

EXECUTIVE BUDGET

AGENCY PRESENTATIONS

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EDUCATION, LABOR AND FAMILY ASSISTANCE

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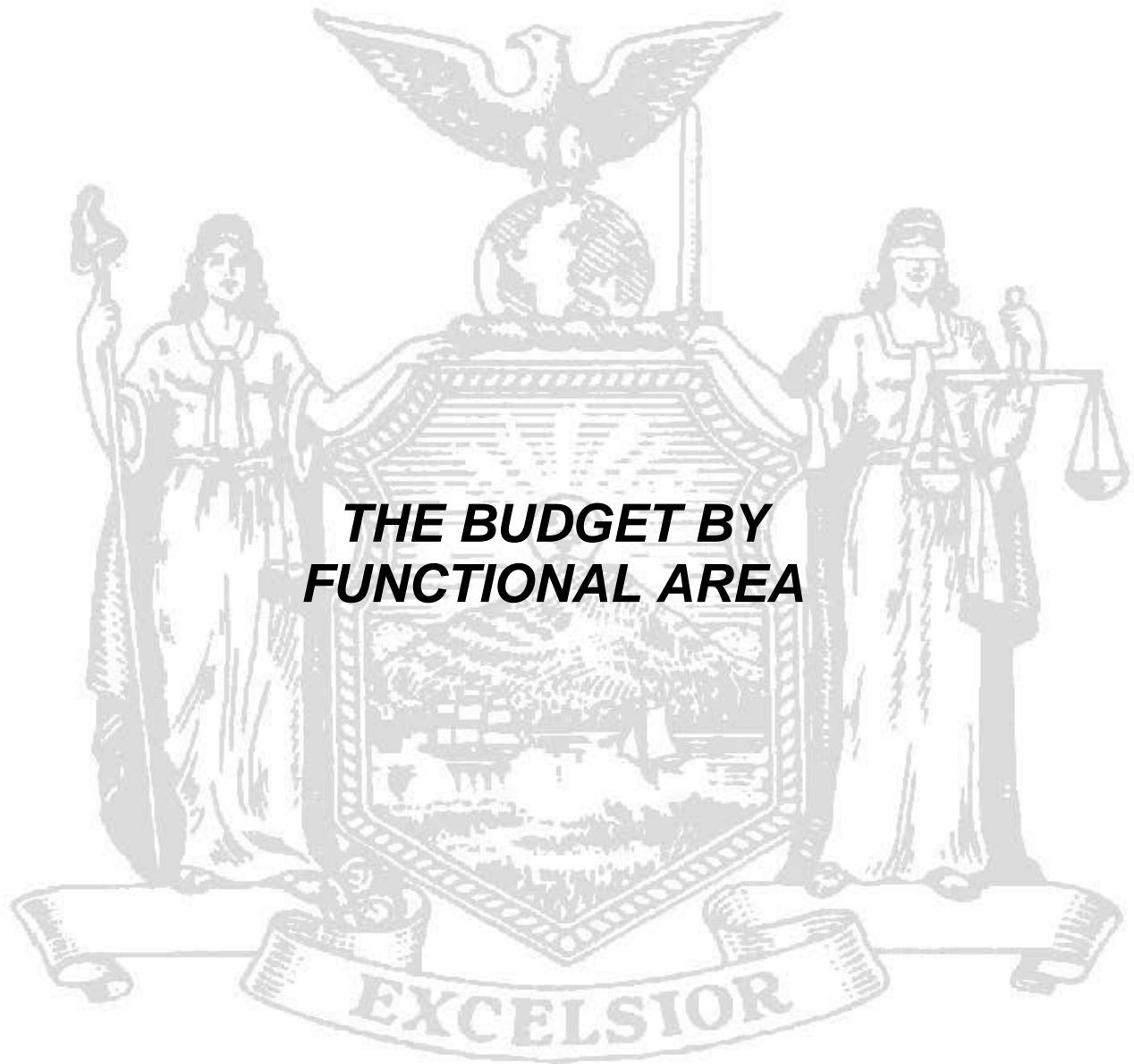
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PUBLIC PROTECTION AND GENERAL GOVERNMENT

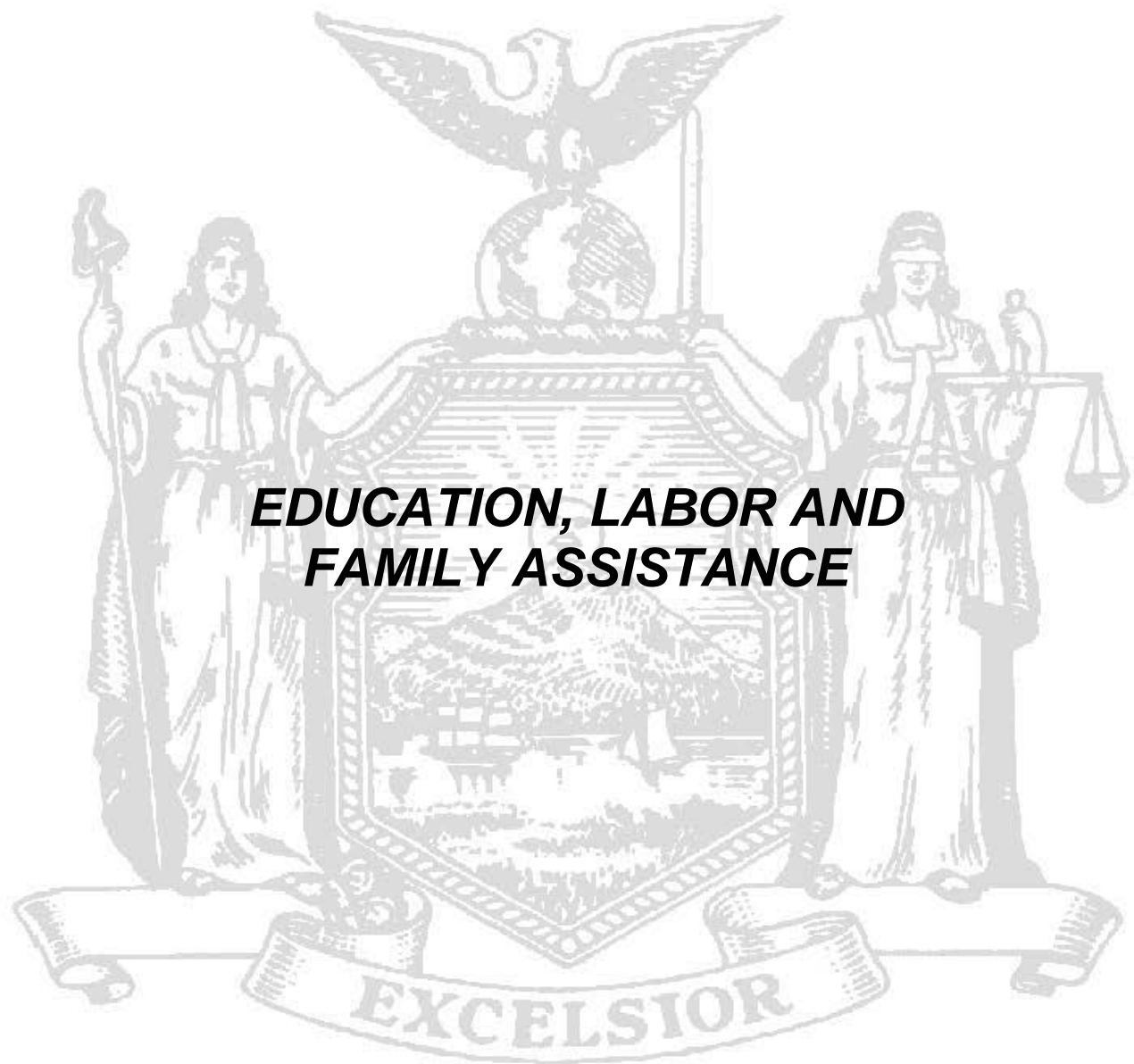
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PART I



THE BUDGET BY FUNCTIONAL AREA



***EDUCATION, LABOR AND
FAMILY ASSISTANCE***

OVERVIEW AND PERFORMANCE MEASURES

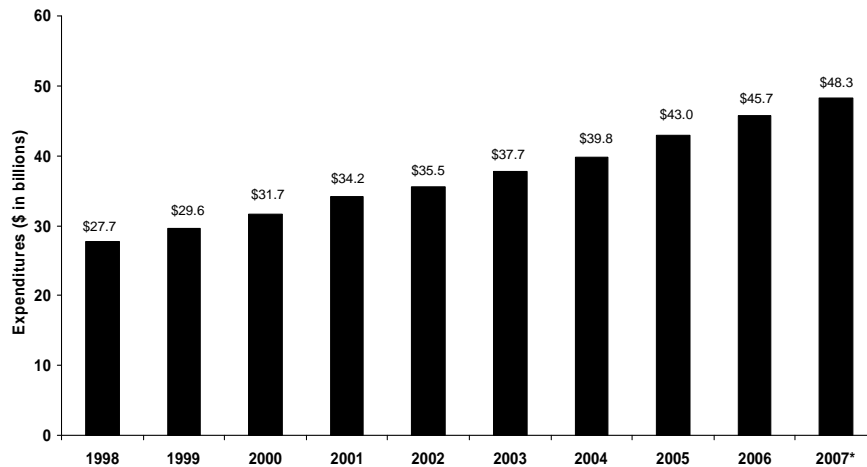
ELEMENTARY AND SECONDARY EDUCATION

The following charts provide information on performance and fiscal measures related to New York's K-12 elementary and secondary education program. As noted in the data below, New Yorkers make a significant investment in education. Through a combination of State and local taxpayer support, New York spent approximately \$15,263 per pupil in 2006-07 — more than every other state except Vermont, and 1.5 times the national average of \$10,212.

The information below is based on the most recent data available from the National Center for Education Statistics (NCES), the National Education Association (NEA) and the New York State Education Department (SED), and includes:

- The total amount of resources provided for K-12 purposes in New York.
- Student-teacher ratios in 2005 for New York and other comparable states.
- Total spending per pupil in 2007 for New York and other comparable states.
- Total spending per pupil for New York and the national average from 1998 through 2007.
- Trends in fourth and eighth grade State assessments in Math and English.

New York K-12 Total Public School Expenditures

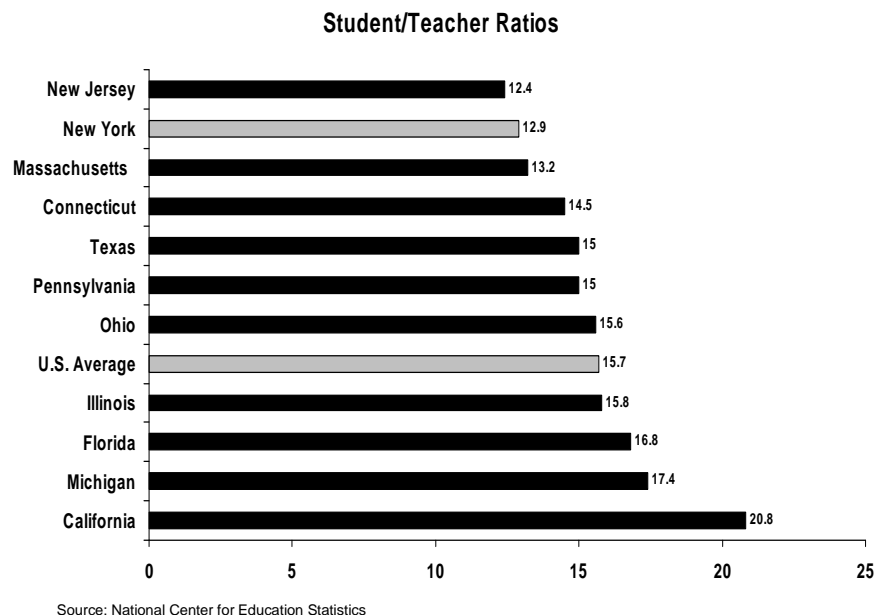


Source: The New York State Education Department

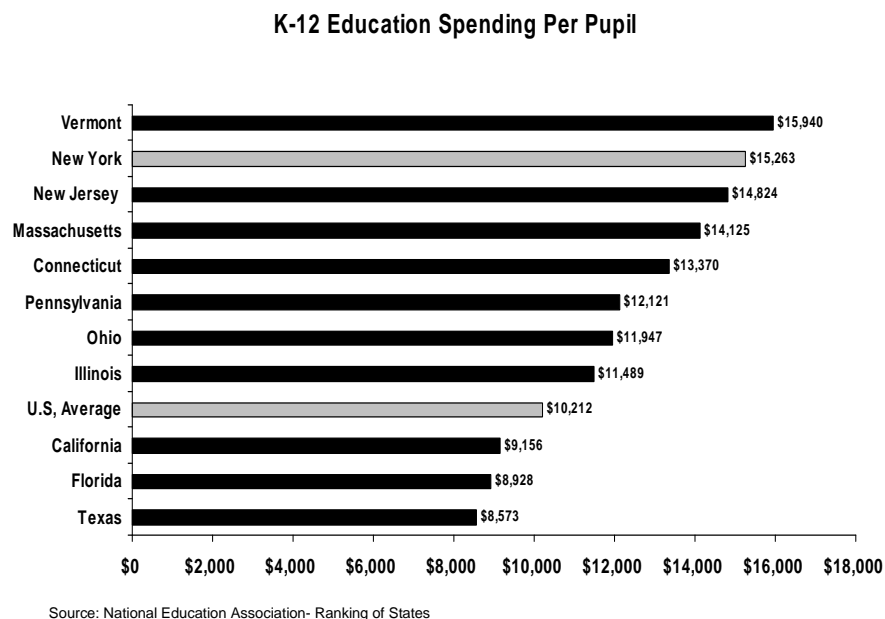
* estimate

Of the approximately \$48.3 billion in resources provided to New York's public elementary and secondary schools in school year 2006-07, the State contributed approximately 44 percent (\$21.4 billion). The other 56 percent was a combination of local and Federal funding.

ELEMENTARY AND SECONDARY EDUCATION

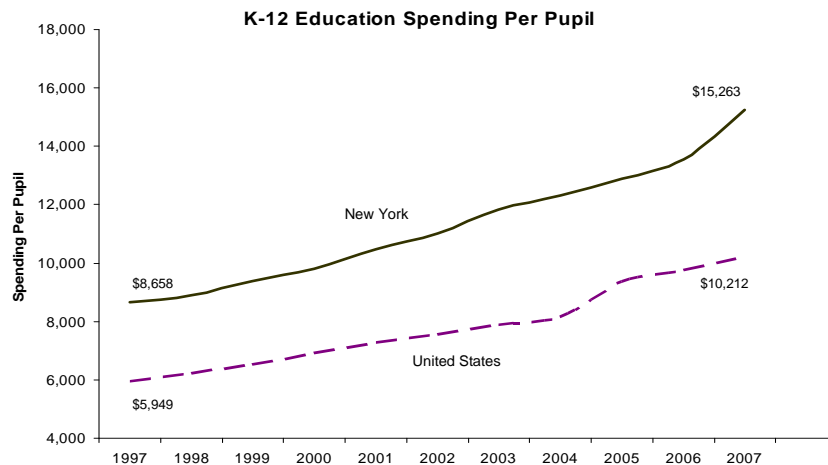


New York's student teacher ratio (12.9) in 2005-06 was richer than most of its peer states, as well as richer than the national average (15.7). New York's number of students per teacher decreased by 2.6 students between 1995 and 2006, while the national average decreased by 1.6 students during this time.



