	0	0	43,150	43,150	0	0
GRAND TOTAL		<u>22,417,250</u>	<u>13,489,596</u>	<u>7,974,085</u>	<u>953,569</u>	<u>20,294,316</u>	<u>12,069,444</u>	<u>7,840,476</u>	<u>384,396</u>

^{a/} This table is based on authority estimates and may not reflect approval by the Board of Directors. This table covers the Authority fiscal year which includes September 30. Data vary as to cash or accrual accounting.

^{b/} The operating surplus may be committed to reserve requirements, repayment of State advances or funding of capital programs or programs operated by other authorities. Deficits are to be covered from existing resources or management options.

^{c/} Excludes debt service for bonds sold to finance State transportation programs.

^{d/} 2002 Budget data not available pending approval of Authority's Board of Directors.

PUBLIC AUTHORITIES

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)

Authorities by Function	2001			2002		
	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}
BRIDGE, TUNNEL AND HIGHWAY						
Buffalo and Fort Erie Public Bridge Authority	12,392	22,859	0	9,946	18,110	0
New York State Bridge Authority	35,757	47,778	0	36,014	24,180	50,000
Thousand Islands Bridge Authority	1,652	1,652	0	1,681	1,681	0
Triborough Bridge and Tunnel Authority ^{c/}	192,800	200,000	0	133,900	120,000	250,000
Thruway Authority	297,763	155,160	142,603	416,381	268,969	147,412
ECONOMIC DEVELOPMENT						
Battery Park City Authority	14,709	14,709	0	37,500	37,500	0
Development Authority of the North Country	0	0	0	0	0	0
Empire State Development Corporation	17,769	0	17,769	101,203	0	101,203
Job Development Authority	13,000	13,000	0	15,000	0	15,000
United Nations Development Corporation	450	6,802	0	629	6,173	0
ENERGY AND ENVIRONMENT						
Energy Research and Development Authority	15,250	15,250	0	13,250	13,250	0
Environmental Facilities Corporation	569,800	0	569,800	685,000	0	685,000
Long Island Power Authority	242,000	0	400,000	331,800	250,000	100,000
Power Authority	579,800	525,000	95,900	463,200	202,100	341,600
HOUSING, HEALTH AND FINANCE						
Dormitory Authority	2,054,238	3,890,088	3,030,165	2,609,775	4,866,015	2,222,131
Housing Finance Agency	372,588	319,850	487,025	424,437	242,837	420,000
Local Government Assistance Corporation	0	0	0	0	0	0
Mortgage Agency	261,643	392,344	225,000	610,000	427,654	400,000
Municipal Assistance Corporation for the City of New York	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	0	0	0	0	0	0
Municipal Bond Bank Agency	0	0	0	0	0	0
Project Finance Agency	0	0	0	0	0	0
PORT DEVELOPMENT						
Albany Port District Commission	1,779	0	0	1,000	0	0
Ogdensburg Bridge and Port Authority	1,077	1,077	0	8,040	290	7,750
Port Authority of New York and New Jersey ^{d/}	1,321,135	828,772	650,000	-	-	-
Port of Oswego Authority	208	1,579	0	1,371	1,371	0

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002
(thousands of dollars)

Authorities by Function	2001			2002		
	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}
REGIONAL TRANSPORTATION						
Capital District Transportation Authority	34,250	34,250	0	14,769	14,769	0
Central New York Regional Transportation Authority	18,543	18,543	0	6,927	6,927	0
Metropolitan Transportation Authority ^{c/}	3,977,000	1,197,300	2,779,700	4,224,300	1,781,600	2,442,800
Niagara Frontier Transportation Authority	61,763	61,763	0	80,545	78,486	2,057
Rochester-Genesee Regional Transportation Authority	11,801	11,801	0	11,945	11,945	0
GRAND TOTAL	10,109,167	7,759,577	8,397,962	10,238,613	8,373,857	7,184,953

^{a/} This table is based on authority estimates and may not reflect approval by the Board of Directors. The table covers the Authority fiscal year which includes September 30. "Available resources" may include anticipated and/or requested State and Federal funds.

^{b/} Includes proceeds available for capital program only.

^{c/} This table reflects the MTA's capital plan approved by the Capital Program Review Board in May 2001.

^{d/} 2002 Budget data not available pending approval by Authority's Board of Directors.

PUBLIC AUTHORITIES

**TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2001
(thousands of dollars)**

Authorities by Function	All Bonds and Notes				Moral Obligation Bonds		
	Statutory Authorization	Bonds Issued	Bonds Outstanding	Notes Outstanding	Authorized Limit	Bonds Issued	Bonds Outstanding
BRIDGE, TUNNEL AND HIGHWAY							
Buffalo and Fort Erie Public Bridge Authority	165,000	53,370	48,200	1,946	0	0	0
New York State Bridge Authority	100,000	116,711	39,275	0	0	0	0
Thousand Islands Bridge Authority	Unlimited	5,745	5,270	0	0	0	0
Triborough Bridge and Tunnel Authority ^{a/}	16,500,000	6,010,795	4,813,265	1,807,190	0	0	0
Thruway Authority	Unlimited	10,346,382	7,400,653	300,000	0	0	0
ECONOMIC DEVELOPMENT							
Battery Park City Authority ^{b/}	1,060,000	1,107,835	955,000	0	0	0	0
Development Authority of the North Country	Unlimited	40,024	34,051	0	0	0	0
Empire State Development Corporation	Unlimited	6,070,483	5,043,308	14,811	1,295,000	1,070,000	0
Job Development Authority	750,000	726,080	118,560	0	0	0	0
United Nations Development Corporation	Unlimited	260,728	138,668	0	46,555	32,040	0
ENERGY AND ENVIRONMENT							
Energy Research and Development Authority	Unlimited	7,511,230	3,930,925	0	0	0	0
Environmental Facilities Corporation	Unlimited	6,387,235	4,152,575	0	0	0	0
Long Island Power Authority	Unlimited	9,413,506	7,609,163	100,000	0	0	0
Power Authority	Unlimited	6,385,200	1,804,735	555,215	0	0	0
HOUSING, HEALTH AND FINANCE							
Dormitory Authority	Unlimited	54,057,094	28,292,581	174,680	926,015	698,660	92,430
Housing Finance Agency ^{c/}	7,890,000	10,638,835	4,692,329	0	4,454,736	6,524,379	458,982
Local Government Assistance Corporation	4,700,000	5,571,165	4,620,895	0	0	0	0
Mortgage Agency	6,945,000	11,490,659	4,266,877	0	0	0	0
Municipal Assistance Corporation for the City of New York	11,500,000	9,445,000	2,880,000	0	0	9,445,000	0
Municipal Assistance Corporation for the City of Troy ^{d/}	75,000	69,583	72,153	0	0	0	0
Municipal Bond Bank Agency	1,000,000	92,180	64,410	0	0	0	0
Project Finance Agency	305,000	305,000	102,570	0	0	0	0
PORT DEVELOPMENT							
Albany Port District Commission	Unlimited	0	0	1,037	0	0	0
Ogdensburg Bridge and Port Authority	Unlimited	0	0	1,937	0	0	0
Port Authority of New York and New Jersey	Unlimited	10,383,660	8,178,475	530,965	0	0	0
Port of Oswego Authority	Unlimited	0	0	130	0	0	0