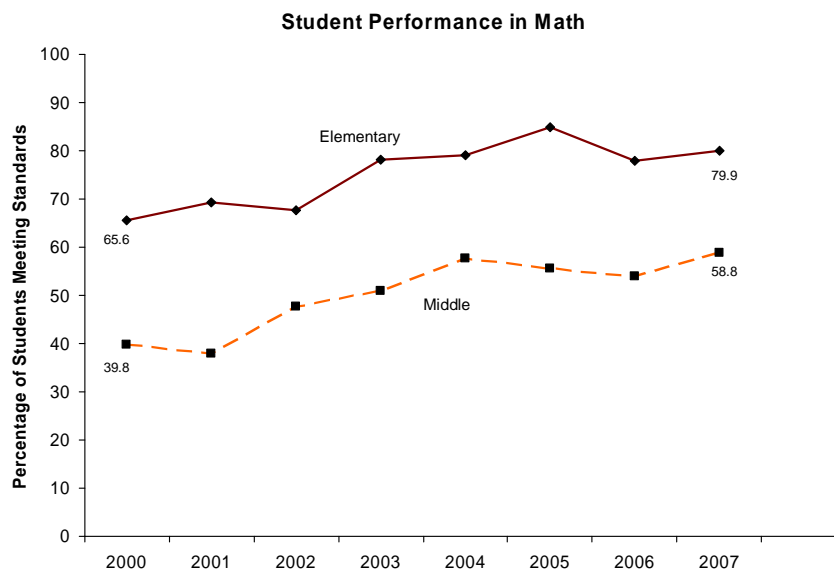
New York has ranked either first or second nationally in per pupil spending for each of the five most recent years for which data are available. In 2006-07, New York's per pupil spending of \$15,263 was 1.5 times the national average of \$10,212.

ELEMENTARY AND SECONDARY EDUCATION



Source: National Educational Association – Ranking of States

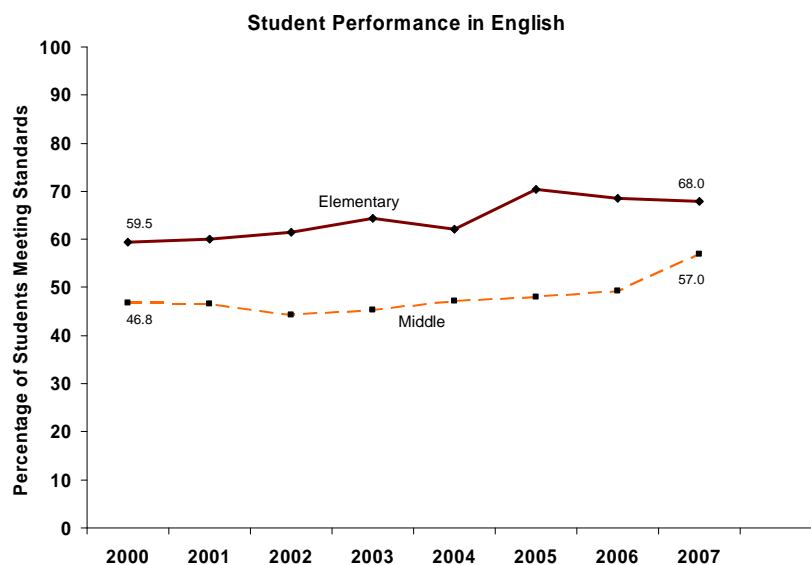
Between 1997 and 2007, New York's total spending per pupil increased at an annual rate of 5.5 percent, which was above the national average (5.2 percent). Between 2003 and 2007, New York's growth in per pupil spending has been even higher at 6.3 percent and has remained above the national average (5.8 percent) during this time period. This spending includes administrative costs as well as funding dedicated directly to student education.



Source: The New York State Education Department

ELEMENTARY AND SECONDARY EDUCATION

The percentage of fourth-graders and eighth-graders meeting the State's math standards has improved significantly since 2000. In 2007, nearly 80 percent of New York's fourth-graders met the State's math standards. At both the fourth-grade and eighth-grade levels, a significantly higher percentage of students met the State's math standards in 2007 than in 2000.



Source: The New York State Education Department

The percentage of fourth-graders meeting the State's English standards has improved to 68 percent in 2007 from 59.5 percent in 2000. The percentage of eighth-graders has increased from 46.8 percent to 57.0 percent, an increase of 21.8 percent.

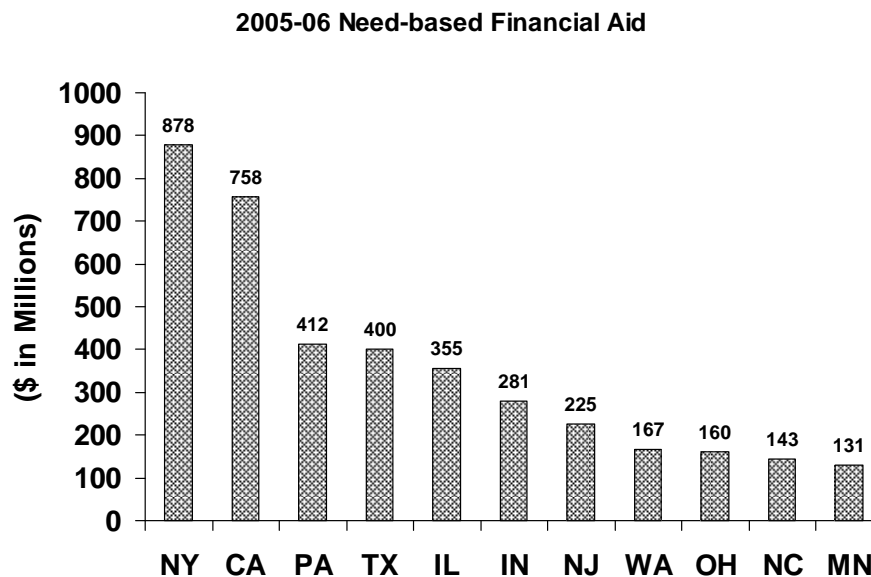
HIGHER EDUCATION

The following charts provide information on performance and fiscal measures related to higher education in the State of New York. New Yorkers have access to an affordable, quality education at our public and private colleges and universities as demonstrated by:

- Tuition Assistance Program. New York remains the national leader in providing need-based student financial aid.
- Access. Total enrollment at our public and private colleges and universities has reached an all-time high. Minority enrollment at our public universities is also at record levels.
- Affordability. Tuition and fees at New York's four-year public colleges and universities are not only competitive with, but are generally more affordable than most other public colleges and universities in the Northeastern and Mid-Atlantic United States.
- Quality. The quality of students admitted to our public university systems continues to improve. Average SAT scores of incoming freshman in Fall 2005 reached an all time high and declined only slightly in 2006.

Information is based on the most recent data available from a variety of sources, including the College Board, the State Education Department (SED), The State University of New York (SUNY), the City University of New York (CUNY), the National Association of State Student Grant and Aid Programs, and the National Center for Education Statistics.

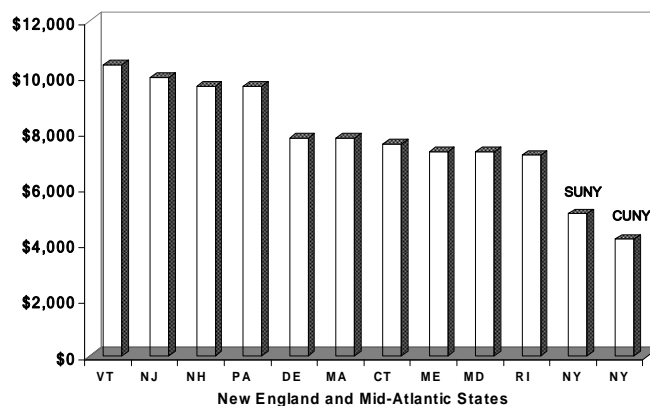
ACCESS AND AFFORDABILITY



Source: National Association of State Student Grant and Aid Programs

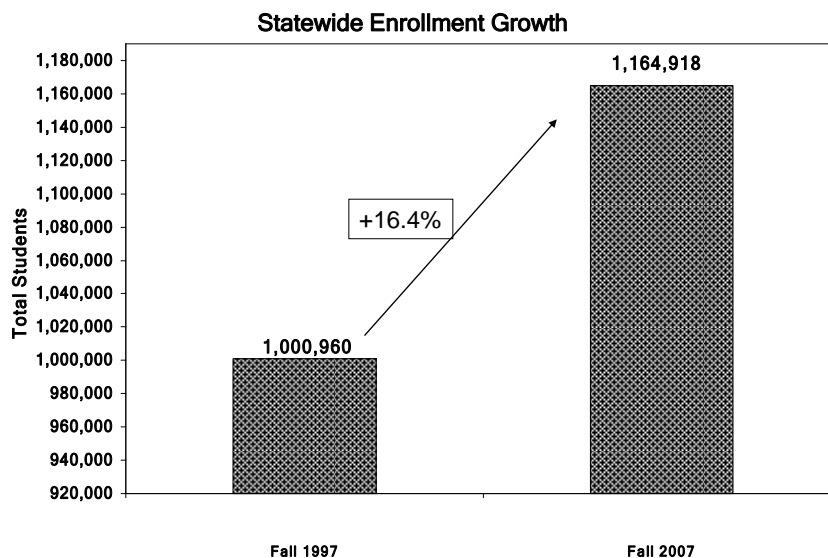
New York provides more need-based financial aid than any other state in the nation. New York also ranks first in the nation in the number of financial aid recipients.

Tuition and Fees



Source: The College Board: Trends in College Pricing 2007

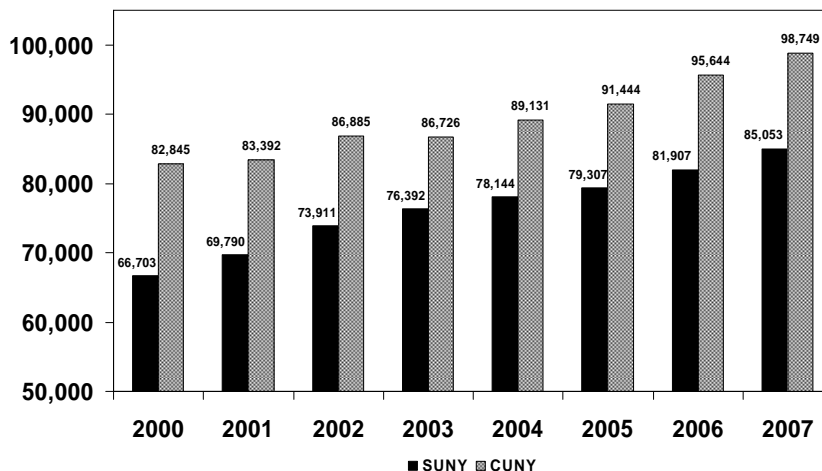
In 2007-08, tuition and fees at New York's four-year public colleges and universities were below those charged at other public institutions in New England and the Mid-Atlantic states.



Source: New York State Education Department
Fall 2007 Enrollment figures are preliminary

Total student enrollment at New York's public and private colleges and universities has grown by 16.4 percent since Fall 1997 and hit an all-time high of 1,164,918 students in Fall 2007.

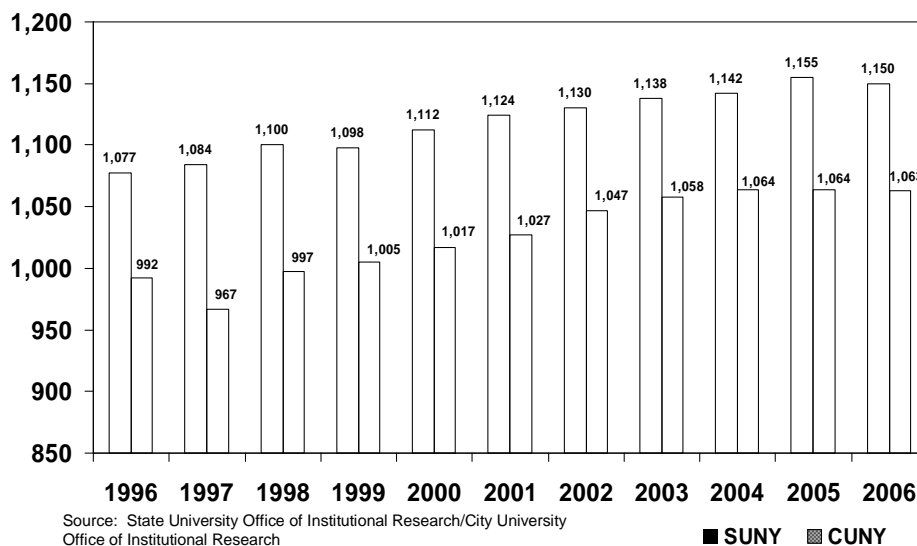
Minority Enrollment at SUNY and CUNY



Source: State University of New York/CUNY Office of Institutional Research

In 1999, the CUNY Board of Trustees amended its Master Plan to establish more rigorous admissions criteria and implement a new remedial education policy. Despite concerns expressed by some critics regarding the potential impact of this policy change, CUNY's minority enrollments have continued to climb – growing by more than 19.2 percent since 2000. Minority enrollment at SUNY has increased to over 85,000 students – the highest level in SUNY history.

Average Freshman SAT Scores

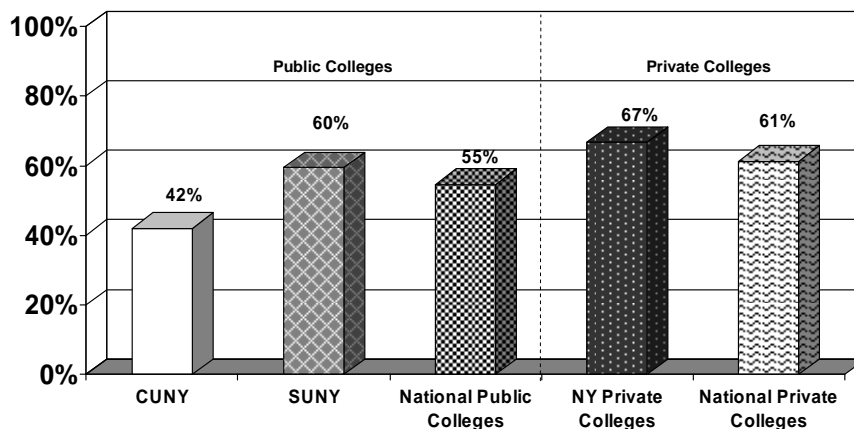


Source: State University Office of Institutional Research/City University Office of Institutional Research

HIGHER EDUCATION

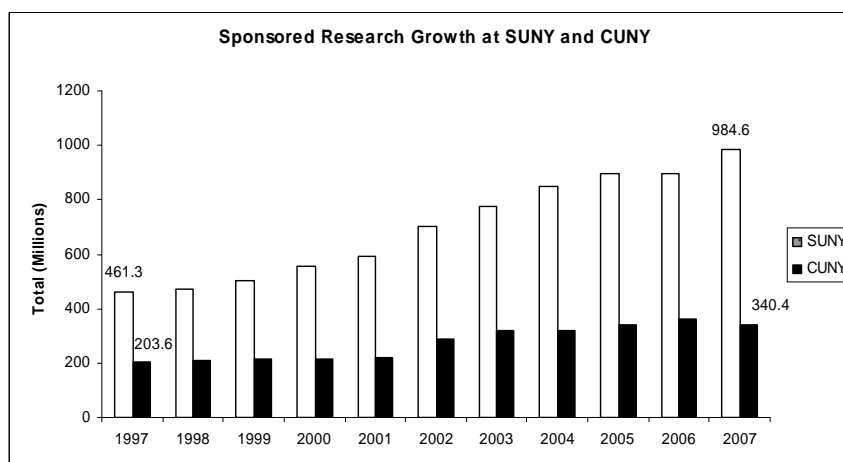
The academic profile of incoming students at SUNY State-Operated campuses and CUNY Tier I senior colleges is stronger than ever before. SAT scores of incoming SUNY freshman increased from 1,077 in Fall 1996 to 1,150 in Fall 2006. Average SAT scores of admitted freshman at CUNY's five Tier I colleges have also improved, growing from 992 in Fall 1996 to 1,063 in Fall 2006.

Bachelor Degrees within 6 Years



Sources:
New York State Education Department 2006 Graduation Rate Survey
National Rates: Federal IPEDS GR Survey, Preliminary Data

Overall, graduation rates for SUNY and for private colleges in New York are above the national averages for public and private colleges, respectively.



Source: SUNY Research Foundation/CUNY Research Foundation

Since 1997, research and other sponsored program expenditures have grown by \$523.3 million (113.4 percent) at SUNY and by over \$136.8 million (67.2 percent) at CUNY. In fiscal year 2007, SUNY recorded 201 patent applications and 40 patents, with royalties totaling more than \$11.6 million.

**U.S. News & World Report
Best National Universities-Top 100**

| | |
|----------------------------------------------------|----|
| Columbia University | 9 |
| Cornell University | 12 |
| New York University | 34 |
| University of Rochester | 35 |
| Rensselaer Polytechnic Institute | 44 |
| Syracuse University | 50 |
| Yeshiva University | 52 |
| Fordham University | 67 |
| SUNY-Binghamton | 82 |
| SUNY-College of Environmental Science and Forestry | 85 |
| SUNY-Stony Brook | 96 |

Source: U.S. News "America's Best Colleges 2008"

In 2007, 11 of New York's public and private universities were ranked among the top 100 best universities in the nation.

PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

The following charts provide some information on performance and fiscal measures related to New York's public assistance and children's services programs.

The Federal Temporary Assistance for Needy Families (TANF) Block Grant provides assistance and work opportunities to needy families by granting states the funding and flexibility to develop and implement their own welfare programs. In addition, New York operates a Safety Net program that provides assistance to poor individuals who do not qualify for TANF. New York is one of only 10 states that provides benefits above and beyond the TANF program.

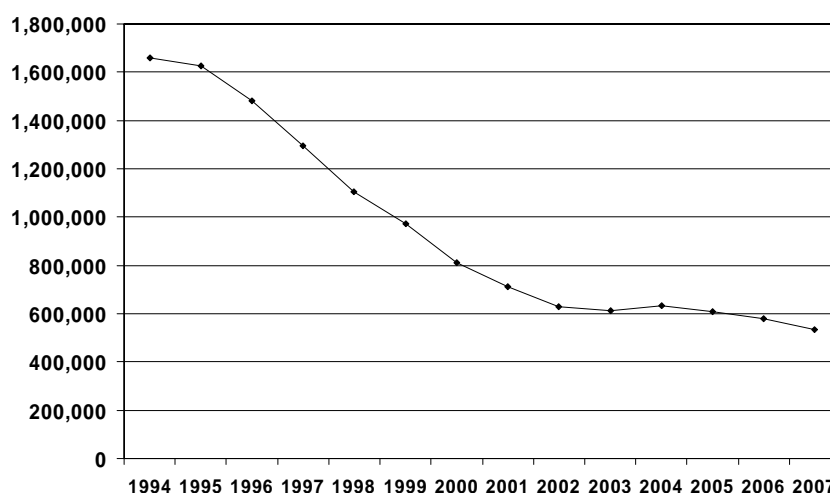
New York State has used savings generated from welfare reform and corresponding caseload declines to fund a variety of support programs that help low-income, working families obtain and retain employment and remain financially independent.

In addition, New York State also continues to enhance the well-being of children through initiatives that reduce reliance on foster care while increasing the number of children placed in permanent homes.

The following information is based on the most recent data available for New York State and includes:

- The public assistance caseload from 1994 through 2007.
- The number of New Yorkers who have received the Earned Income Tax Credit since 1994.
- Funding for child care in 1995 and 2007.
- Total child support collections between 2002 and 2007.
- The foster care caseload from 1998 through 2007.
- The growth in the number of former foster care children receiving adoption subsidies from 1998 through 2007.

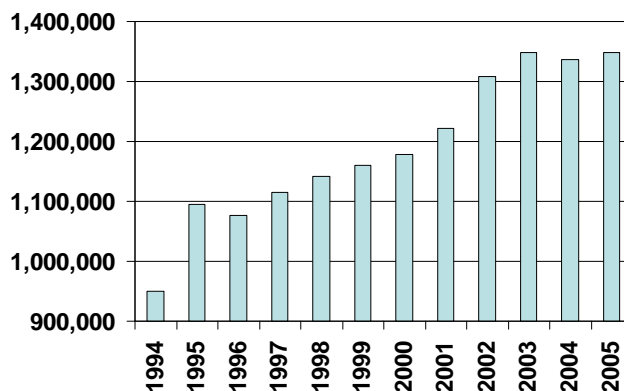
Public Assistance Caseload



PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

Since its high point in April 1994, more than 1.1 million recipients have transitioned off public assistance. As a result, New York State has been able to apply more of its annual \$2.4 billion TANF Block Grant towards supportive services including the earned income tax credit (EITC) child care subsidies, and programs for at risk families.

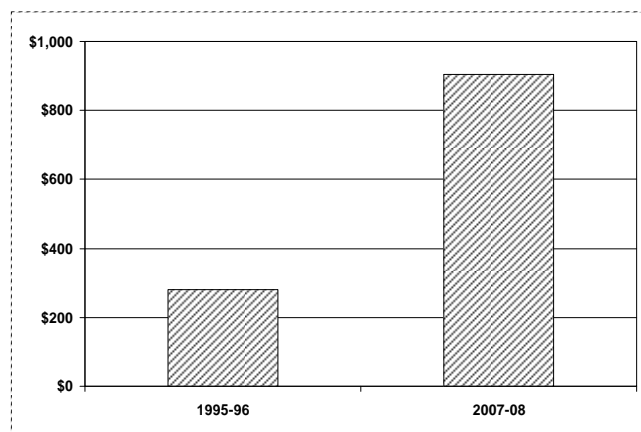
New Yorkers in Receipt of the Earned Income Tax Credit



The New York State EITC – a compliment to the Federal EITC – is a refundable tax benefit for individuals with low or moderate incomes. Serving as an incentive for individuals and families to maintain employment and avoid public assistance, the amount of EITC benefit is dependent on a family's earnings and size. A low-income, working family of three could receive as much as \$6,131 annually from the combined State and Federal EITC – making New York State one of the most generous in the nation.

State Child Care Block Grant Funding

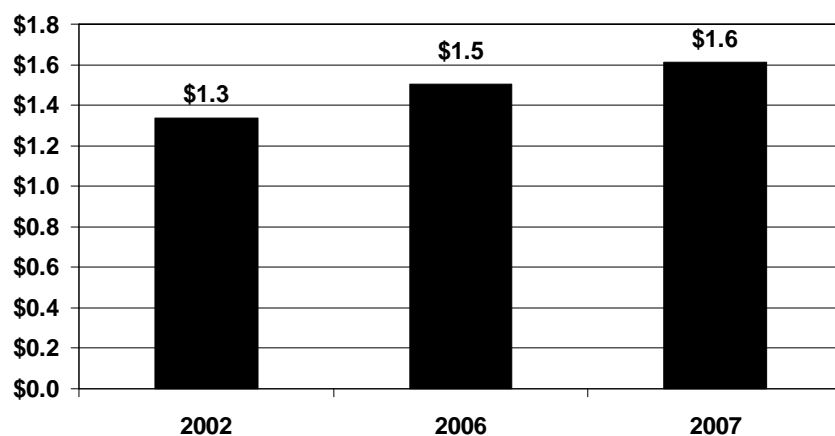
(\$ in millions)



Child care remains one of the most critical components of the welfare program, not only because it enables families on public assistance to transition off welfare, but because it eases the financial burden of low-income, working families, thereby reducing the likelihood they will need public assistance. In 1995, the Child Care Block Grant, comprising State, Federal and local dollars, was \$279 million. Over the past twelve years, this amount has been increased by 225 percent – to \$906 million.

Child Support Collections

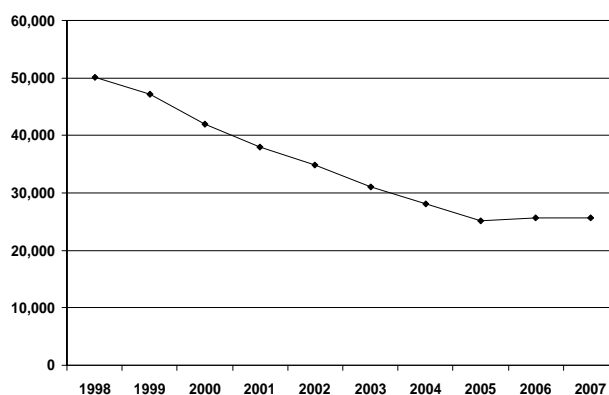
(\$ in billions)



In 2007 Child Support collections reached \$1.62 billion, the largest in State history.

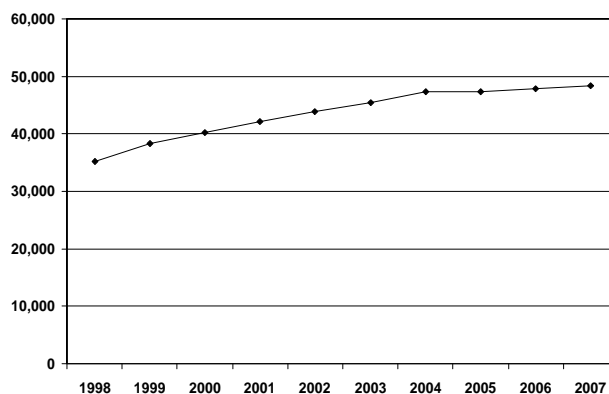
PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

Foster Care Caseload



Since 1998, the number of children in foster care has decreased by 49 percent – from 50,034 to an estimated 25,997 in 2007.

Adoption Caseload



The number of adoption subsidies provided to former foster children rose from 35,199 in 1998 to an estimated 48,306 in 2007, an increase of approximately 37 percent.

COUNCIL ON THE ARTS

MISSION

The primary responsibility for oversight and administration of the State's artistic and cultural resources is assigned to three existing entities — the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. Working together, these agencies expand access to the performing and fine arts, preserve the State's cultural resources and promote greater public awareness of New York's rich cultural heritage.

ORGANIZATION AND STAFFING

The Council on the Arts is headed by a Chair and a Vice Chair and consists of 20 members nominated to 5-year terms by the Governor with confirmation by the Senate. The Council's staff, headed by an Executive Director, is organized into an Administrative Division and a Program Division, both located in New York City. The Council has expertise in several major artistic disciplines (including dance, theater and music) and provides advisory services and financial assistance to New York's arts community. In 2008-09, the Council on the Arts will have a workforce of 55 for the review, processing and administration of arts grants and loans to non-profit organizations.

The Empire State Plaza Performing Arts Center Corporation (the "Egg") was established in 1979 as a public benefit corporation to administer a performing arts center in Albany that offers a diverse array of cultural and artistic programming. An 18-member Board of Directors — consisting of the Commissioner of General Services and members appointed by the Governor, leaders of the Legislature, as well as the Mayor and County Executive of Albany — provides policy direction for the Corporation and appoints its Executive Director. The Chair of the Board is selected by the Governor. The Corporation has a full-time staff of nine.

The New York State Theatre Institute (NYSTI) was established in 1974 and reconstituted in 1992 as a public benefit corporation to provide educational theater experiences for children and families across the State. The Governor appoints the Chair of the Board of Directors whose 15 members are selected by the Governor and legislative leaders. The Chief Executive Officer of the Institute is its Producing Artistic Director, who is appointed by the Board. The Institute's staff of 33 is based in Troy, where its office, production and instructional facilities are located.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$60.8 million (\$55.1 million General Fund; \$5.7 million Other Funds)** for the New York State Council on the Arts (NYSCA), the Egg, and NYSTI. This is a decrease **\$2.3 million in Other Funds** from the 2007-08 budget. This net change primarily reflects the elimination of one-time expenses for retroactive NYSTI fringe benefits and indirect costs and the Arts Institutions Revolving Loan Fund. The Executive Budget recommendation continues \$1.5 million in Federal funds, the same level as the 2007-08 budget.

The Executive Budget recommends a staffing level of **55 FTEs** for the Council on the Arts, the same level as the 2007-08 budget.

Major budget actions include:

- **NYSCA:** The 2008-09 Executive Budget recommendations provide \$6.1 million for administration of the Council's programs and \$49 million in General Fund support for arts grants, decentralization grants and arts-in-education grants, the same level as the 2007-08 budget.
- **NYSTI and The Egg:** For 2008-09, funding will again be provided to the Egg and NYSTI from existing dedicated revenue in the Cultural Education Account. Special revenue funding of \$650,000 is provided for the Egg and \$3,272,300 for NYSTI. Receipts from ticket sales, private donations, and sales and lease of products and facilities will supplement State funds provided to these organizations.

PROGRAM HIGHLIGHTS

Council on the Arts. Approximately 97 percent of the funding for the Council on the Arts is provided by the State's General Fund. Federal grants from the National Endowment for the Arts are projected to represent approximately 3 percent of 2008-09 funding. Grants to not-for-profit arts organizations represent approximately 92 percent of the projected expenditures of the Council. The remainder is used for the administration of grant programs and the statewide promotion and development of artistic and cultural programs.

Since April 1995, the Council has distributed approximately 32,000 grants totaling over \$474 million to nearly 2,000 cultural organizations. Grant awards to non-profit arts organizations are approved through a multi-step review process, which ensures fair and equitable treatment of all applicants. Program audits are also conducted to promote accountability by monitoring program quality and contractual compliance.

The Council receives approximately 3,000 requests for funding each year from organizations throughout the State including symphony orchestras, museums, dance companies, theaters and libraries. To recognize program excellence and promote regional diversity, the Council provides each county with a minimum base allocation of 40 cents per person in cultural funding.

Performing Arts Center Corporation (the "Egg"). During the 2006-07 season, the Egg hosted over 220 events that featured dance, music and theatre companies from across the State and around the world. The Center's performing arts series, is being expanded with the addition of the new "Living Legacy" project, which explores the contributions of major New York artists through performances and outreach events throughout the community. The Center hosts three performing arts "camps", as well as a three-week intensive ballet workshop and continues to be the home of the Ellen Sinopoli Dance Company and the Student Theatre Outreach Program.