PUBLIC AUTHORITIES

TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2001
 (thousands of dollars)

Authorities by Function	All Bonds and Notes				Moral Obligation Bonds		
	Statutory Authorization	Bonds Issued	Bonds Outstanding	Notes Outstanding	Authorized Limit	Bonds Issued	Bonds Outstanding
REGIONAL TRANSPORTATION							
Capital District Transportation Authority	Unlimited	0	0	4,000	0	0	0
Central New York Regional Transportation Authority	Unlimited	0	0	0	0	0	0
Metropolitan Transportation Authority ^{a/}	16,500,000	9,266,174	8,259,739	750,000	0	0	0
Niagara Frontier Transportation Authority	Unlimited	217,269	197,954	338	0	0	0
Rochester-Genesee Regional Transportation Authority	Unlimited	0	0	0	0	0	0
GRAND TOTAL		<u>165,971,943</u>	<u>97,721,631</u>	<u>4,242,249</u>	<u>6,722,306</u>	<u>17,770,079</u>	<u>551,412</u>

^{a/} The MTA and TBTA are collectively authorized to issue up to \$16.5 billion of bonds to finance their 1992-2004 capital programs. Outstanding bonds do not include \$341 million in Convention Center Project Bonds, not covered by Authority's bond cap, but solely supported by rental income.

^{b/} \$400 million in bonding authority related to the Housing New York Program sunsetted on June 30, 1995.

^{c/} HFA moral obligation bond limit is reduced as bonds outstanding after April 1, 1976 are repaid.

^{d/} Bonds outstanding exceed bonds issued because bonds outstanding include accretion in value of capital appreciation bonds from date of issue through September 30, 2001.

PUBLIC AUTHORITIES

TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002-03
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2001 ^{a/}			Outstanding Reimbursable State Appropriations, 2001	State Appropriations Requested in Support of Authority Programs, 2002-03 ^{b/}		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Appropriations	Reappropriations	Total
BRIDGE, TUNNEL AND HIGHWAY							
Buffalo and Fort Erie Public Bridge Authority	48,200	0	0	0	0	0	0
New York State Bridge Authority	39,275	0	0	0	0	0	0
Thousand Islands Bridge Authority	5,270	0	0	0	0	0	0
Triborough Bridge and Tunnel Authority ^{c/}	4,813,265	0	0	0	0	0	0
Thruway Authority	7,400,653	0	0	0	2,000	3,160	5,160
ECONOMIC DEVELOPMENT							
Battery Park City Authority	955,000	0	0	0	0	0	0
Development Authority of the North Country	34,051	0	0	0	0	0	0
Empire State Development Corporation	5,043,308	0	0	0	370,504	212,806	583,310
Job Development Authority	0	118,560	0	0	0	0	0
United Nations Development Corporation	138,668	0	0	0	0	0	0
ENERGY AND ENVIRONMENT							
Energy Research and Development Authority	3,930,925	0	0	0	28,173	0	28,173
Environmental Facilities Corporation	4,152,575	0	0	8,056	9,814	14,500	24,314
Long Island Power Authority	7,609,163	0	0	0	0	0	0
Power Authority	1,804,735	0	0	0	0	0	0
HOUSING, HEALTH AND FINANCE							
Dormitory Authority	28,200,151	0	92,430	0	0	0	0
Housing Finance Agency	4,233,347	0	458,982	44,129	635	0	635
Local Government Assistance Corporation	4,620,895	0	0	0	325,000	0	325,000
Mortgage Agency	4,266,877	0	0	0	0	0	0
Municipal Assistance Corporation for the City of New York	2,880,000	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	72,153	0	0	0	0	0	0
Municipal Bond Bank Agency	64,410	0	0	0	0	0	0
Project Finance Agency	102,570	0	0	0	0	0	0
PORT DEVELOPMENT							
Albany Port District Commission	0	0	0	1,038	0	0	0
Ogdensburg Bridge and Port Authority	0	0	0	19,380	0	0	0
Port Authority of New York and New Jersey	8,178,475	0	0	0	0	0	0
Port of Oswego Authority	0	0	0	4,131	0	0	0

PUBLIC AUTHORITIES

TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2001 AND 2002-03
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2001 ^{a/}			Outstanding Reimbursable State Approp- riations, 2001	State Appropriations Requested in Support of Authority Programs, 2002-03 ^{b/}		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Approp- riations	Reapprop- riations	Total
REGIONAL TRANSPORTA- TION							
Capital District Transportation Authority	0	0	0	0	22,525	0	22,525
Central New York Regional Transportation Authority	0	0	0	0	19,684	0	19,684
Metropolitan Transportation Authority	8,259,739	0	0	0	1,459,087	88,588	1,547,675
Niagara Frontier Transportation Authority	197,954	0	0	0	27,041	0	27,041
Rochester-Genesee Regional Transportation Authority	0	0	0	0	15,901	0	15,901
GRAND TOTAL	97,051,659	118,560	551,412	76,734	2,280,364	319,054	2,599,418

^{a/} This table covers bonds outstanding as of September 30.

^{b/} Appropriations are included in the Executive Budget for State Fiscal Year 2002-2003 from the State's General Fund, dedicated tax funds, Capital Projects Fund or bond funds. Some of these funds may be appropriated to an intermediary which, in turn, makes payment to the named authority.

^{c/} Outstanding bonds do not include \$341 million in Convention Center Project Bonds, not covered by Authority's bond cap, but solely supported by rental income.

DEPARTMENT OF PUBLIC SERVICE

MISSION

The Department of Public Service has a broad mandate to ensure that all New Yorkers have access to reliable and low-cost utility services. The Department is the staff arm of the Public Service Commission, which regulates the rates and services of the State's public utilities, including electric, gas, steam, telephone, and water. The Commission also oversees the siting of major electric and gas transmission lines and facilities, ensures the safety of natural gas and liquid petroleum pipelines, and is responsible for oversight and regulation of the cable television industry in New York State. As the transition is made from a regulated utility industry to a more competitive market, the Department will use its oversight responsibilities to foster competitive market forces which will produce lower rates for consumers, enable customers to choose from a variety of suppliers, and continue reliable service.

ORGANIZATION AND STAFFING

The Public Service Commission consists of five members who are nominated by the Governor and confirmed by the Senate. The Chairman serves as the chief executive officer of the Department which operates offices in Albany, New York City and Buffalo.

The Department's budget has two programs: the Administration Program, which supports Public Service Commission activities; and the Regulation Program, which undertakes activities to ensure fair and reasonable rates, foster proper competition, monitor service standards, address consumer complaints, promote efficient operation and ensure that industry construction programs meet safety and environmental requirements.

The Department will have a workforce of 601 for 2002-03. Approximately 98 percent of this staff is financed by utility and cable assessments and the remaining 2 percent by Federal grants and coin-operated telephone fees.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 budget recommendations for the Department of Public Service reflect the changing mission of the agency as the utility industry moves from a regulated environment to a competitive market. As the electric industry undergoes restructuring, the Department is overseeing this process to ensure that policies are implemented to encourage competition for retail and wholesale business, and to maintain a level playing field in this new competitive market.

The Department's 2002-03 operating budget includes funding of \$64.6 million from utility and cable assessments and coin-operated telephone fees. Public utility assessments are based on a utility's gross intrastate operating revenues above \$25,000. Cable television assessments are based on revenues from those companies with 1,000 or more subscribers.

In addition, the local assistance budget provides a total of \$400,000 from fees paid by entities proposing the siting of electric generation facilities, that may be accessed by local governments and community groups to fund intervention activities related to the siting.

PROGRAM HIGHLIGHTS

The Department's highest priority for the coming year remains its move toward competition in the electric, telecommunications, and gas industries. This transition must be effectively managed to ensure that competition benefits both the State's economic interests and utility ratepayers. During this transition to competitive markets, the Department will develop the infrastructure needed for competitive alternatives, maintain the high standards of

PUBLIC SERVICE

reliability and service quality that New Yorkers expect, ensure fair competition, and, where necessary, provide ratepayers effective protection. Department staff will continue to play a significant role in siting new and expanded electric generation facilities.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	68,119,000	65,844,000	(2,275,000)	2,900,000
Aid To Localities	400,000	400,000	0	5,819,000
Capital Projects	0	0	0	0
Total	68,519,000	66,244,000	(2,275,000)	8,719,000

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	102	102	0
Regulation of Utilities			
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	487	487	0
Total	601	601	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	1,445,000	1,145,000	(300,000)
Special Revenue Funds - Other	66,674,000	64,699,000	(1,975,000)
Total	68,119,000	65,844,000	(2,275,000)

Adjustments:	
Recommended Deficiency	
Public Service Department	
Special Revenue Funds - Other	(2,800,000)
Appropriated 2001-02	65,319,000

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	9,986,000	10,127,000	141,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,445,000	1,145,000	(300,000)
Special Revenue Funds - Other	56,688,000	54,572,000	(2,116,000)
Total	68,119,000	65,844,000	(2,275,000)

PUBLIC SERVICE

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	10,127,000	141,000	5,457,000	0
Regulation of Utilities	55,717,000	(2,416,000)	32,982,000	0
Total	65,844,000	(2,275,000)	38,439,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,670,000	141,000	0	0
Regulation of Utilities	22,210,000	(2,941,000)	525,000	525,000
Total	26,880,000	(2,800,000)	525,000	525,000

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

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

Program	Available 2001-02	Recommended 2002-03	Change
Regulation of Utilities			
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

STATE RACING AND WAGERING BOARD

MISSION

The Racing and Wagering Board regulates all legalized gambling activities in New York except those regulated by the State Lottery. Horse racing, off-track betting (OTB) and Indian casino gaming are directly regulated by the Board. The responsibility for oversight of bingo and other permitted games of chance conducted by religious and not-for-profit organizations is shared with municipalities, which collect license fees and ensure that the Board's rules and regulations are followed.

ORGANIZATION AND STAFFING

A three-member Board oversees agency activities. The Governor appoints each member to a six-year term with the consent of the Senate.

The Chair and central office staff are stationed in Albany with additional staff operating from the New York City regional office. The agency employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County and the Mohawk Indians' Akwesasne Mohawk Casino in Hogansburg, Franklin County. The 2002-03 Executive Budget also includes resources to support any additional oversight responsibilities resulting from the establishment of new Indian Casinos in Western New York and the Catskills pursuant to legislation enacted in 2001. Temporary and full-time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and seven harness tracks — Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board will have a workforce of 115 full time and 165 per diem staff in the 2002-03 fiscal year. Approximately 34 percent of full-time staff and all per diem staff will be supported by State tax dollars; the remaining staff will be supported by revenues generated by Indian casinos and charitable gaming activities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2002-03 Executive Budget recommends \$9.4 million in General Fund support for staff and related costs associated with the processing of racing licenses; the review of financial statements submitted by regional OTBs; legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; and the testing of race horses for prohibited drugs.

In addition, \$2.1 million in existing fees collected by the State from charitable gaming proceeds is recommended to support the regulation of these games. This funding will support oversight of "bell jar" games, which are games of chance in which players remove "pull tabs" from randomly drawn tickets to reveal potential winning combinations of three or more matching items. The Budget also authorizes \$3.2 million in revenues from fees charged to Indian casinos to pay for on-site monitoring and investigation of these casinos.

PROGRAM HIGHLIGHTS

REGULATION OF GAMES OF CHANCE

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 15,000 charitable and not-for-profit organizations throughout the State. The Board establishes standards for issuing licenses to suppliers and manufacturers of gaming equipment; reviews financial statements of charitable

RACING AND WAGERING

gaming operations; and, in conjunction with local law enforcement officials, investigates illegal gaming activities. In accordance with legislation enacted in 1996, the Board will continue its oversight of "bell jar" games in order to decrease illegal activity.

INDIAN GAMING

The State has negotiated compacts or protocols with the Oneida Nation and St. Regis Mohawk Tribe to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for supervising gaming activities operating on these Indian lands. The Board maintains 21 employees that oversee activities at the Oneida Nation's Turning Stone Casino and 26 employees at the St. Regis Mohawk Tribe's Akwesasne Casino.

REGULATION OF RACING

The Board's permanent staff oversee 165 temporary employees who ensure that horse races at the State's racetracks are conducted legally. As part of this effort, the Board has a contract with Cornell University to conduct research and to carry out post-race testing of blood and urine samples taken from race horses.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	14,739,000	14,739,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	14,739,000	14,739,000	0	0

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	15	14	(1)
Audit and Investigation			
General Fund	23	21	(2)
Regulation of Racing and Off-Track Betting			
General Fund	4	4	0
Regulation of Wagering			
Special Revenue Funds - Other	81	76	(5)
Total	123	115	(8)

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	9,427,000	9,427,000	0
Special Revenue Funds - Other	5,312,000	5,312,000	0
Total	14,739,000	14,739,000	0

RACING AND WAGERING

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	1,305,000	1,305,000	0
Audit and Investigation			
General Fund	1,168,000	1,168,000	0
Regulation of Racing and Off-Track Betting			
General Fund	6,954,000	6,954,000	0
Regulation of Wagering			
Special Revenue Funds - Other	5,312,000	5,312,000	0
Total	<u>14,739,000</u>	<u>14,739,000</u>	<u>0</u>

**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	715,000	0	715,000	0
Audit and Investigation	1,115,000	0	1,115,000	0
Regulation of Racing and Off-Track Betting	4,444,000	0	4,444,000	0
Total	<u>6,274,000</u>	<u>0</u>	<u>6,274,000</u>	<u>0</u>