New York State Theatre Institute (NYSTI). In 2007-08, NYSTI served schools, teachers, interns and families across the State through its productions, educational programs, in-class preparations, Theatre Arts School, Summer Stage and Summer Theatre Institute programs. The Institute has certified high school units and college credits to high school seniors and college students who participate in its internship program. Among NYSTI's accolades are: the award of an Emmy for its video production of *Hizzoner!*, recognition citations from the John F. Kennedy Center for the Performing Arts, and Audie Awards for artistic achievement in 1999, 2000, 2004, 2005, 2006 and 2007. NYSTI also received the American Alliance for Theatre and Education Award for artistic achievement, a Telly Award and a Worldfest Charleston Silver Award for its video production of *A Tale of Cinderella* as well as a Benjamin Franklin Award for its production of *The Snow Queen*.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|--------------------|-----------------------------------------------------|
| State Operations | 11,327,000 | 10,064,300 | (1,262,700) | 400,000 |
| Aid To Localities | 51,713,000 | 50,713,000 | (1,000,000) | 11,453,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 63,040,000 | 60,777,300 | (2,262,700) | 11,853,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 55 | 55 | 0 |
| Total | 55 | 55 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|--------------------|
| General Fund | 6,066,000 | 6,142,000 | 76,000 |
| Special Revenue Funds - Other | 5,261,000 | 3,922,300 | (1,338,700)* |
| Total | 11,327,000 | 10,064,300 | (1,262,700) |

Adjustments:
Recommended Deficiency
Arts, Council on the
Special Revenue Funds - Other
Appropriated 2007-08

(2,468,000)
8,859,000

*Excluding 2005-06 and 2006-07 fringe and indirect cost deficiency amounts, the year-to-year change totals \$169,300.

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------------------|------------------------------|--------------------------------|--------------------|
| Administration | | | |
| General Fund | 6,066,000 | 6,142,000 | 76,000 |
| Empire State Performing Arts Center Corporation | | | |
| Special Revenue Funds - Other | 634,000 | 650,000 | 16,000 |
| New York State Theatre Institute | | | |
| Special Revenue Funds - Other | 4,627,000 | 3,272,300 | (1,354,700) |
| Total | 11,327,000 | 10,064,300 | (1,262,700) |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total Amount | Change | Personal Service Regular (Annual Salaried) Amount | Change |
|----------------|-------------------------|---------------|------------------------------------------------------------------|---------------|
| Administration | 4,214,000 | 31,000 | 4,214,000 | 31,000 |
| Total | 4,214,000 | 31,000 | 4,214,000 | 31,000 |

ARTS

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------|-----------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 1,928,000 | 45,000 | 39,000 | 1,300 |
| Total | 1,928,000 | 45,000 | 39,000 | 1,300 |

| Program | Travel | | Contractual Services | |
|----------------|--------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 77,000 | 1,700 | 1,735,000 | 40,300 |
| Total | 77,000 | 1,700 | 1,735,000 | 40,300 |

| Program | Equipment | |
|----------------|-----------|--------|
| | Amount | Change |
| Administration | 77,000 | 1,700 |
| Total | 77,000 | 1,700 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------------------|-----------|-------------|------------------|--------|
| | Amount | Change | Amount | Change |
| Empire State Performing Arts Center Corporation | 650,000 | 16,000 | 193,900 | 3,700 |
| New York State Theatre Institute | 3,272,300 | (1,354,700) | 1,968,500 | 68,600 |
| Total | 3,922,300 | (1,338,700) | 2,162,400 | 72,300 |

| Program | Nonpersonal Service | |
|-------------------------------------------------|---------------------|-------------|
| | Amount | Change |
| Empire State Performing Arts Center Corporation | 456,100 | 12,300 |
| New York State Theatre Institute | 1,303,800 | (1,423,300) |
| Total | 1,759,900 | (1,411,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 49,000,000 | 49,000,000 | 0 |
| Special Revenue Funds - Federal | 1,513,000 | 1,513,000 | 0 |
| Special Revenue Funds - Other | 1,200,000 | 200,000 | (1,000,000) |
| Total | 51,713,000 | 50,713,000 | (1,000,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| General Fund | 49,000,000 | 49,000,000 | 0 |
| Special Revenue Funds - Federal | 1,513,000 | 1,513,000 | 0 |
| Special Revenue Funds - Other | 1,200,000 | 200,000 | (1,000,000) |
| Total | 51,713,000 | 50,713,000 | (1,000,000) |

CITY UNIVERSITY OF NEW YORK

MISSION

The City University of New York (CUNY) is the nation's largest urban public university system. The City University had its origin in the Free Academy established in 1847 under the auspices of the New York City Board of Education. The University's mission is to provide affordable higher education with a focus on the urban community of New York City.

ORGANIZATION AND STAFFING

The City University of New York has 11 senior colleges, a Graduate School and University Center, a Graduate School of Journalism, a Law School and 6 community colleges. The University is governed by a 17-member Board of Trustees comprised of: 10 members appointed by the Governor, 5 members appointed by the Mayor and 2 ex-officio members — the chairs of the Student Senate and the Faculty Senate.

The chief executive officer of the University is the Chancellor, who is appointed by the Board of Trustees. Individual college presidents are also appointed by the Board of Trustees. University operations are subjected to fewer State government controls than are imposed on other State agencies, reflecting executive and legislative interest in providing enhanced administrative and managerial flexibility to the City University.

The City University's operating budget supports an estimated 11,450 full time equivalent positions consisting of 11,270 positions supported through a combination of State tax dollars and tuition revenues and 180 positions supported through other funds. Community college staff are not included in these totals as they are not employees of the State.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$4.8 billion (\$1.2 billion General Fund; \$1.7 billion Fiduciary Fund; \$1.7 billion Capital Funds; \$145 million Other Funds)** for the City University of New York. This is an increase of **\$1.6 billion (\$73 million General Fund; \$72 million Fiduciary Fund; \$1.4 billion Capital Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in personal services, nonpersonal services, fringe benefits and other inflationary costs, major budget actions described below and other measures. The Executive Budget does not assume a tuition increase. Therefore, CUNY's Senior College Tuition Revenue Offset will remain level at \$641.4 million, which includes a 2007-08 adjustment to fold in \$20 million in tuition revenues resulting from ongoing enrollment growth.

Major budget actions include:

- **New Five-Year Capital Program.** The Executive Budget recommends a new \$2.8 billion five-year capital investment program for CUNY, which provides for facility and infrastructure improvements at senior and community colleges, consistent with the University's needs and priorities. Funded projects encompass critical maintenance, health and safety, preservation and handicapped access projects, as well as the completion of ongoing projects at John Jay and Medgar Evers College, and the construction of new projects upon approval of the newly established University Capital Projects Review Board.

- **Nursing Programs.** The Executive Budget provides \$1 million to expand CUNY nursing programs.
- **Energy Costs.** The Executive Budget includes a \$45 million contingency appropriation outside of CUNY's appropriation schedule to cover extraordinary utility cost increases experienced by the University's Senior Colleges in 2008-09, should they arise.
- **Savings from Innovation and Enhanced Flexibility.** The Executive Budget recognizes the flexibility of the Board of Trustees to manage a \$16.7 million (2.5 percent) reduction in General Fund support in a manner that is responsive to student needs and University priorities. The Executive Budget also includes Article VII legislation that would enhance CUNY's existing flexibility in the areas of procurement and administration, which will facilitate the cost savings efforts.
- **\$50 per FTE Reduction in Community College Base Operating Aid.** Funding for base operating aid is reduced by \$50 per full-time equivalent (FTE) student, from \$2,675 to \$2,625 per FTE, to achieve savings of \$3.1 million on an academic fiscal year basis.

SENIOR COLLEGES

CUNY senior colleges have two major funding sources: State support and tuition revenue. Additional support is secured from New York City and from various fees. New York City provides support for the costs of associate degree programs at CUNY's senior colleges and a share of the central administration costs attributable to the community colleges. New York City also pre-finances CUNY's senior college operating costs, and the State subsequently reimburses the City for CUNY's net operating expenses.

For 2008-09, CUNY's gross operating budget will total \$1.7 billion, an increase of \$52.6 million, or 3.2 percent. Within this amount, taxpayer support will total \$1.0 billion, an increase of \$35.9 million, or 3.6 percent. CUNY's Senior College Tuition Revenue Offset will remain level at \$641.4 million, which includes a 2007-08 adjustment to fold in \$20 million in tuition revenues resulting from ongoing enrollment growth.

Special revenue funding for CUNY will remain level at \$145 million.

COMMUNITY COLLEGES

CUNY community colleges have three basic funding sources: State support, local support from New York City, and tuition revenue. Recommended State funding for community colleges of \$174.5 million reflects a net increase of \$1.7 million attributable to: a \$50 per FTE decrease in operating aid from \$2,675 to \$2,625, resulting in a funding decrease of \$3.1 million; revised enrollment projections, resulting in a \$2.1 million increase; and a \$2.7 million increase in rental aid for leased space at the Borough of Manhattan Community College due to the loss of Fiterman Hall in the wake of the 2001 World Trade Center attacks.

PROGRAM HIGHLIGHTS

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. Approximately 232,000 full-time and part-time students — 155,000 at the senior colleges and 77,000 at the community

colleges — were enrolled in degree programs for the fall 2007 semester. In addition, the University serves more than 230,000 individuals through adult and continuing education courses. CUNY's academic offerings include the following important programs:

- The Language Immersion Program is designed to strengthen the language skills of first year students prior to their entry into collegiate coursework. This intensive, full-time program has successfully taken a holistic approach to language development in the context of academic preparation. The program operates on nine campuses and, since its inception in 1995, has helped thousands of students prepare for full collegiate matriculation;
- The College Now Program is a joint project of the City University of New York (CUNY)/Office of Academic Affairs and the New York City Department of Education designed to improve the academic preparation of high school students and implement tougher graduation standards. College Now serves more than 30,000 students annually and offers dual enrollment programs in more than 250 New York City public high schools;
- The New York City Alliance for Minority Participation is a consortium of 16 CUNY campuses that have joined with the National Science Foundation in a cooperative venture to increase the number of under-represented students successfully completing science, mathematics, engineering and technology baccalaureate programs; and
- Approximately 120 research institutes and centers are located throughout the University. Notable examples include the Structural Biology Center — a consortium of public and private research institutions located on the City College campus, the Levich Institute for Physico-Chemical Hydrodynamics at City College and the Institute for Biomolecular Structure and Function at Hunter College.

In recent years, the CUNY Board of Trustees has advanced a series of significant actions to improve academic program quality and strengthen the planning and management functions of the University. These actions include the establishment of more rigorous admissions criteria and the successful implementation of a new remedial education policy. The Board of Trustees continues to encourage campuses to set higher standards, reduce time-to-program completion and reallocate resources through program consolidation.

The City University will continue implementing its Master Plan, which was approved by the Board of Regents in 2005. The Plan's objectives include: establishing a more rigorous and selective University system; creating a flagship environment; fostering a research environment; improving CUNY's teacher education programs; expanding collaborative and outreach programs with the New York City Board of Education; and facilitating economic development.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 1,772,937,607 | 1,845,568,800 | 72,631,193 | 0 |
| Aid To Localities | 1,136,570,745 | 1,210,227,600 | 73,656,855 | 0 |
| Capital Projects | 265,800,000 | 1,699,602,000 | 1,433,802,000 | 2,621,617,000 |
| Total | 3,175,308,352 | 4,755,398,400 | 1,580,090,048 | 2,621,617,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Special Revenue Funds - Other | 145,000,000 | 145,000,000 | 0 |
| Fiduciary Funds | 1,627,937,607 | 1,700,568,800 | 72,631,193 |
| Total | 1,772,937,607 | 1,845,568,800 | 72,631,193 |

Adjustments:

Prior Year Deficiency
City University of New York

| | |
|----------------------|---------------|
| Agency Trust Funds | 23,460,000 |
| Appropriated 2007-08 | 1,796,397,607 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 1,136,570,745 | 1,210,227,600 | 73,656,855 |
| Total | 1,136,570,745 | 1,210,227,600 | 73,656,855 |

Adjustments:

Prior Year Deficiency
City University of New York

| | |
|----------------------|---------------|
| General Fund | 8,082,000 |
| Appropriated 2007-08 | 1,144,652,745 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Community College Programs | | | |
| General Fund | 170,502,015 | 174,764,600 | 4,262,585 |
| Institutional Support Services | | | |
| General Fund | 963,043,030 | 1,033,463,000 | 70,419,970 |
| Senior College Pension Payments | | | |
| General Fund | 2,000,000 | 2,000,000 | 0 |
| Community Projects | | | |
| General Fund | 1,025,700 | 0 | (1,025,700) |
| Total | 1,136,570,745 | 1,210,227,600 | 73,656,855 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|----------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Senior Colleges | | | | |
| General Maintenance and Improvements | | | | |
| Capital Projects Fund | 0 | 23,232,000 | 23,232,000 | 37,750,000 |
| Cap Proj Fund - CUNY (Direct Auth Bonds) | 225,000,000 | 1,415,920,000 | 1,190,920,000 | 1,903,214,000 |
| Program Changes - Expansion and Improvements | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 1,584,000 |
| New Facilities | | | | |
| Cap Proj Fund - CUNY (Direct Auth Bonds) | 0 | 0 | 0 | 352,300,000 |
| Community Colleges | | | | |
| General Maintenance and Improvements | | | | |
| Capital Projects Fund | 0 | 2,750,000 | 2,750,000 | 13,511,000 |
| Cap Proj Fund - CUNY (Direct Auth Bonds) | 40,800,000 | 257,700,000 | 216,900,000 | 313,258,000 |
| Subtotal | 40,800,000 | 260,450,000 | 219,650,000 | 326,769,000 |
| Total | 265,800,000 | 1,699,602,000 | 1,433,802,000 | 2,621,617,000 |

STATE EDUCATION DEPARTMENT

MISSION

The State Education Department (SED) is the administrative agency of the Board of Regents. The Department's primary mission is to oversee public elementary and secondary education programs throughout New York and promote educational excellence, equity and cost-effectiveness.

ORGANIZATION

The Board of Regents oversees the State Education Department, which was originally established by the Legislature in 1784 and subsequently continued in the State Constitution. The Board of Regents is comprised of 16 members — one for each of the State's 12 judicial districts and four statewide members — who are elected by a joint session of the Legislature for staggered 5-year terms. The Board elects its chair, who holds the title Chancellor, and appoints the Commissioner of Education as the chief administrative officer of the Department.

The Department's central operations are located in the Education Building in Albany. The Department also has regional service facilities at various locations throughout the State.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$31.54 billion in All Funds support (\$19.15 billion General Fund; \$12.39 billion Other Funds)** for programs and operations of the State Education Department. This is an increase of **\$1.52 billion (\$1.19 billion General Fund; \$0.33 billion Other Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in School Aid of \$1.46 billion for the 2008-09 school year including an increase of \$899 million in Foundation Aid and an increase of \$347 million for school construction and transportation services; an appropriation increase of \$88 million for STAR and a Federal funds increase of \$73 million.

Recommended staffing levels for 2008-09 are projected to total **3,287 positions** at year's end, with 439 positions, or approximately 13 percent, supported by the General Fund. Various dedicated fees, charge-backs and Federal grants will support the remaining staff.