**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	590,000	0	210,300	0
Audit and Investigation	53,000	0	8,800	0
Regulation of Racing and Off-Track Betting	2,510,000	0	35,400	0
Total	<u>3,153,000</u>	<u>0</u>	<u>254,500</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	23,800	0	355,900	0
Audit and Investigation	23,500	0	19,300	0
Regulation of Racing and Off-Track Betting	5,900	0	2,465,100	0
Total	<u>53,200</u>	<u>0</u>	<u>2,840,300</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Audit and Investigation	1,400	0
Regulation of Racing and Off-Track Betting	3,600	0
Total	<u>5,000</u>	<u>0</u>

RACING AND WAGERING

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Regulation of Wagering	5,312,000	0	3,228,000	0
Total	<u>5,312,000</u>	<u>0</u>	<u>3,228,000</u>	<u>0</u>
Program	Nonpersonal Service			
	Amount	Change		
Regulation of Wagering	2,084,000	0		
Total	<u>2,084,000</u>	<u>0</u>		

OFFICE OF SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH

MISSION

Established in November 1999, the New York State Office of Science, Technology, and Academic Research is an Executive agency which replaced the New York State Science and Technology Foundation and assumed responsibility for directing the State's university-based high technology economic development programs.

ORGANIZATION AND STAFFING

The Office of Science, Technology, and Academic Research is headed by an Executive Director who is appointed by the Governor and confirmed by the Senate. Agency oversight is augmented by an 11-member advisory council. The Office of Science, Technology, and Academic Research will have a workforce of 34 positions in 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Office of Science, Technology, and Academic Research's activities are supported primarily with State tax dollars from the General Fund. The Executive Budget recommends \$3 million to support the agency's operating budget and \$54.4 million for its high technology programs.

PROGRAM HIGHLIGHTS

The Office of Science, Technology, and Academic Research is responsible for the following major programs:

- **Capital Facility Program:** This program supports the construction and reconstruction of research and development facilities at designated Centers for Advanced Technology and State University of New York University Centers;
- **Faculty Development Program:** This program provides grants to assist colleges and universities in attracting and retaining research faculty;
- **Center for Advanced Technology Development Program:** This program provides grants to designated Centers for Advanced Technology for enhancing and expanding activities; and
- **Technology Transfer Incentive Program:** This program provides grants to colleges and universities for technology transfer activities, such as patent applications, the creation of business plans, venture capital conferences and other uses related to the commercialization of high technology innovations. It also provides funding for the Science and Technology Law Center which assists start-up companies in bringing new technologies to the marketplace, and is a resource for State agencies and institutions of higher education on technology-related legal issues.

In addition, the Office of Science, Technology, and Academic Research will continue to administer programs of the former Science and Technology Foundation, including: Centers for Advanced Technology; Industrial Technology Extension Services; Technology Development Organizations; the Sensing, Analyzing, Interpreting and Deciding Center at Syracuse University; the Focus Center-New York semiconductor research center; and the Cornell University Nanobiotechnology Center. New funding is recommended for National Science Foundation designated research centers at the Rensselaer Polytechnic Institute, Cornell University and Columbia University.

SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	4,100,000	3,500,000	(600,000)	0
Aid To Localities	30,870,000	60,920,000	30,050,000	60,483,000
Capital Projects	0	0	0	49,500,000
Total	<u>34,970,000</u>	<u>64,420,000</u>	<u>29,450,000</u>	<u>109,983,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration Program			
General Fund	34	34	0
Total	<u>34</u>	<u>34</u>	<u>0</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,600,000	3,000,000	(600,000)
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>4,100,000</u>	<u>3,500,000</u>	<u>(600,000)</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration Program			
General Fund	3,600,000	3,000,000	(600,000)
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>4,100,000</u>	<u>3,500,000</u>	<u>(600,000)</u>

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

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	3,000,000	(600,000)	3,000,000	(600,000)
Total	<u>3,000,000</u>	<u>(600,000)</u>	<u>3,000,000</u>	<u>(600,000)</u>

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

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	500,000	0	500,000	0
Total	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>

SCIENCE, TECHNOLOGY AND ACADEMIC RESEARCH

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	25,870,000	54,420,000	28,550,000
Special Revenue Funds - Federal	5,000,000	6,500,000	1,500,000
Total	<u>30,870,000</u>	<u>60,920,000</u>	<u>30,050,000</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
High Technology			
General Fund	24,370,000	30,420,000	6,050,000
Training and Business Assistance Program			
General Fund	1,500,000	1,500,000	0
Special Revenue Funds - Federal	5,000,000	6,500,000	1,500,000
Research Development Program			
General Fund	0	22,500,000	22,500,000
Total	<u>30,870,000</u>	<u>60,920,000</u>	<u>30,050,000</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Research Facilities				
Capital Projects Fund	0	0	0	49,500,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,500,000</u>

DEPARTMENT OF TAXATION AND FINANCE

MISSION

The Department of Taxation and Finance administers the State's taxes and related local taxes and manages the State Treasury. In fulfilling its responsibilities under the State's Tax Laws, the Department collects approximately \$43.7 billion in State revenue and approximately \$22.8 billion in local taxes, including New York City and the City of Yonkers income taxes, on behalf of municipalities.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner who is appointed by the Governor and confirmed by the Senate. It fulfills its mission through 11 programs: Administration, Revenue Support, Office of the Counsel, Tax Policy and Analysis, Tax Enforcement, Tax Compliance, Treasury Management, Audit, Revenue and Information Management, Taxpayer Services and the Office of Conciliation and Mediation. The Department of Taxation and Finance will have a workforce of 5,320 positions in 2002-03, of which 4,896 will be funded by State tax dollars in the General Fund.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2002-03, the Department will be financed primarily with State tax dollars from the General Fund, which support its revenue generation, collection, and administration programs. The Executive Budget recommends \$432.4 million to support the Department's operating budget. This amount includes \$315 million in General Fund support, which will finance 72.8 percent of the Department's operations, and will be supplemented by fee income of \$40.6 million and Federal funding of \$572,000. Fee income will support costs associated with the collection of personal income and other taxes for New York City, financial and investment services for certain State agencies and public benefit corporations, and with out-of-state delinquent tax collection efforts. The Budget further recommends \$76.2 million for the Banking Services Fund. The Fund pays banking institutions for certain services related to administering personal income and other taxes.

Recommended funding levels will support continuation of the e*MPIRE program, which will upgrade the Department's tax processing system, to ensure the State's ability to accurately and effectively collect revenues.

PROGRAM HIGHLIGHTS

Tax and Finance Department employees are responsible for providing equitable and efficient service to taxpayers. The Department is organized along functional lines to support a high level of taxpayer service; including:

- **Administration:** This program includes the Department's central policy direction and oversight functions. Activities include fiscal management, human resources/payroll, internal audit, management services and public information;
- **Revenue Support:** This program provides essential support services for the Department, including managing office and warehouse space, developing and printing tax forms and instructions, and mailing tax liability notices, refunds and other tax forms;

TAXATION AND FINANCE

- **Office of the Counsel:** This Office prepares regulations, interprets statutes, manages litigation, and drafts and reviews proposed legislation. The Office is involved in resolving taxpayer protests and litigation, and maintains coordination between the Department, the Department of Law and the Division of Tax Appeals;
- **Tax Policy and Analysis:** This program estimates the revenues expected to be produced by each tax, assesses the impact of different tax structures and tax proposals on the State's economy, reviews tax policies and legislation, and prepares descriptive and analytical studies;
- **Tax Enforcement:** This program identifies and investigates alleged evasion of the State tax code. Staff assigned to this program work with Federal, State and local law enforcement officials in the prosecution of tax fraud and tax evasion cases;
- **Tax Compliance:** This is the State's largest accounts receivable program, collecting delinquent State and local taxes. Computer-generated billings and an automated telephone collection system are used in collection activities;
- **Audit:** The Audit Division ensures that voluntarily remitted taxes are accurate and complete. The Division plans, conducts and evaluates desk and field audits, increasingly with the aid of technology;
- **Revenue and Information Management:** This program contains the Department's information management, tax processing and tax accounting functions. It supports the collection of an estimated \$66.5 billion in State and local tax collections;
- **Taxpayer Services:** This program assists taxpayers in fulfilling their tax obligations by developing and distributing tax information, advice and instructions; and
- **Office of Conciliation and Mediation:** This program offers taxpayers the option of informally resolving disputes with the Department.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	406,396,000	432,408,400	26,012,400	3,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	406,396,000	432,408,400	26,012,400	3,000,000

TAXATION AND FINANCE

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

Full-Time Equivalent Positions (FTE)			
Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	90	90	0
Audit			
General Fund	1,883	1,883	0
Office of Conciliation and Mediation			
General Fund	34	34	0
Counsel			
General Fund	75	75	0
Tax Policy and Analysis			
General Fund	34	34	0
Revenue and Information Management			
General Fund	1,603	1,603	0
Special Revenue Funds - Other	379	379	0
Revenue Support Services			
General Fund	68	68	0
Tax Compliance			
General Fund	794	794	0
Tax Enforcement			
General Fund	186	186	0
Special Revenue Funds - Federal	9	9	0
Taxpayer Services			
General Fund	129	129	0
Treasury Management			
Special Revenue Funds - Other	36	36	0
Total	5,320	5,320	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	301,007,000	315,007,000	14,000,000
Special Revenue Funds - Federal	572,000	572,000	0
Special Revenue Funds - Other	36,842,000	40,644,000	3,802,000
Internal Service Funds	67,975,000	76,185,400	8,210,400
Total	406,396,000	432,408,400	26,012,400

TAXATION AND FINANCE

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	5,609,000	5,609,000	0
Audit			
General Fund	109,397,000	109,397,000	0
Banking Services			
Internal Service Funds	67,975,000	76,185,400	8,210,400
Office of Conciliation and Mediation			
General Fund	2,326,000	2,326,000	0
Counsel			
General Fund	5,184,000	5,184,000	0
Tax Policy and Analysis			
General Fund	2,230,000	2,230,000	0
Revenue and Information Management			
General Fund	89,362,000	100,362,000	11,000,000
Special Revenue Funds - Other	32,688,000	34,389,000	1,701,000
Revenue Support Services			
General Fund	31,216,000	34,216,000	3,000,000
Tax Compliance			
General Fund	33,006,000	33,006,000	0
Special Revenue Funds - Other	2,000,000	4,000,000	2,000,000
Tax Enforcement			
General Fund	12,836,000	12,836,000	0
Special Revenue Funds - Federal	572,000	572,000	0
Taxpayer Services			
General Fund	9,841,000	9,841,000	0
Treasury Management			
Special Revenue Funds - Other	2,154,000	2,255,000	101,000
Total	<u>406,396,000</u>	<u>432,408,400</u>	<u>26,012,400</u>

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	5,200,000	0	5,158,000	0
Audit	92,868,000	0	91,819,000	0
Office of Conciliation and Mediation	2,231,000	0	2,213,000	0
Counsel	5,056,000	0	4,814,000	0
Tax Policy and Analysis	2,207,000	0	2,115,000	0
Revenue and Information Management	64,731,000	0	61,339,000	0
Revenue Support Services	4,450,000	0	3,901,000	0
Tax Compliance	31,340,000	0	31,287,000	0
Tax Enforcement	10,215,000	0	10,178,000	0
Taxpayer Services	7,502,000	0	6,436,000	0
Total	<u>225,800,000</u>	<u>0</u>	<u>219,260,000</u>	<u>0</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	42,000	0
Audit	919,000	0	130,000	0
Office of Conciliation and Mediation	0	0	18,000	0
Counsel	236,000	0	6,000	0
Tax Policy and Analysis	89,000	0	3,000	0
Revenue and Information Management	2,738,000	0	654,000	0
Revenue Support Services	546,000	0	3,000	0
Tax Compliance	0	0	53,000	0
Tax Enforcement	25,000	0	12,000	0
Taxpayer Services	1,061,000	0	5,000	0
Total	<u>5,614,000</u>	<u>0</u>	<u>926,000</u>	<u>0</u>

TAXATION AND FINANCE

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	409,000	0	291,000	0
Audit	16,529,000	0	32,000	0
Office of Conciliation and Mediation	95,000	0	4,000	0
Counsel	128,000	0	8,000	0
Tax Policy and Analysis	23,000	0	5,000	0
Revenue and Information Management	35,631,000	11,000,000	1,777,000	0
Revenue Support Services	29,766,000	3,000,000	159,000	0
Tax Compliance	1,666,000	0	279,000	0
Tax Enforcement	2,621,000	0	17,000	0
Taxpayer Services	2,339,000	0	74,000	0
Total	89,207,000	14,000,000	2,646,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	5,000	0	74,000	0
Audit	4,249,000	0	11,073,000	0
Office of Conciliation and Mediation	70,000	0	21,000	0
Counsel	30,000	0	88,000	0
Tax Policy and Analysis	6,000	0	10,000	0
Revenue and Information Management	116,000	0	31,230,000	11,000,000
Revenue Support Services	6,000	0	29,601,000	3,000,000
Tax Compliance	604,000	0	141,000	0
Tax Enforcement	923,000	0	1,551,000	0
Taxpayer Services	11,000	0	2,251,000	0
Total	6,020,000	0	76,040,000	14,000,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	39,000	0	0	0
Audit	1,175,000	0	0	0
Counsel	2,000	0	0	0
Tax Policy and Analysis	2,000	0	0	0
Revenue and Information Management	1,653,000	0	855,000	0
Tax Compliance	642,000	0	0	0
Tax Enforcement	130,000	0	0	0
Taxpayer Services	3,000	0	0	0
Total	3,646,000	0	855,000	0

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Banking Services	76,185,400	8,210,400	0	0
Revenue and Information Management	34,389,000	1,701,000	17,680,000	0
Tax Compliance	4,000,000	2,000,000	0	0
Tax Enforcement	572,000	0	0	0
Treasury Management	2,255,000	101,000	1,500,000	58,000
Total	117,401,400	12,012,400	19,180,000	58,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Banking Services	0	0	76,185,400	8,210,400
Revenue and Information Management	16,709,000	1,701,000	0	0
Tax Compliance	4,000,000	2,000,000	0	0
Tax Enforcement	0	0	572,000	0
Treasury Management	755,000	43,000	0	0
Total	21,464,000	3,744,000	76,757,400	8,210,400

DIVISION OF TAX APPEALS

MISSION

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes the impartial and timely hearing of taxpayer disputes.