SCHOOL AID

The Executive Budget continues the multi-year education improvement strategy through continued implementation of the plan to increase State support for education coupled with accountability measures.

Major budget actions for the 2008-09 school year include:

- **School Year Support:** The Executive Budget provides \$21.01 billion in State support for public schools for the 2008-09 school year, an increase of \$1.46 billion, or 7.45 percent. When this amount is combined with the increase in school aid provided last year, State support for public schools will have increased by \$3.18 billion compared to the amounts provided in 2006-07. By 2010-11, the 4-year increase will be over \$7 billion.

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- **Fiscal Year Support:** The Executive Budget provides \$20.43 billion in State support for public schools in 2008-09, a fiscal year increase of \$1.39 billion, or 7.3 percent.
- **Foundation Aid:** The Executive Budget continues implementation of Foundation Aid. Based on updated wealth and demographic information reported by school districts, the expected amount and distribution of Foundation Aid changed significantly under present law. While the basic elements of Foundation Aid, such as calculating funding based on the cost of a successful education and student needs remain in place, the Executive Budget recommends several adjustments to the formula. These adjustments will ensure that high needs school districts continue to receive the greatest increases in Foundation Aid. In addition, for 2008-09, all school districts will receive a minimum increase of 2 percent and a maximum increase of 15 percent in total Foundation Aid. In 2008-09, school districts will receive 37.5 percent of the planned four year increase. These changes result in a recommended increase of \$899 million. Since the inception of Foundation Aid, school districts will have received approximately \$2 billion in additional Foundation Aid payments.
- **Universal Prekindergarten:** The Executive Budget recommends total funding of \$452 million for the 2008-09 school year to expand access to quality prekindergarten programs. The recommended formula for the 2008-09 school year includes a targeted approach to expansion while also providing school districts with stability in funding. When fully implemented in the 2010-11 school year, it is projected that total funding for Universal Prekindergarten will grow to \$633 million. The Executive Budget also recommends \$2 million for Universal Prekindergarten and Full Day Kindergarten planning and transition grants.
- **Support for School Construction:** The Executive Budget recommends over \$2 billion in State support for the construction of school facilities, an increase of \$174 million. The Executive Budget recommends modifications to conform payment of building aid to New York City for new projects to the process used for all other school districts in the State. In addition, in 2008-09, the State will provide EXCEL Building Aid totaling \$135 million — reflecting the State's 2008-09 debt service cost for EXCEL bonds. EXCEL will provide school districts with \$2.6 billion in bonded State grants to support school construction costs that are associated with increasing school capacity to reduce overcrowding in classrooms and projects related to health and safety and improving energy efficiency. As additional bonds are issued up to the total authorized amount of \$2.6 billion, the annual amount of EXCEL Building Aid will increase to \$191 million.
- **High Tax Aid:** The Executive Budget continues State funding of \$100 million for High Tax Aid for school districts with high tax effort relative to the statewide average. However, the recommended allocation of High Tax Aid for 2008-09 would direct a greater proportion of aid to high and average need school districts.
- **BOCES:** The Executive Budget recommends modifications to the existing BOCES Aid formula to more accurately reflect school districts' current fiscal capacity as measured by both relative income and property wealth. The Executive Budget recommends \$594 million in BOCES Aid in 2008-09. This reflects a year-to-year decrease of \$31 million due to a change in the reimbursement ratio.
- **Transportation Aid:** The Executive Budget recommends more than \$1.52 billion for reimbursement for the costs of transporting 2.3 million students statewide. This represents an increase of \$108 million.

- **Bilingual Education/English Language Learners:** The Executive Budget recommends \$13.5 million in funding for Bilingual Education grants, an increase of \$2 million. These funds support programs which include technical assistance centers, two-way Bilingual classrooms, intensive Bilingual teacher training and leadership programs. The increase will provide incentive funds for school districts to implement model programs with demonstrated effectiveness. Additionally, the Executive Budget recommends increasing funding for the State University of New York's (SUNY) Office of Diversity and Educational Equity by \$200,000 to provide resources necessary for the development and dissemination of model programs proven to be effective in meeting the needs of English Language Learners.
- **Healthy Schools:** The Executive Budget proposes measures which enhance the nutritional quality of school meals while improving access and affordability. Specifically, reimbursement for school meals will be increased by \$9 million for the 2008-09 school year, so that all children now eligible for reduced price meals will be able to receive school meals at no cost. In addition, beginning in 2009-10, State reimbursement for all meals will be increased to enable schools to purchase healthier food.
- **Charter Schools:** The Executive Budget provides \$21 million in Transitional Aid for school districts impacted by a concentration of charter schools, as well as \$6 million for technical assistance and start-up grants for Charter Schools.
- **Math/Science Initiatives:** The Executive Budget continues the \$10 million provided for math and science initiatives. The uses of the funding will be expanded to include pre-engineering and advanced hands-on technical learning opportunities, such as robotics, that are an essential part of modern scientific applications.
- **New York City Academic Achievement Grant:** The Executive Budget recommends two New York City Academic Achievement Grants of \$100 million and \$79 million. These grants will be available for operating expenses, if not required to offset additional expense-based aid claims.
- **Special Services Aid:** The Executive Budget recommends total funding of \$171 million, an increase of \$39 million. This aid category funds career education programs and computer services for school districts that are not component districts of BOCES.
- **Supplemental Educational Improvement Plan Grant:** The Executive Budget includes \$17.5 million for this program, which provides additional resources to the Yonkers City School District in support of its educational improvement plan.
- **Categorical Teacher Programs:** Support for programs to attract, retain and support teachers is continued at \$50 million with \$40 million available for Teacher Centers and \$10 million available for the Teacher-Mentor Intern program.
- **Teachers of Tomorrow:** The Executive Budget continues this \$25 million program for incentives, such as awards and stipends, to retain and attract teachers into New York State classrooms, particularly in areas where teacher shortages exist. The program will expand to assist subject matter specialists working in private industry, such as engineers and computer scientists, to become certified classroom teachers.
- **School Leadership Initiatives:** The Executive Budget recommends the establishment of a Task Force on School Leadership. The Task Force will evaluate the processes through which school leaders and supervisors develop and recommend new programs and services to ensure that these leaders are prepared for

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the challenges of educating the New York's students. In addition, the State Education Department will develop accountability measures for school leaders by January 1, 2009.

- **Other Programs:** The Executive Budget recommends funding based on existing statutory formulas for several programs including: Textbook Aid; Library Materials Aid; Computer Software Aid; Computer Hardware Aid; Full Day Kindergarten Conversion Aid; and Reorganization Incentive Aid.

STATE OPERATIONS

The taxpayer-supported General Fund provides 10.5 percent of the Department's operating budget. Federal grants, including programs for disadvantaged pupils, account for 56.9 percent of the agency's resources. The remaining 32.6 percent is derived from fees, charge-backs and other miscellaneous receipts. For 2008-09, the Department's General Fund State Operations support totals \$570 million, an increase of \$11.8 million.

Major budget actions include:

- **Accountability Initiative:** The Executive Budget provides \$15 million for accountability requirements, the same level as in 2007-08 which will continue to enhance the ability of the Department to measure and improve educational outcomes with a particular focus on Contract for Excellence districts.
- **Staffing:** The Executive Budget recommends a staffing level of **3,287 FTEs** for the State Education Department, an increase of **113** from the 2007-08 Enacted Budget. This increase primarily reflects new hires for the continuing implementation of accountability standards enacted in the 2007-08 Budget and the transfer of off-budget staff to the Office of Cultural Education.

SPECIAL EDUCATION

School-Age Special Education

School districts receive funding for Special Education services to school-age children through the Foundation Aid formula. In addition, High Cost Excess Cost Aid and Private Excess Cost Aid supplement Foundation Aid for students with severe needs. The Executive Budget recommends continuing existing statutory provisions for these two aid categories with total funding of \$672 million for the 2008-09 school year, an increase of \$37 million or 5.8 percent. The one-year authorization for Supplemental Public Excess Cost Aid is not continued in the 2008-09 school year.

Preschool Special Education

Approximately 500 providers (school districts, BOCES, and private entities) operate preschool special education programs that provide educational and therapeutic services to approximately 84,000 children aged 3 to 5. The Temporary Taskforce on Preschool Special Education (Taskforce), which was created in the 2007-08 Enacted Budget, submitted its recommendations to the Governor and the Legislature on November 15, 2007. The Taskforce recommended placing responsibility for preschool decision-making and the service delivery processes with school districts, since school districts have the responsibility for ensuring the provision of special education services under both Federal and State law.

The Executive Budget recommends reforms that align school districts' fiscal responsibility with their programmatic responsibility for the preschool special education program. The General Fund recommendation of \$662 million will support the 59.5 percent State share of preschool special education program costs in the 2008-09 fiscal year. The Executive Budget also includes \$20 million for additional State reimbursement to eligible counties for costs that exceed the predetermined growth rate.

Major budget actions include:

- **County Costs in Preschool Special Education:** The Executive Budget recommends limiting the growth in county costs for preschool special education. Under the proposal, county costs for the 2007-08 school year will be no more than 4 percent higher than their costs for the prior period with the State assuming the remainder of the cost growth. By the 2009-10 school year, annual growth in county costs will be limited to 3 percent. However, this limit on county costs growth will not be applicable to New York City, as its five counties constitute both a unified government and a single school district.
- **Preschool Evaluations:** The Executive Budget recommends allocating to school districts the programmatic and fiscal responsibility for the evaluation of preschoolers suspected of having disabilities resulting in State savings of \$24 million in the 2008-09 fiscal year.
- **Committee on Preschool Special Education (CPSE) Administration:** The Executive Budget also recommends allocating a portion of CPSE administration costs to school districts resulting in State savings of \$22 million in the 2008-09 fiscal year.

Summer School Special Education

The summer school special education program supports educational services provided during July and August for approximately 40,000 disabled students aged 5 to 21. The State covers 70 percent of the total education, transportation and maintenance costs of summer programs, with school districts contributing 20 percent and counties 10 percent. The 2008-09 Executive Budget continues funding of \$243 million to support the 70 percent State share of the program costs.

State-Supported Private Schools for the Blind and Deaf

Approximately 1,600 students attend 11 private schools for the blind and deaf. The 2008-09 total funding recommendation of \$123 million, an increase of \$4.7 million, covers approximately 90 percent of the tuition and maintenance costs for these students and also includes \$7 million to cover debt service for capital construction.

EDUCATION-RELATED PROGRAMS

The Executive Budget recommends a net year-to-year reduction of approximately \$20 million in funding for education-related programs. This reduction is primarily due to the elimination of funding for one-time legislative grants. The reduction is partially offset by planned increases in costs associated with The Healthy Schools Act and \$10 million in State funding to supplement existing Federal funding for after school programs.

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ELEMENTARY, MIDDLE, SECONDARY AND CONTINUING (EMSC) EDUCATION-RELATED PROGRAMS 2008-09 SCHOOL YEAR (\$000)

| Program | 2007-08 School Year | 2008-09 School Year | Change |
|-------------------------------------------------------------------|------------------------|------------------------|-----------------|
| Academic Intervention Services for Nonpublic Schools | 1,000 | 1,000 | 0 |
| Adult Basic Education | 2,000 | 2,000 | 0 |
| Adult Literacy Education | 6,325 | 5,325 | (1,000) |
| Apprenticeship Training | 1,830 | 1,830 | 0 |
| Character Education | 475 | 0 | (475) |
| Charter School Start-Up and Technical Assistance | 6,000 | 6,000 | 0 |
| Consortium for Worker Education (CWE) | 11,500 | 11,500 | 0 |
| County Vocational Education and Extension Boards | 1,000 | 1,000 | 0 |
| Education of Children of Migrant Workers | 90 | 90 | 0 |
| Extended Day/School Safety Program | 30,200 | 30,200 | 0 |
| Fiscal Stabilization Grants | 45,094 | 28,583 | (16,511) |
| Health Education Program | 750 | 750 | 0 |
| Hurd Advances | 206 | 154 | (52) |
| Legislative Grants | 34,901 | 0 | (34,901) |
| Math and Science High Schools | 1,500 | 1,500 | 0 |
| Missing Children Prevention Education Program | 1,000 | 0 | (1,000) |
| National Board for Professional Teaching Standards | 500 | 500 | 0 |
| Nonpublic School Aid (including Comprehensive Attendance Program) | 127,400 | 142,400 | 15,000 |
| Primary Mental Health | 970 | 970 | 0 |
| Prior Year Claims | 25,900 | 25,900 | 0 |
| School Lunch and Breakfast Program | 31,700 | 31,700 | 0 |
| Statewide Center for School Safety | 475 | 475 | 0 |
| Summer Food Program | 3,300 | 3,300 | 0 |
| SUNY Center for Autism and Related Disabilities | 1,000 | 500 | (500) |
| SURR Schools | 1,900 | 1,900 | 0 |
| Targeted Prekindergarten | 1,400 | 1,400 | 0 |
| Transferring Success | 630 | 0 | (630) |
| Workplace Literacy | 1,376 | 1,376 | 0 |
| After School Programs/21 st Century Learning Centers | 0 | 10,000 | 10,000 |
| Healthy Schools | 0 | 9,400 | 9,400 |
| Student Mentoring and Tutoring Initiative | 0 | 1,000 | 1,000 |
| Total EMSC programs | 344,422 | 324,753 | (19,669) |

OTHER RECOMMENDATIONS

In addition to funding for agency operations, the Department's budget also includes support for various aid programs in the areas of higher education, cultural education and vocational rehabilitation. The Executive Budget provides funding for the following programs:

- Library Aid (\$96.3 million);
- Library Construction Aid (\$14.0 million);
- Public Broadcasting Aid (\$18.8 million);
- VESID Case Services (\$54.6 million);
- Supported Employment (\$16.4 million);
- Independent Living Centers (\$11.7 million);
- Unrestricted Aid for Independent Colleges and Universities (\$41.0 million);
- Higher Education Opportunity Program (\$24.2 million);
- Liberty Partnerships (\$12.0 million);
- Teacher Opportunity Program (\$0.7 million); and
- Science and Technology Entry Program (\$19.0 million).

Major budget actions include:

- **Cultural Education:** The Executive Budget recommends \$42 million in new capital funding for cultural education facilities, including: \$13 million for expansion of the State Records Center; \$14 million for public library construction

- projects; and \$15 million for the State Museum Renewal project reflecting the replacement of previous state operations appropriations with a bonded appropriation.
- **Other Capital Support:** The Executive Budget recommends \$15 million in new capital support for health and safety and minor rehabilitation projects at SED facilities including the Batavia School for the Blind and the Rome School for the Deaf, and the Cultural Education Center and the Education Building.
 - **Bundy Aid:** The Executive Budget recommends a 2.5 percent, or \$1.05 million, reduction from base level funding for Unrestricted Aid for Independent Colleges and Universities, also known as Bundy Aid. After this reduction, funding for Bundy Aid will total \$41 million for the 2008-09 Academic Year. This recommendation is consistent with the rate of productivity savings assumed in the Executive Budget for SUNY and CUNY.

SCHOOL TAX RELIEF (STAR)

The School Tax Relief (STAR) program was enacted in 1997 to provide needed tax relief for homeowners across the State. The Executive Budget provides \$4.97 billion for the existing STAR program comprised of the enhanced STAR exemption for eligible senior citizens, the basic STAR exemption for other homeowners, the New York City Personal income tax rate reduction and refundable tax credit and the Middle Class Rebate Program. This represents an appropriation increase of \$88 million.

Major budget actions include:

- **“Floor” Provision:** The Executive Budget changes the “floor” adjustment that limits annual reductions in STAR exemption amounts from 5 percent to 10 percent. This is expected to produce a savings of \$110 million for 2008-09.
- **Rebate Offsets:** The Executive Budget authorizes the Tax Department to offset tax debts, child support and other debts against STAR rebates. Such debts include, among other items, delinquent taxes, past-due child support and certain State overpayments. This action increases revenues by \$15 million annually beginning in 2008-09.
- **NYC PIT:** The Executive Budget restructures the NYC STAR income tax program by targeting the flat refundable credit to taxpayers with incomes under \$250,000. This reduces spending by \$20 million in 2008-09.
- **Delay the Rebate Increase:** The Executive Budget delays the scheduled 2008-09 increases in the Basic Middle Class STAR Rebate Program by one year, making the program fully phased in during 2010-11. This would reduce spending by \$169 million in 2008-09. A corresponding change in NYC credit amount increases would reduce spending by \$40 million in 2008-09.

PROGRAM HIGHLIGHTS

Under the policy direction of the Board of Regents, operational responsibilities of the State Education Department include administration, regulation and review of numerous education programs. The following provides a description of the major program areas administered by the Department.

EDUCATION

SCHOOL AID

The Executive Budget provides \$21.01 billion in School Aid for the 2008-09 school year. State support for public schools, combined with STAR and lottery payments, accounts for approximately 39 percent of the State's General Fund.

School Aid is distributed to school districts through formula-based aids and categorical grants including the following:

- **Foundation Aid** provides sufficient State and local resources to give all children the opportunity to meet New York's learning standards. The formula is based on the cost of a successful education adjusted by regional cost variations and pupil needs. This formula has been further targeted to provide additional resources to high need school districts.
- **Transportation Aid and Building Aid** provides support to school districts for student transportation and the construction/preservation of school facilities. These two aid categories, including EXCEL Building Aid, will total \$3.65 billion and account for 17.4 percent of overall School Aid.
- **Universal Prekindergarten** provides grants to school districts ranging from \$2,700/child to approximately \$5,800/child reflective of varying district wealth and educational needs. For the 2008-09 school year, funding will be available for approximately 120,000 students to attend Universal Prekindergarten programs throughout the State.
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs.

The Executive Budget continues accountability programs designed to assist school districts to raise student achievement to meet or exceed State standards. These programs measure progress and provide assistance for failing schools.

- **Contract for Excellence:** For 2008-09, all school districts receiving a Foundation Aid increase in excess of 10 percent, or \$15 million, or receiving a Supplemental Educational Improvement Plan grant and having a school identified as having educational deficiencies will develop a Contract for Excellence. The Contract outlines how they will spend State funding on measures that have been proven to improve student performance, especially for students with the greatest educational needs. The Contract also requires districts to make progress in attaining State and Federal standards. The Executive Budget recommends that these districts, as well as the 55 districts that had Contracts in 2007-08, be required to enter into the Contract annually for a three year period unless the district no longer has any schools with performance deficiencies.

Initiatives currently permitted under the Contracts for Excellence program include:

- Reducing class sizes;
- Increasing time on task;
- Increasing the quality of teaching;
- Restructuring Middle and High Schools; and
- Participating in full-day kindergarten or prekindergarten.

For the 2008-09 school year, the Executive Budget recommends expanding allowable activities to include programs which are effective in improving the academic achievement of English Language Learners.

PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS

New York provides a full spectrum of special education services for over 450,000 students aged 3 to 21. These services range from speech therapy to placement in full-time residential schools for school-age children with the most severely disabling conditions. The network of service providers includes over 1,200 school districts, Boards of Cooperative Educational Services (BOCES), private not-for-profit schools and State-operated facilities.

School districts and BOCES serve approximately 390,000 school-age children with special needs. An additional 15,000 students who require particularly intensive programs, are served by nearly 150 private schools, including 13 Special Act School Districts and 11 State-supported private schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The Batavia School for the Blind serves 60 blind and multiply disabled students, including nine developmentally disabled students in the Intermediate Care Facility (ICF). The Rome School for the Deaf serves 80 deaf and multiply disabled school-age students.

EDUCATION-RELATED PROGRAMS

The State Education Department also administers various programs that address specialized student needs or reimburse school districts for education-related services. Major programs include:

- **Healthy Schools:** Currently, the State provides \$32 million to supplement the Federal School Lunch and Breakfast Program which serves approximately 1.7 million school lunches and 500,000 school breakfasts on a daily basis. The Executive Budget proposes measures to enhance and improve the nutritional quality of school meals. In addition to enhancing nutritional standards, the Executive Budget would improve access and affordability of these meals by providing \$9 million in State funds for the 2008-09 school year. These additional funds will permit reduced priced school meals to be served at no cost to eligible students. The Executive Budget also recommends increasing the State subsidy for all school meals served beginning with the 2009-10 school year to defray costs associated with healthier food options.
- **Summer Food Program:** The Executive Budget recommends \$3 million in State Funds to supplement Federal support for the provision of free meals for low-income students participating in summer recreation programs. More than 280 sponsors of summer food programs serve approximately 325,000 students daily.
- **Aid for Nonpublic Schools:** The Executive Budget recommends a total of \$142 million to reimburse nonpublic schools for the cost of mandated services, including comprehensive attendance taking.
- **After School Programs:** The State provides \$30 million through the Extended Day/School Safety program to allow schools to provide after-school services such as academic and social support for at-risk students. For the 2008-09 school year, the State will also provide \$10 million to supplement Federal funding for the 21st Century Learning Centers program. 21st Century Learning Centers provide academic enrichment outside of the regular school hours primarily to children who attend high-poverty and low-performing schools.

EDUCATION

CULTURAL EDUCATION

Cultural Education programs administered by the Department include support for public broadcasting stations and aid to public libraries and library systems. The State Library, the State Museum and the State Archives are located in the Cultural Education Center in Albany and are also administered by agency staff.

The State Library is the largest of its kind in the nation, providing reference information and other coordinated library services to State agencies, businesses and the public. The State Library also charters all libraries in the State and distributes State and Federal aid to local libraries.

The State Museum is the largest state-operated museum in the nation and contains exhibits on New York's cultural and natural history. The Museum is also a major research center and the home of the Geological Survey, Biological Survey, Anthropological Survey and the Historical Survey. Each of these surveys is involved with developing and maintaining the collections and exhibits of the State Museum. The State Museum also administers the Cultural Resource Survey which oversees the handling and preservation of artifacts found at construction sites.

The State Archives is responsible for the maintenance and preservation of important State and local government records. In addition to its operations in the Cultural Education Center, the State Archives also operates a regional Records Center at the Harriman State Office Campus in Albany. The operations of the State Museum, State Library and State Archives are largely supported by a surcharge on certain documents filed in county clerk offices.

HIGHER EDUCATION AND REGULATION OF THE PROFESSIONS

The Office of Higher Education and the Professions is responsible for ensuring the quality and availability of postsecondary education programs and regulating professionals to protect the public by ensuring the quality and integrity of services provided to consumers in the State. This Office:

- Assists the Regents in making higher education policies and plans, administers aid programs for colleges, universities and students and reviews and registers academic programs of degree-granting institutions. This Office also oversees the regulation of proprietary schools that offer a range of vocational education programs, as well as teacher certification and discipline and background checks of prospective school personnel.
- Licenses and provides oversight for members of the 47 professions regulated pursuant to Title VIII of the Education Law, including: Nursing, Optometry, Dentistry, Pharmacy, Veterinary Medicine, Social Work, Architecture, Civil Engineering and Public Accountancy. The Office is also responsible for enforcing standards of practice, codes of conduct and professional discipline for the licensees, except members of the medical professions (Physicians, Physician Assistants and Special Assistants) whose professional conduct is within the purview of the Department of Health. Professional licensure, oversight and enforcement functions are self-supporting, through the collection of fines and fees.

VOCATIONAL REHABILITATION

The Vocational and Educational Services for Individuals with Disabilities (VESID) program provides job training, counseling and placement services for disabled persons throughout New York. Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. This program arranges job placements for nearly 13,200 individuals annually from an active caseload of 49,000.

SCHOOL TAX RELIEF (STAR)

For 2008-09, STAR will provide New York's taxpayers with savings of almost \$5.0 billion in school tax relief.

School Property Tax Relief

- In 2008-09, approximately 652,000 senior homeowners will be eligible to receive an enhanced exemption. The statewide average STAR enhanced benefit for seniors is estimated at \$1,247. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age. (If property is owned by husband and wife or by siblings, then one of them must be at least 65 years old. Eligibility was expanded in 2000 to surviving spouses who are at least 62 years of age, and certain nursing home residents). In addition to the age requirement, annual income cannot exceed \$70,650 to receive benefits in 2008.
- In 2008-09, the school property tax exemption will provide over 2.8 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Statewide tax savings relating to this basic STAR exemption will average \$650.
- The exemptions provided to all homeowners living in counties where median home sale prices exceed the statewide median are adjusted upward from the minimums stated above to account for regional variations in property values.
- Legislation accompanying the Executive Budget would lower the "floor" adjustment that limits year over year reductions in STAR exemption amounts from 5 percent to 10 percent.

New York City Tax Reduction

- Under the STAR program, New York City's (NYC) more than 3 million resident personal income taxpayers receive a flat refundable credit and a rate reduction.
- Legislation accompanying the Executive Budget would modify the NYC STAR income tax program by limiting the flat refundable credit available to all NYC residents to taxpayers with incomes under \$250,000, and delaying scheduled increases in such credits for one year.
- Total local taxpayer savings will be nearly \$1.1 billion in 2008-09, reducing New York City personal income tax liability by over 10 percent.

EDUCATION

Middle Class Rebate Program

The 2008-09 Executive Budget includes funding of over \$1.2 billion for a Middle Class STAR Rebate Program which targets additional tax relief to middle class homeowners as follows:

- Recipients of Basic STAR with incomes of \$90,000 or below (\$120,000 in the Downstate Metropolitan area consisting of New York City and the counties of Nassau, Suffolk, Westchester, Rockland and Putnam) will receive a rebate equal to 60 percent of their 2006-07 basic exemption benefit.
- Middle Class STAR Rebate benefits will be adjusted using a sliding scale for homeowners with incomes between \$90,000 and \$250,000 (or between \$120,000 and \$250,000 in Downstate Metropolitan areas).
- Approximately 95 percent of current basic STAR exemption recipients will be eligible to receive an additional benefit under the Middle Class Rebate Program.
- Recipients of Enhanced STAR will receive a rebate equal to 35 percent of their 2006-07 enhanced exemption benefit.
- Legislation accompanying the Executive Budget would authorize the Tax Department to offset tax debts, child support and other debts against basic STAR rebates and would delay the 2008-09 increases in the Basic Middle Class STAR Rebate Program by one year.

School Aid School Year Payments (Millions)

| Program | Estimated 2007-08 | Recommended 2008-09 | Change Amount | Change Percent |
|---------------------------------------------------|----------------------|------------------------|-------------------|-------------------|
| I. Formula-Based Aids: | | | | |
| Foundation Aid | \$13,644.33 | \$14,542.89 | \$898.56 | 6.59 |
| Excess Cost - High Cost | 412.31 | 437.46 | 25.15 | 6.10 |
| Excess Cost - Private | 222.40 | 234.37 | 11.97 | 5.38 |
| Reorganization Operating Aid | 0.00 | 2.86 | 2.86 | NA |
| Textbooks (Incl. Lottery) | 185.19 | 184.93 | (0.26) | (0.14) |
| Computer Hardware | 36.95 | 37.11 | 0.16 | 0.43 |
| Computer Software | 45.93 | 46.48 | 0.55 | 1.20 |
| Library Materials | 19.64 | 19.63 | (0.01) | (0.05) |
| BOCES | 625.43 | 593.99 | (31.44) | (5.03) |
| Special Services (Career Ed./Computer Admin.) | 132.20 | 171.33 | 39.13 | 29.60 |
| Transportation (Including Summer) | 1,412.90 | 1,521.03 | 108.13 | 7.65 |
| High Tax | 99.99 | 100.22 | 0.23 | 0.23 |
| Universal Prekindergarten | 363.29 | 452.25 | 88.96 | 24.49 |
| Education Grants | 97.39 | 196.39 | 99.00 | 101.65 |
| Charter School Transitional Aid | 20.30 | 21.17 | 0.87 | 4.29 |
| Full-Day Kindergarten | 1.64 | 3.19 | 1.55 | 94.51 |
| Formula-Based Aids Total | \$17,319.89 | \$18,565.30 | \$1,245.41 | 7.19 |
| EXCEL Building Aid - New York City | 70.00 | 109.00 | 39.00 | 55.71 |
| Building/Reorganization Building | 1,828.39 | 2,002.45 | 174.06 | 9.52 |
| Supplemental Public Excess Cost | 19.62 | 0.00 | (19.62) | (100.00) |
| | 1,918.00 | 2,111.45 | 193.45 | 10.09 |
| Total Formula-Based and Other Aids | \$19,237.90 | \$20,676.75 | \$1,438.85 | 7.48 |
| II. Grant Programs and Additional Aid Categories: | | | | |
| EXCEL Building Aid - Rest of State | 0.00 | 26.00 | 26.00 | NA |
| UPK and Full-Day K Planning Grants | 2.00 | 2.00 | 0.00 | 0.00 |
| Mid-Year UPK Expansion | 10.00 | 0.00 | (10.00) | (100.00) |
| Teachers of Tomorrow | 25.00 | 25.00 | 0.00 | 0.00 |
| Teacher Centers | 40.00 | 40.00 | 0.00 | 0.00 |
| Teacher-Mentor Intern | 10.00 | 10.00 | 0.00 | 0.00 |
| Math and Science Initiatives | 10.00 | 10.00 | 0.00 | 0.00 |
| Rochester Community Schools | 4.00 | 4.00 | 0.00 | 0.00 |
| School Health Services | 13.84 | 13.84 | 0.00 | 0.00 |
| Roosevelt | 6.00 | 6.00 | 0.00 | 0.00 |
| Urban-Suburban Transfer | 1.13 | 1.13 | 0.00 | 0.00 |
| Employment Preparation Education | 96.00 | 96.00 | 0.00 | 0.00 |
| Homeless Pupils | 6.48 | 6.48 | 0.00 | 0.00 |
| Incarcerated Youth | 16.50 | 16.50 | 0.00 | 0.00 |
| Bilingual | 11.50 | 13.50 | 2.00 | 17.39 |
| Education of OMH/OMR Pupils | 54.60 | 54.60 | 0.00 | 0.00 |
| Special School Districts | 2.70 | 2.70 | 0.00 | 0.00 |
| Chargebacks | (33.31) | (33.31) | 0.00 | 0.00 |
| BOCES Aid for Special Act Districts | 0.68 | 0.68 | 0.00 | 0.00 |
| Learning Technology Grants | 3.29 | 3.29 | 0.00 | 0.00 |
| Native American Building | 2.50 | 2.50 | 0.00 | 0.00 |
| Native American Education | 36.50 | 36.50 | 0.00 | 0.00 |
| Bus Driver Safety | 0.40 | 0.40 | 0.00 | 0.00 |
| Subtotal | 319.81 | 337.81 | 18.00 | 5.63 |
| SCHOOL YEAR TOTAL | \$19,557.71 | \$21,014.56 | \$1,456.85 | 7.45 |