ORGANIZATION AND STAFFING

The Division of Tax Appeals is headed by the Tax Appeals Tribunal, which is comprised of three commissioners appointed by the Governor and confirmed by the Senate. Under the direction of the Tax Tribunal, dispute adjudication is provided through small claims hearings, formal hearings and the Tribunal appeals process. The Division holds formal hearings and Tax Tribunal oral arguments in Troy, New York City, Buffalo, Rochester, Hempstead and Hauppauge, while small claims hearings are conducted throughout the State. The Division will have a workforce of 32 positions for 2002-03.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Division's activities are supported entirely with State tax dollars, which finance the Tribunal's staff and other expenses such as rent and supplies.

The Executive Budget recommends \$3.31 million in annual General Fund support for the Division. This recommendation will enable the Tribunal to continue to provide for the timely resolution of taxpayer disputes with the Department of Taxation and Finance.

PROGRAM HIGHLIGHTS

The Division's hearing process has been substantially improved in recent years to benefit taxpayers. These improvements have allowed taxpayers more flexibility in scheduling hearings, thus minimizing delays caused by sudden cancellations.

Since January 1997, the Division has conducted formal hearings in New York City to provide easier access for taxpayers in the New York City metropolitan area. Recently, the Division expanded this initiative to Buffalo, Rochester, Hempstead and Hauppauge. At these locations, the Division utilizes existing State office space, thus providing improved service at nominal additional cost.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	3,454,000	3,310,000	(144,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>3,454,000</u>	<u>3,310,000</u>	<u>(144,000)</u>	<u>0</u>

TAX APPEALS

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
General Fund	36	32	(4)
Total	<u>36</u>	<u>32</u>	<u>(4)</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	3,454,000	3,310,000	(144,000)
Total	<u>3,454,000</u>	<u>3,310,000</u>	<u>(144,000)</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
General Fund	3,454,000	3,310,000	(144,000)
Total	<u>3,454,000</u>	<u>3,310,000</u>	<u>(144,000)</u>

**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	2,815,000	(144,000)	2,643,000	(144,000)
Total	<u>2,815,000</u>	<u>(144,000)</u>	<u>2,643,000</u>	<u>(144,000)</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	172,000	0
Total	<u>172,000</u>	<u>0</u>

TAX APPEALS

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	495,000	0	38,000	0
Total	495,000	0	38,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	55,000	0	344,000	0
Total	55,000	0	344,000	0

Program	Equipment	
	Amount	Change
Administration	58,000	0
Total	58,000	0

THRUWAY AUTHORITY

In addition to operating a 641-mile toll-highway system, the Thruway Authority has jurisdiction over the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, the Thruway maintains, operates, develops and makes capital improvements to the 524-mile navigable waterway which includes 57 locks, numerous dams, reservoirs and water control structures.

Revenues from canal tolls and other user fees are deposited into the Canal System Development Fund and, in accordance with the State Constitution, are used exclusively for the canals. The Executive Budget recommends a new appropriation of \$2 million and reappropriations of \$3.16 million from the Canal System Development Fund for a portion of the maintenance, construction, reconstruction, development and promotion of the canals. Canal System and Thruway Authority programs are primarily supported by Authority funds, which are not reflected in the Executive Budget.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	2,000,000	2,000,000	0	3,160,000
Total	2,000,000	2,000,000	0	3,160,000

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Canal Development Program				
New York State Canal System Development Fund	2,000,000	2,000,000	0	3,160,000
Total	2,000,000	2,000,000	0	3,160,000

DEPARTMENT OF TRANSPORTATION

MISSION

The Department of Transportation directly maintains and improves the State's more than 40,000 highway lane miles and 7,500 bridges. In addition, the Department partially funds locally operated transit systems, local government highway and bridge construction and rail and airport programs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner appointed by the Governor. The Department's main office is in Albany, with 11 regional offices in Albany, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton, Hauppauge and New York City. The Department also maintains highway maintenance and equipment repair facilities across the State.

In 2002-03, the Department will have an average full-time workforce of approximately 10,600 employees. Employees perform such activities as highway maintenance, snow and ice removal, highway and bridge design and construction inspection. In addition, the Department's staff inspects school and charter buses, regulates commercial transportation, oversees public transportation systems and State-owned airports and provides administrative support for the Department.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department is responsible for the implementation of the highway and bridge program. It is supported primarily by revenues from the Petroleum Business Tax, highway use and motor fuel taxes, and motor vehicle fees. Substantial Federal aid is also used to support the program.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2002-03 Executive Budget maintains the \$202 million snow and ice control and arterial maintenance programs in the Dedicated Highway and Bridge Trust Fund. An equivalent increase in Dedicated Fund revenues is provided to fund these costs. This will enhance the financing of the transportation capital program and will not impact the agency's operations.

The Department's regulatory programs and other operations are primarily funded by fees, miscellaneous revenues and Federal aid. Approximately \$32 million is derived from fees, including those imposed on trucks registered to transport products throughout the State, landing fees and rents levied at Republic Airport, internal service fees paid by other State agencies for consolidated printing services and revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage. These funds support a number of agency activities, including administrative support services, highway safety and aviation programs. The Department's \$4.2 million bus inspection program, formerly funded by the General Fund, is also maintained in the Dedicated Fund by the 2002-03 Executive Budget.

Federal aid of \$9.4 million and dedicated mass transit funds totaling \$5.4 million help finance the Department's remaining operating responsibilities for mass transportation, aviation and motor-carrier safety programs.

Capital appropriations provide funding for construction and reconstruction projects on State highways, bridges, railways, and airports, as well as financing the engineering staff and private-sector consultants who work on these projects. The highway and bridge construction level will total \$1.75 billion in 2002-03, equal to last year's record high level.

TRANSPORTATION

The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund, established in 1993. The Trust Fund derives its revenues from highway user fees, portions of the petroleum business tax, motor fuel tax, motor vehicle registration fees, and miscellaneous transportation-related revenues. These funds are used both on a pay-as-you-go basis and to pay debt service on bonds issued by the Thruway Authority to finance portions of the State and local highway programs. In order to fund the retention of the Department's snow and ice control, arterial maintenance and bus inspection programs in the Dedicated Fund in 2002-03, \$205 million of additional resources will be deposited to the Trust Fund. Beyond 2002-03, additional deposits will be made to the Dedicated Fund to finance the future costs of these programs.

The Engineering Services Fund supports the Department's engineering, planning and construction inspection activities. The Fund derives its revenues primarily from Federal aid and Dedicated Fund resources, in accordance with the funding source of individual projects.