EDUCATION

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------------|--------------------------------------------|
| State Operations | 558,383,500 | 570,165,900 | 11,782,400 | 465,435,200 |
| Aid To Localities | 29,378,119,279 | 30,910,110,100 | 1,531,990,821 | 5,611,455,400 |
| Capital Projects | 78,900,000 | 56,640,000 | (22,260,000) | 103,347,000 |
| Total | 30,015,402,779 | 31,536,916,000 | 1,521,513,221 | 6,180,237,600 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-----------------------------------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Office of Management Services Program | | | |
| General Fund | 161 | 137 | (24) |
| Special Revenue Funds - Other | 208 | 218 | 10 |
| Internal Service Funds | 115 | 135 | 20 |
| Elementary, Middle and Secondary Education | | | |
| General Fund | 224 | 229 | 5 |
| Special Revenue Funds - Federal | 300 | 296 | (4) |
| School for the Blind | | | |
| Special Revenue Funds - Other | 109 | 121 | 12 |
| School for the Deaf | | | |
| Special Revenue Funds - Other | 103 | 106 | 3 |
| Higher Education and the Professions, Office of | | | |
| General Fund | 49 | 57 | 8 |
| Special Revenue Funds - Federal | 21 | 17 | (4) |
| Special Revenue Funds - Other | 450 | 439 | (11) |
| Cultural Education | | | |
| General Fund | 19 | 16 | (3) |
| Special Revenue Funds - Federal | 74 | 65 | (9) |
| Special Revenue Funds - Other | 305 | 335 | 30 |
| Internal Service Funds | 24 | 54 | 30 |
| Vocational and Educational Services for Individuals with Disabilities | | | |
| Special Revenue Funds - Federal | 1,012 | 1,062 | 50 |
| Total | 3,174 | 3,287 | 113 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 59,891,000 | 59,899,400 | 8,400 |
| Special Revenue Funds - Federal | 313,719,480 | 324,239,100 | 10,519,620 |
| Special Revenue Funds - Other | 157,592,020 | 155,959,400 | (1,632,620) |
| Internal Service Funds | 27,181,000 | 30,068,000 | 2,887,000 |
| Total | 558,383,500 | 570,165,900 | 11,782,400 |

Adjustments:

Transfer(s) From

| | |
|-------------------------------|-----------|
| Education Department, State | |
| Special Revenue Funds - Other | (34,380) |
| Special Pay Bill | |
| Special Revenue Funds - Other | (573,000) |

Transfer(s) To

| | |
|---------------------------------|--------|
| Education Department, State | |
| Special Revenue Funds - Federal | 34,380 |

Appropriated 2007-08

557,810,500

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------------------------------------|------------------------------|--------------------------------|---------------|
| Office of Management Services Program | | | |
| General Fund | 17,806,000 | 16,751,800 | (1,054,200) |
| Special Revenue Funds - Other | 30,684,620 | 24,826,000 | (5,858,620) |
| Internal Service Funds | 16,801,000 | 17,507,800 | 706,800 |
| Elementary, Middle and Secondary Education | | | |
| General Fund | 34,934,000 | 35,013,100 | 79,100 |
| Special Revenue Funds - Federal | 131,631,000 | 137,816,000 | 6,185,000 |
| Special Revenue Funds - Other | 2,079,400 | 2,179,400 | 100,000 |
| School for the Blind | | | |
| Special Revenue Funds - Other | 9,950,000 | 9,950,000 | 0 |
| School for the Deaf | | | |
| Special Revenue Funds - Other | 9,542,000 | 9,542,000 | 0 |
| Higher Education and the Professions, Office of | | | |
| General Fund | 7,151,000 | 7,268,400 | 117,400 |
| Special Revenue Funds - Federal | 2,952,000 | 2,952,000 | 0 |
| Special Revenue Funds - Other | 59,068,000 | 60,268,000 | 1,200,000 |
| Cultural Education | | | |
| General Fund | 0 | 866,100 | 866,100 |
| Special Revenue Funds - Federal | 10,960,000 | 15,329,000 | 4,369,000 |
| Special Revenue Funds - Other | 45,168,000 | 47,994,000 | 2,826,000 |
| Internal Service Funds | 10,380,000 | 12,560,200 | 2,180,200 |
| Vocational and Educational Services for Individuals with Disabilities | | | |
| Special Revenue Funds - Federal | 168,176,480 | 168,142,100 | (34,380) |
| Special Revenue Funds - Other | 1,100,000 | 1,200,000 | 100,000 |
| Total | 558,383,500 | 570,165,900 | 11,782,400 |

EDUCATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|---------------------------------------|------------|-----------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 10,402,200 | 74,800 | 10,046,200 | 74,800 |
| Elementary, Middle and Secondary | | | | |
| Education | 20,070,200 | 142,000 | 19,073,400 | 142,000 |
| Higher Education and the Professions, | | | | |
| Office of | 2,941,000 | (276,900) | 2,818,000 | (256,900) |
| Cultural Education | 744,000 | 744,000 | 744,000 | 744,000 |
| Total | 34,157,400 | 683,900 | 32,681,600 | 703,900 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|---------------------------------------|-------------------------------------------|----------|-------------------------------------------|----------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 178,000 | 0 | 178,000 | 0 |
| Elementary, Middle and Secondary | | | | |
| Education | 797,400 | 0 | 199,400 | 0 |
| Higher Education and the Professions, | | | | |
| Office of | 61,500 | (10,000) | 61,500 | (10,000) |
| Cultural Education | 0 | 0 | 0 | 0 |
| Total | 1,036,900 | (10,000) | 438,900 | (10,000) |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|---------------------------------------|------------|-------------|------------------------|---------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 6,349,600 | (1,129,000) | 364,700 | 8,500 |
| Elementary, Middle and Secondary | | | | |
| Education | 14,942,900 | (62,900) | 239,400 | 5,600 |
| Higher Education and the Professions, | | | | |
| Office of | 4,327,400 | 394,300 | 63,200 | (8,300) |
| Cultural Education | 122,100 | 122,100 | 38,000 | 38,000 |
| Total | 25,742,000 | (675,500) | 705,300 | 43,800 |

| Program | Travel | | Contractual Services | |
|---------------------------------------|---------|---------|----------------------|-------------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 182,300 | 4,300 | 2,623,700 | (1,471,700) |
| Elementary, Middle and Secondary | | | | |
| Education | 221,900 | 5,200 | 14,077,100 | (83,200) |
| Higher Education and the Professions, | | | | |
| Office of | 63,200 | (8,300) | 4,137,800 | 419,200 |
| Cultural Education | 3,000 | 3,000 | 76,100 | 76,100 |
| Total | 470,400 | 4,200 | 20,914,700 | (1,059,600) |

| Program | Equipment | | General State Charges | |
|---------------------------------------|-----------|---------|-----------------------|---------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 1,276,300 | 29,900 | 1,902,600 | 300,000 |
| Elementary, Middle and Secondary | | | | |
| Education | 404,500 | 9,500 | 0 | 0 |
| Higher Education and the Professions, | | | | |
| Office of | 63,200 | (8,300) | 0 | 0 |
| Cultural Education | 5,000 | 5,000 | 0 | 0 |
| Total | 1,749,000 | 36,100 | 1,902,600 | 300,000 |

EDUCATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------------------------|-------------|-------------|------------------|-----------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 42,333,800 | (5,151,820) | 21,309,900 | 23,380 |
| Elementary, Middle and Secondary | | | | |
| Education | 139,995,400 | 6,285,000 | 59,292,100 | 2,486,000 |
| School for the Blind | 9,950,000 | 0 | 5,898,000 | 0 |
| School for the Deaf | 9,542,000 | 0 | 5,551,000 | 0 |
| Higher Education and the Professions, | | | | |
| Office of | 63,220,000 | 1,200,000 | 31,787,600 | 437,000 |
| Cultural Education | 75,883,200 | 9,375,200 | 32,217,000 | 4,503,700 |
| Vocational and Educational Services for | | | | |
| Individuals with Disabilities | 169,342,100 | 65,620 | 81,509,600 | (23,580) |
| Total | 510,266,500 | 11,774,000 | 237,565,200 | 7,426,500 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------------------|---------------------|-------------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Office of Management Services Program | 21,023,900 | (5,175,200) | 0 | 0 |
| Elementary, Middle and Secondary | | | | |
| Education | 71,066,300 | 3,778,000 | 9,637,000 | 21,000 |
| School for the Blind | 4,052,000 | 0 | 0 | 0 |
| School for the Deaf | 3,991,000 | 0 | 0 | 0 |
| Higher Education and the Professions, | | | | |
| Office of | 30,709,200 | 763,000 | 723,200 | 0 |
| Cultural Education | 42,475,200 | 4,866,200 | 1,191,000 | 5,300 |
| Vocational and Educational Services for | | | | |
| Individuals with Disabilities | 77,695,800 | 89,200 | 10,136,700 | 0 |
| Total | 251,013,400 | 4,321,200 | 21,687,900 | 26,300 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|---------------|
| General Fund | 17,895,862,279 | 19,090,094,100 | 1,194,231,821 |
| Special Revenue Funds - Federal | 3,773,030,000 | 3,844,834,000 | 71,804,000 |
| Special Revenue Funds - Other | 7,709,227,000 | 7,975,182,000 | 265,955,000 |
| Total | 29,378,119,279 | 30,910,110,100 | 1,531,990,821 |

Adjustments:

Prior Year Deficiency
 Education Department, State
 General Fund

169,671,000

Recommended Deficiency
 Education Department, State
 General Fund

(58,150,000)

Appropriated 2007-08

29,489,640,279

EDUCATION

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------------------------------------|----------------------|------------------------|---------------|
| Office of Management Services Program | | | |
| Special Revenue Funds - Other | 0 | 5,320,000 | 5,320,000 |
| School Tax Relief | | | |
| Special Revenue Funds - Other | 4,888,000,000 | 4,970,000,000 | 82,000,000 |
| Elementary, Middle and Secondary Education | | | |
| General Fund | 17,569,717,000 | 18,792,113,600 | 1,222,396,600 |
| Special Revenue Funds - Federal | 2,955,428,000 | 3,025,862,000 | 70,434,000 |
| Special Revenue Funds - Other | 2,795,265,000 | 2,973,000,000 | 177,735,000 |
| Higher Education and the Professions, Office of | | | |
| General Fund | 105,706,000 | 99,128,000 | (6,578,000) |
| Special Revenue Funds - Other | 0 | 1,000,000 | 1,000,000 |
| Cultural Education | | | |
| General Fund | 121,030,000 | 115,163,900 | (5,866,100) |
| Special Revenue Funds - Federal | 5,030,000 | 5,400,000 | 370,000 |
| Special Revenue Funds - Other | 13,150,000 | 13,150,000 | 0 |
| Vocational and Educational Services for Individuals with Disabilities | | | |
| General Fund | 85,188,600 | 83,688,600 | (1,500,000) |
| Special Revenue Funds - Federal | 812,572,000 | 813,572,000 | 1,000,000 |
| Special Revenue Funds - Other | 12,812,000 | 12,712,000 | (100,000) |
| Community Projects | | | |
| General Fund | 14,220,679 | 0 | (14,220,679) |
| Total | 29,378,119,279 | 30,910,110,100 | 1,531,990,821 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------|----------------------|------------------------|--------------|-----------------------------|
| Education Building | | | | |
| Capital Projects Fund | 0 | 2,000,000 | 2,000,000 | 2,066,000 |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 100,000 |
| School for the Blind | | | | |
| Capital Projects Fund | 0 | 2,330,000 | 2,330,000 | 1,275,000 |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 200,000 |
| School for the Deaf | | | | |
| Capital Projects Fund | 0 | 650,000 | 650,000 | 8,145,000 |
| Schools For Native American Reservations | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 942,000 |
| Cultural Education Center | | | | |
| Capital Projects Fund | 0 | 9,075,000 | 9,075,000 | 4,609,000 |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 2,310,000 |
| Capital Projects Fund - Authority Bonds | 0 | 27,585,000 | 27,585,000 | 0 |
| Administration | | | | |
| Capital Projects Fund | 4,900,000 | 1,000,000 | (3,900,000) | 7,829,000 |
| Library Construction | | | | |
| Library Aid (Auth Bonds) | 14,000,000 | 14,000,000 | 0 | 15,344,000 |
| Public Broadcasting Facilities | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 527,000 |
| Cultural Education Storage Facility | | | | |
| Cap Proj Fund - Cultrual Education Storage Facility | 60,000,000 | 0 | (60,000,000) | 60,000,000 |
| Total | 78,900,000 | 56,640,000 | (22,260,000) | 103,347,000 |

OFFICE OF CHILDREN AND FAMILY SERVICES

MISSION

The Office of Children and Family Services (OCFS) was established in 1998 to strengthen services for and promote the well-being and safety of children and families.

ORGANIZATION AND STAFFING

The Office is headquartered in Rensselaer with regional offices throughout the State. These offices provide operational support and policy direction to local social services districts and youth bureaus. By the end of 2008-09, OCFS will operate 28 residential facilities and eight day placement facilities statewide serving approximately 1,650 youth. The Office will end the 2008-09 fiscal year with a workforce of 3,862 positions.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.7 billion All Funds (\$2.09 billion General Fund; \$1.65 billion Other Funds)** for the Office of Children and Family Services. This is a net increase of **\$178.4 million (\$186.3 million General Fund increase; \$7.9 million Other Funds decrease)** from the 2007-08 Budget. This net change primarily reflects continued growth in child welfare services, the transfer of certain Office of Temporary and Disability Assistance (OTDA) appropriations to OCFS, the third year of the Human Services COLA, previously announced youth facility closings, and elimination of the 50 percent State share of local youth detention facility costs.

OCFS' staffing level for 2008-09 will be **3,862**, a **decrease of 243 annual salaried positions** from the 2007-08 Budget. This reduction reflects the net impact of closing seven youth facilities (-254), the redeployment of 23 current positions and the planned hiring of 12 additional staff to enhance educational and community reintegration services for youth, child welfare investigations and adult protective services, and the transfer of one position to the Department of Health to monitor the Adolescent Pregnancy Prevention and Services program.

Major Budget actions include:

- **Open-ended Funding for Child Welfare Services:** The centerpiece of the child welfare financing system is the provision of 65 percent State reimbursement for community-based preventive services that avert placement of children in foster care or juvenile justice facilities. State funding at the 65 percent level is also available for child protective services, aftercare services, independent living activities, and local administration costs related to adoptions. The Budget includes an increase of \$153.7 million in 2008-09, from \$465.6 million to \$619.3 million, to support local child welfare initiatives.
- **Enhanced Services for Children in Foster Care:** The Executive Budget includes \$10.2 million in General Fund support for the Bridges to Health Medicaid Waiver, which, by the end of 2008-09, will support 610 slots designed to enhance services to foster care children with multiple needs and prevent them from entering institutional care. Implementation of this program began in January 2008.