The Department of Transportation's State and local highway capital program is the recipient of approximately \$1.5 billion annually in Federal Transportation Equity Act for the 21st Century (TEA-21) funding, distributed by Federal formulas and used only for federally approved projects primarily approved by local Metropolitan Planning Organizations.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highways Program ("Marchiselli" Program). These programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. The CHIPS capital program will be funded at \$241.8 million, and the Marchiselli program will provide \$39.7 million in 2002-03; these levels include the conversion of the \$23.9 million CHIPS operating program to CHIPS capital. This conversion continues to fund towns, villages and cities at levels consistent with the 2001-02 operating program.

A \$20 million appropriation for rail freight and passenger projects will continue an enhanced rail program that will expand shipping opportunities for New York businesses, reduce costs for consumers and improve passenger transportation. In addition, \$15 million will be provided for the Industrial Access Program to promote job creation and retention by encouraging business expansion with highway, rail and port projects.

The Aid to Localities budget is comprised primarily of appropriations supported by State taxes dedicated to public transportation through the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund. Mass Transportation Operating Assistance Fund revenues are derived from a 1/4 percent sales tax; a business tax surcharge levied in the New York City metropolitan region; and a portion of statewide taxes on transmission, transportation and petroleum-related businesses. Dedicated Mass Transportation Trust Fund revenues are derived from a share of the revenues deposited in the Transportation Dedicated Funds Pool which includes portions of the Petroleum Business Tax, the Motor Fuel Tax and motor vehicle fees. New appropriations to transit systems will total approximately \$1.73 billion, an increase of \$158 million, over enacted 2001-02 levels. Additionally, \$112 million of State aid is planned to be distributed to transit systems through reappropriations.

Nearly \$1.46 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2002-03. This includes \$433 million from the Dedicated Mass Transportation Trust Fund in support of the MTA capital program. The operating assistance includes \$45 million in General Fund support for the MTA as the State's contribution to reduced fares for New York City school children. The City will match this contribution.

Transit operators other than the MTA will receive a total of \$274 million in new appropriations in 2002-03, an increase of approximately \$48.6 million from enacted 2001-02 levels. Of this amount, \$111.3 million is targeted for upstate transit systems. Capital funding of \$30 million is recommended for transit systems other than the MTA from the Dedicated Mass Transportation Trust Fund. This capital program funds a variety of transit-related needs, primarily bus purchases and a portion of the required match to Federal transit capital aid.

PROGRAM HIGHLIGHTS

HIGHWAYS AND BRIDGES

Improving the State's vital transportation infrastructure remains the agency's highest priority. During the most recently completed multi-year capital program (1995-2000), the Department delivered significant improvements in our highway infrastructure. Almost 900 State bridges were replaced or rehabilitated and 29,000 preventive bridge treatments were completed to slow deterioration. Approximately 45,400 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. These accomplishments, coupled with new materials technology, have resulted in markedly better conditions. The 2002-03 Budget will continue emphasizing strategic investments to critical infrastructure needs. As in previous years, preventive maintenance performed by State forces and private sector contractors will be an area of significant concentration. Appropriations for the preventive maintenance program will total \$386 million in 2002-03.

State staff and private-sector consultants perform the planning, property acquisition, design engineering, environmental reviews, surveying, materials and soils testing, and construction inspection associated with the Department's capital program. Construction of virtually all highway and bridge projects is performed by private firms.

The State makes a significant investment in helping localities maintain safe roads and bridges through its CHIPS and Marchiselli capital programs. These programs fund local construction projects, with the majority performed by private firms.

Through its safety inspections of school and charter buses and its regulation of commercial transport, the Department also focuses its resources on passenger safety and environmental issues.

PUBLIC TRANSPORTATION

The Department provides oversight and funding for more than 70 locally operated public transportation systems, including the Metropolitan Transportation Authority, the four upstate regional transportation authorities and other (usually county-sponsored) transit systems. These systems provide bus, subway, light rail and commuter rail services, as well as "paratransit" services designed to meet the needs of disabled people, as required by the Federal Americans with Disabilities Act.

State financial assistance to transit systems is supported by the Mass Transportation Operating Assistance Fund and the Dedicated Mass Transportation Trust Fund as well as the General Fund. In addition, State law authorizes the imposition of an additional mortgage recording tax in regions covered by the Metropolitan Transportation Authority and the four upstate transit authorities. These moneys are collected by the affected counties and transmitted directly to the transit systems.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	50,237,000	47,523,000	(2,714,000)	18,439,000
Aid To Localities	1,617,263,000	1,750,108,000	132,845,000	195,079,300
Capital Projects	3,846,462,000	3,870,338,000	23,876,000	9,313,521,000
Total	<u>5,513,962,000</u>	<u>5,667,969,000</u>	<u>154,007,000</u>	<u>9,527,039,300</u>

TRANSPORTATION

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

Program	Full-Time Equivalent Positions (FTE)		
	2001-02	2002-03	FTE Change
	Estimated FTEs 03/31/02	Estimated FTEs 03/31/03	
Design and Construction			
Capital Projects Funds - Other	4,311	4,311	0
New York Metropolitan Transportation Council			
Special Revenue Funds - Other	83	83	0
Operations			
Special Revenue Funds - Other	32	32	0
Internal Service Funds	44	44	0
Passenger and Freight Transportation			
Special Revenue Funds - Federal	82	82	0
Special Revenue Funds - Other	143	143	0
Capital Projects Funds - Other	86	86	0
Planning and Program Management			
Capital Projects Funds - Other	645	645	0
Preventive Maintenance			
Capital Projects Funds - Other	5,015	5,015	0
Real Estate			
Capital Projects Funds - Other	242	242	0
Total	<u>10,683</u>	<u>10,683</u>	<u>0</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	9,143,000	9,377,000	234,000
Special Revenue Funds - Other	36,539,000	33,642,000	(2,897,000)
Internal Service Funds	4,555,000	4,504,000	(51,000)
Total	<u>50,237,000</u>	<u>47,523,000</u>	<u>(2,714,000)</u>

Adjustments:	
Prior Year Deficiency	
Transportation, Department of	
General Fund	19,600,000
Appropriated 2001-02	<u>69,837,000</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Operations			
Special Revenue Funds - Other	21,231,000	16,261,000	(4,970,000)
Internal Service Funds	4,555,000	4,504,000	(51,000)
Passenger and Freight Transportation			
Special Revenue Funds - Federal	9,143,000	9,377,000	234,000
Special Revenue Funds - Other	15,308,000	17,381,000	2,073,000
Total	<u>50,237,000</u>	<u>47,523,000</u>	<u>(2,714,000)</u>

TRANSPORTATION

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	20,765,000	(5,021,000)	2,013,000	(16,000)
Passenger and Freight Transportation	26,758,000	2,307,000	11,675,000	203,000
Total	<u>47,523,000</u>	<u>(2,714,000)</u>	<u>13,688,000</u>	<u>187,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	3,143,000	442,000	15,609,000	(5,447,000)
Passenger and Freight Transportation	10,857,000	938,000	4,226,000	1,166,000
Total	<u>14,000,000</u>	<u>1,380,000</u>	<u>19,835,000</u>	<u>(4,281,000)</u>

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
General Fund	146,869,000	162,436,000	15,567,000
Special Revenue Funds - Federal	32,096,000	33,931,000	1,835,000
Special Revenue Funds - Other	1,438,298,000	1,553,741,000	115,443,000
Total	<u>1,617,263,000</u>	<u>1,750,108,000</u>	<u>132,845,000</u>

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

Program	Available 2001-02	Recommended 2002-03	Change
Additional Mass Transportation Assistance Program			
General Fund	16,145,000	55,600,000	39,455,000
Special Revenue Funds - Other	37,000,000	20,000,000	(17,000,000)
Consolidated Local Highway Assistance Program			
General Fund	23,888,000	0	(23,888,000)
Dedicated Mass Transportation Trust Program			
Special Revenue Funds - Other	324,646,000	433,300,000	108,654,000
Federal Highway Administration Local Planning			
Special Revenue Funds - Federal	10,566,000	10,566,000	0
Urban Mass Transportation Administration Local Planning			
Special Revenue Funds - Federal	2,917,000	2,917,000	0
Mass Transportation Assistance General Fund	45,000,000	45,000,000	0
Mass Transportation Special Assistance Program			
General Fund	3,000,000	3,000,000	0
Inter City Rail Passenger Service General Fund	820,000	820,000	0
Passenger and Freight Transportation			
General Fund	58,016,000	58,016,000	0
Special Revenue Funds - Federal	18,613,000	20,448,000	1,835,000
Special Revenue Funds - Other	867,306,000	887,095,000	19,789,000
Section 18-B Program			
Special Revenue Funds - Other	165,989,000	165,989,000	0
Special Transit Aid			
Special Revenue Funds - Other	43,357,000	47,357,000	4,000,000
Total	<u>1,617,263,000</u>	<u>1,750,108,000</u>	<u>132,845,000</u>

TRANSPORTATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Aviation				
Airport or Aviation Program				
Capital Projects Fund - Aviation (Bondable)	0	0	0	4,149,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,350,000
Airport or Aviation Program -- Bondable				
Capital Projects Fund - Aviation (Bondable)	0	0	0	942,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	6,000,000	8,000,000	2,000,000	24,668,000
Passenger Facility Charge Fund	0	0	0	0
Regional Aviation Fund	0	0	0	26,230,000
Aviation				
Transportation Capital Facilities Bond Fund - Aviation	0	0	0	9,870,000
Federal Airport or Aviation				
Federal Capital Projects Fund	0	0	0	19,195,000
Special Rail and Aviation Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	71,000
Transportation Capital Facilities Bond Fund--Aviation				
Transportation Capital Facilities Bond Fund - Aviation	0	0	0	0
Canals and Waterways				
Canals and Waterways - Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	485,000
Economic Development				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	0	15,000,000	15,000,000	34,545,000
Health and Safety				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	4,164,000	4,211,000	47,000	0
Highway Facilities				
Accelerated Capacity and Transportation Improvements Fund				
Accelerated Capacity and Transportation Improvements Fund	0	0	0	75,347,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	1,789,000
Engineering Services				
Engineering Services Fund	636,684,000	620,221,000	(16,463,000)	881,895,000
NY Metro Transportation Council Account	10,822,000	10,229,000	(593,000)	21,580,000
Federal Aid Highways - Bondable Purpose				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	9,067,000
Federal Aid Highways - Federal Purpose				
Federal Capital Projects Fund	1,490,500,000	1,491,000,000	500,000	4,766,866,000
Federal Aid Highways State				
Dedicated Highway and Bridge Trust Fund	0	0	0	0
Highway Facilities				
Dedicated Highway and Bridge Trust Fund	0	0	0	41,632,000
Suburban Transportation Fund	0	0	0	0
Infrastructure Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,746,000
Lake Champlain Bridges Program				
Lake Champlain Bridge Fund	0	0	0	0
Multi-Modal				
Dedicated Highway and Bridge Trust Fund	0	0	0	150,000,000
Municipal Highway - Railroad Crossing Alterations				
Capital Projects Fund - Advances	0	0	0	331,000
Dedicated Highway and Bridge Trust Fund	0	0	0	1,568,000
New York State Agency Fund				
Fiduciary Funds - Misc. Combined Expendable Trust Fund	50,000,000	52,000,000	2,000,000	109,263,000
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	1,565,477,000	1,570,862,000	5,385,000	2,684,070,000

TRANSPORTATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2001-02	Recommended 2002-03	Change	Reappropriations 2002-03
Other Highway Aid				
Community Projects Fund	0	0	0	0
Dedicated Highway and Bridge Trust Fund	0	0	0	4,864,000
Other Transportation Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	415,000
Priority Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,995,000
Road and Bridge Improvements - Bondable				
Capital Projects Fund - A.C. and T.I. Fund (Bondable)	0	0	0	74,442,000
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Highway and Bridge Trust Fund	0	0	0	3,660,000
Special Parkway Rehabilitation Program				
Special Parkway Rehabilitation Fund	0	0	0	0
State Parkways				
Dedicated Highway and Bridge Trust Fund	0	0	0	0
Transportation Infrastructure Renewal Bond Fund				
Transportation Infrastructure Renewal Bond Fund	0	0	0	47,214,000
Maintenance Facilities				
Maintenance Facilities				
Dedicated Highway and Bridge Trust Fund	30,000,000	31,000,000	1,000,000	60,855,000
Mass Transportation and Rail Freight				
Marine Projects				
Dedicated Mass Transportation Fund	0	0	0	954,000
Mass Transportation				
Dedicated Mass Transportation Fund	15,815,000	15,815,000	0	67,499,000
Mass Transportation and Rail Freight				
Capital Projects Fund - Advances	0	0	0	0
Capital Projects Fund - Energy Conservation (Bondable)	0	0	0	2,036,000
Capital Projects Fund - Rail Preservation (Bondable)	0	0	0	0
Dedicated Highway and Bridge Trust Fund	10,000,000	20,000,000	10,000,000	33,025,000
Dedicated Mass Transportation Fund	27,000,000	32,000,000	5,000,000	47,469,000
Federal Capital Projects Fund	0	0	0	20,910,000
Mass Transportation and Rail Freight Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,808,000
Rail Freight				
Capital Projects Fund - Advances	0	0	0	23,403,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,908,000
Dedicated Mass Transportation Fund	0	0	0	4,890,000
Rail Preservation and Development Fund				
Energy Conservation Through Improved Transportation Bond Fund	0	0	0	2,048,000
Rail Preservation Development Bond Fund	0	0	0	0
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Mass Transportation Fund	0	0	0	5,000,000
Special Rail and Aviation Program				
Dedicated Mass Transportation Fund	0	0	0	14,341,000
Transportation Capital Facilities Bond Fund--Mass Transportation				
Transportation Capital Facilities Bond Fund - Mass Transportation	0	0	0	0
Port Development				
Port Development Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	126,000
Total	<u>3,846,462,000</u>	<u>3,870,338,000</u>	<u>23,876,000</u>	<u>9,313,521,000</u>