CHILDREN AND FAMILY SERVICES

- **Adoption Subsidies:** The Executive Budget includes \$226.8 million, an increase of \$17.2 million, for the State's share of subsidies provided to families that adopt children with special needs. These funds will support approximately 48,000 children in adoptive homes and include a cost of living adjustment (COLA) for adoptive parents.
- **Foster Care Block Grant:** The \$444.9 million Foster Care Block Grant provides counties with a clear incentive to reduce the number of children in foster care. Under the Block Grant, savings that result from reduced use of foster care can be reinvested in locally-designed child welfare initiatives that strengthen preventive services or better serve high-needs children. The Executive Budget includes an \$18.7 million increase in the Foster Care Block Grant to support a COLA for foster care workers and parents. The Executive Budget also provides districts with the ability to draw down increased Federal revenue for children in foster care through access to wage reporting data. A portion of savings associated with the anticipated Federal revenue is recouped for General Fund savings.
- **Temporary Assistance for Needy Families (TANF) Support to Local Social Services Districts:** Local districts will continue to receive up to \$35 million for summer youth employment, \$3 million for non-residential services to victims of domestic violence and \$1.01 billion for the Flexible Fund for Family Services. The Flexible Fund will continue to give local districts the discretion to use their TANF resources for child welfare and child care services, as well as any other TANF allowable purposes.
- **Transparency in Funding:** Programs historically funded within OTDA with Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars, but administered by other agencies, will be transferred to the administering agency and will be supported by the General Fund. This action will result in \$71.45 million in appropriation authority transferring from OTDA to OCFS and will increase transparency, eliminate unnecessary administrative steps, and expedite the distribution of funds. Additionally, the Adolescent Pregnancy Prevention and Services program that was previously funded in TANF and administered by OCFS will be transferred to the Department of Health (DOH) to better coordinate the State's pregnancy prevention programs.
- **Child Care Funding:** The Child Care Block Grant, comprised of Federal, State, local and one-time prior year funds, will total \$540 million in 2008-09. In addition to this amount, districts will maintain the option of using the Flexible Fund for Family Services to support their child care program. These funding sources, in combination with prior year resources, will allow districts to maintain current subsidy levels in the face of increased market rates.
- **Right-Size Youth Facility Capacity:** The 2008-09 Executive Budget reflects \$2.6 million in net savings, growing to \$12.1 million in 2009-10, from the previously announced closures and downsizings of OCFS facilities. These net savings reflect a partial reinvestment into community-based and other youth services. A total of seven facilities will be closed, including one closure by mid-May 2008 and six closures and one downsizing by mid-January 2009. These actions are consistent with a significant decline in the population at OCFS' non-secure facilities that has led to a 50 percent utilization rate and more than 200 vacant non-secure beds. In May 2008, the Cass non-secure facility, which has not provided direct services to children since January 2007, will be closed and then converted to a training center for the Department of Parks, Recreation and Historic

Preservation. The January 2009 actions will include the closure of the Brace, Great Valley, and Auburn non-secure centers. The two Adirondack non-secure centers will be merged into one facility at a reduced capacity. The Pyramid reception center in the Bronx will be closed and its function relocated elsewhere in New York City, and a community residential home in Gloversville that has been vacant for more than a year will also be closed. The Lansing non-secure facility will be downsized consistent with its declining population.

These actions will reduce OCFS facility jobs by 254 annual salaried positions, of which 238 were filled as of December 2007. All annual salaried staff will be offered comparable jobs at another OCFS facility or State agency.

- **Enhance Community-Based Alternatives:** A total of \$863,000 in savings from the facility closures will be reinvested in alternative community-based programs that divert youth from facility placement and shorten the length of time a youth spends at a facility. Funding for these initiatives will grow from \$12.9 million in 2007-08 to \$14 million in 2008-09.
- **Juvenile Justice Staff:** By redeploying its existing staff resources and using a portion of its facility closure savings, OCFS will hire 25 new staff in 2008-09 to help improve outcomes for youth involved in the juvenile justice system. These positions will include additional teachers at youth facilities and aftercare workers for community service teams that work with youth released from a facility.
- **Local Detention Costs:** Counties and New York City will become responsible for 100 percent of the costs to operate their local detention facilities, an increase from their current 50 percent share. This should encourage the use of less costly community-based program options for non-violent youth who do not require confinement while their case is pending in Family Court.
- **Information Technology:** The Executive Budget includes \$112 million in State, Federal, and capital funding to operate and continue development of agency computer systems. This includes \$17 million in bond financing for the modernization of CONNECTIONS, the State's child welfare information system. The current outdated CONNECTIONS infrastructure is fragile, inflexible and difficult to use for both case workers and local governments. Modernization will make the system more agile and user friendly, thereby easing administrative burdens and permitting case workers to spend more time with clients. CONNECTIONS modernization will be coordinated with systems development in other human services agencies to maximize service delivery and reduce costs.

PROGRAM HIGHLIGHTS

The Office of Children and Family Services supervises the State's system of family support and child welfare services to help families live independently. County departments of social services and, in many cases, community-based local organizations administer programs that identify and protect abused and neglected children; provide counseling and other services to strengthen families and avoid foster care; place children in foster care as needed; reunite children and families; find permanent adoptive parents for children who cannot be reunited with birth families; and prepare teens for independent living.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. Programs include oversight of locally administered adult protective services and programs providing services to victims of domestic violence, including emergency shelters and community-based crisis intervention.

CHILDREN AND FAMILY SERVICES

CHILD CARE

The Office's Child Care Block Grant supports child care subsidies for public assistance and low-income families. Subsidized child care is guaranteed for public assistance recipients with children up to age 13 when such care is required for the parent/guardian to engage in work activities. Families transitioning from welfare to work are guaranteed subsidized child care for up to 12 months after leaving public assistance. The State also provides subsidized child care to families at risk of becoming dependent on public assistance.

YOUTH FACILITIES

The Office of Children and Family Services operates a Youth Facilities Program which, by the end of 2008-09, will include 28 residential facilities and eight day-placement centers serving youth placed by the Family Courts or directed by the Criminal Courts. Through a broad array of programs, the Office provides rehabilitative services that include counseling, mental health, substance abuse, sex offender and education and vocational training designed to promote positive youth development and foster a youth's return to the community as a law-abiding, productive citizen. The Office also provides funding to counties, municipalities and community-based, not-for-profit agencies for the provision of youth development and delinquency prevention programs.

CHILD ABUSE HOTLINE

The Office operates the State Central Register Child Abuse Hotline which is expected to receive approximately 360,000 calls reporting alleged child maltreatment or abuse in 2008-09. The State initiates investigations of these allegations, which are conducted by county protective services staff and/or local law enforcement agencies. The Register maintains a master database of those found culpable of child abuse so that employers, such as day care centers, can screen out potential employees with a history of child abuse.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|--------------------|-----------------------------------------------------|
| State Operations | 506,038,000 | 511,648,000 | 5,610,000 | 341,436,233 |
| Aid To Localities | 3,008,935,460 | 3,181,666,000 | 172,730,540 | 2,628,699,000 |
| Capital Projects | 38,460,000 | 38,488,000 | 28,000 | 128,550,000 |
| Total | <u>3,553,433,460</u> | <u>3,731,802,000</u> | <u>178,368,540</u> | <u>3,098,685,233</u> |

CHILDREN AND FAMILY SERVICES

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

| Full-Time Equivalent Positions (FTE) | | | |
|---------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Central Administration | | | |
| General Fund | 353 | 353 | 0 |
| Special Revenue Funds - Federal | 6 | 2 | (4) |
| Special Revenue Funds - Other | 85 | 84 | (1) |
| Child Care | | | |
| Special Revenue Funds - Federal | 234 | 234 | 0 |
| Commission for the Blind and Visually Handicapped | | | |
| General Fund | 11 | 11 | 0 |
| Special Revenue Funds - Federal | 167 | 167 | 0 |
| Special Revenue Funds - Other | 1 | 1 | 0 |
| Family and Children Services | | | |
| General Fund | 456 | 474 | 18 |
| Special Revenue Funds - Federal | 62 | 58 | (4) |
| Special Revenue Funds - Other | 2 | 2 | 0 |
| Maintenance & Improvement of Youth Facilities | | | |
| Capital Projects Funds - Other | 7 | 7 | 0 |
| Systems Support | | | |
| General Fund | 192 | 192 | 0 |
| Training and Development | | | |
| Special Revenue Funds - Other | 62 | 62 | 0 |
| Youth Facilities | | | |
| General Fund | 2,467 | 2,215 | (252) |
| Total | <u>4,105</u> | <u>3,862</u> | <u>(243)</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 258,992,000 | 275,101,000 | 16,109,000 |
| Special Revenue Funds - Federal | 132,239,000 | 130,421,000 | (1,818,000) |
| Special Revenue Funds - Other | 114,232,000 | 105,551,000 | (8,681,000) |
| Enterprise Funds | 475,000 | 475,000 | 0 |
| Internal Service Funds | 100,000 | 100,000 | 0 |
| Total | <u>506,038,000</u> | <u>511,648,000</u> | <u>5,610,000</u> |

Adjustments:
Transfer(s) From
 Children and Family Services Office of
 General Fund (Aid To Localities)
Appropriated 2007-08

(285,000)
505,753,000

CHILDREN AND FAMILY SERVICES

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------|----------------------|------------------------|-------------|
| Central Administration | | | |
| General Fund | 32,506,000 | 32,029,000 | (477,000) |
| Special Revenue Funds - Federal | 528,000 | 528,000 | 0 |
| Special Revenue Funds - Other | 12,126,000 | 13,526,000 | 1,400,000 |
| Internal Service Funds | 100,000 | 100,000 | 0 |
| Child Care | | | |
| Special Revenue Funds - Federal | 48,094,000 | 45,356,000 | (2,738,000) |
| Commission for the Blind and Visually Handicapped | | | |
| General Fund | 8,463,000 | 8,700,000 | 237,000 |
| Special Revenue Funds - Federal | 30,670,000 | 31,590,000 | 920,000 |
| Special Revenue Funds - Other | 1,905,000 | 1,905,000 | 0 |
| Departmental Administrative Reimbursement | | | |
| General Fund | (29,043,000) | (19,978,000) | 9,065,000 |
| Special Revenue Funds - Other | 35,543,000 | 26,478,000 | (9,065,000) |
| Family and Children Services | | | |
| General Fund | 34,996,000 | 38,378,000 | 3,382,000 |
| Special Revenue Funds - Federal | 22,354,000 | 22,354,000 | 0 |
| Special Revenue Funds - Other | 2,207,000 | 1,191,000 | (1,016,000) |
| Systems Support | | | |
| General Fund | 46,167,000 | 50,570,000 | 4,403,000 |
| Special Revenue Funds - Federal | 30,593,000 | 30,593,000 | 0 |
| Special Revenue Funds - Other | 10,000,000 | 10,000,000 | 0 |
| Training and Development | | | |
| General Fund | 7,377,000 | 7,377,000 | 0 |
| Special Revenue Funds - Other | 52,451,000 | 52,451,000 | 0 |
| Enterprise Funds | 200,000 | 200,000 | 0 |
| Youth Facilities | | | |
| General Fund | 158,526,000 | 158,025,000 | (501,000) |
| Enterprise Funds | 275,000 | 275,000 | 0 |
| Total | 506,038,000 | 511,648,000 | 5,610,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|------------------------------------------------------|--------------|-------------|-----------------------------------------------|-------------|
| | Amount | Change | Amount | Change |
| Central Administration | 22,779,000 | (537,000) | 21,325,000 | (537,000) |
| Commission for the Blind and Visually Handicapped | 1,711,000 | 50,000 | 1,696,000 | 49,000 |
| Departmental Administrative Reimbursement | (19,978,000) | 9,065,000 | (19,978,000) | 9,065,000 |
| Family and Children Services | 27,941,000 | 2,724,231 | 26,885,000 | 2,710,231 |
| Systems Support | 12,818,000 | (1,544,000) | 12,620,000 | (1,559,000) |
| Youth Facilities | 121,806,000 | (1,039,000) | 109,421,000 | (1,466,600) |
| Total | 167,077,000 | 8,719,231 | 151,969,000 | 8,261,631 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|------------------------------------------------------|-------------------------------------------|---------|-------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Central Administration | 1,201,000 | 0 | 253,000 | 0 |
| Commission for the Blind and Visually Handicapped | 0 | 0 | 15,000 | 1,000 |
| Departmental Administrative Reimbursement | 0 | 0 | 0 | 0 |
| Family and Children Services | 0 | 0 | 1,056,000 | 14,000 |
| Systems Support | 0 | 0 | 198,000 | 15,000 |
| Youth Facilities | 6,248,000 | 333,200 | 6,137,000 | 94,400 |
| Total | 7,449,000 | 333,200 | 7,659,000 | 124,400 |

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|---------------------------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Central Administration | 9,250,000 | 60,000 | 960,000 | 26,000 |
| Commission for the Blind and Visually Handicapped | 6,989,000 | 187,000 | 10,000 | 2,000 |
| Family and Children Services | 10,437,000 | 657,769 | 738,000 | 16,978 |
| Systems Support | 37,752,000 | 5,947,000 | 358,000 | 27,000 |
| Training and Development | 7,377,000 | 0 | 0 | 0 |
| Youth Facilities | 36,219,000 | 538,000 | 9,957,000 | 208,300 |
| Total | 108,024,000 | 7,389,769 | 12,023,000 | 280,278 |

| Program | Travel | | Contractual Services | |
|---------------------------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Central Administration | 380,000 | (5,000) | 6,042,000 | (334,000) |
| Commission for the Blind and Visually Handicapped | 0 | 0 | 6,979,000 | 185,000 |
| Family and Children Services | 423,000 | 17,945 | 9,085,000 | 572,154 |
| Systems Support | 162,000 | 20,000 | 36,053,000 | 5,742,000 |
| Training and Development | 0 | 0 | 7,377,000 | 0 |
| Youth Facilities | 576,000 | 147,700 | 17,733,000 | 19,700 |
| Total | 1,541,000 | 180,645 | 83,269,000 | 6,184,854 |

| Program | Equipment | | Maintenance Undistributed | |
|---------------------------------------------------|------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Central Administration | 1,868,000 | 373,000 | 0 | 0 |
| Commission for the Blind and Visually Handicapped | 0 | 0 | 0 | 0 |
| Family and Children Services | 191,000 | 50,692 | 0 | 0 |
| Systems Support | 1,179,000 | 158,000 | 0 | 0 |
| Training and Development | 0 | 0 | 0 | 0 |
| Youth Facilities | 816,000 | 11,300 | 7,137,000 | 151,000 |
| Total | 4,054,000 | 592,992 | 7,137,000 | 151,000 |

CHILDREN AND FAMILY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|---------------------------------------------------|-------------|--------------|------------------|-------------|
| | Amount | Change | Amount | Change |
| Central Administration | 14,154,000 | 1,400,000 | 5,030,000 | 0 |
| Child Care | 45,356,000 | (2,738,000) | 0 | 0 |
| Commission for the Blind and Visually Handicapped | 33,495,000 | 920,000 | 39,000 | 0 |
| Departmental Administrative Reimbursement | 26,478,000 | (9,065,000) | 19,978,000 | (9,065,000) |
| Family and Children Services | 23,545,000 | (1,016,000) | 96,000 | (399,000) |
| Systems Support | 40,593,000 | 0 | 0 | 0 |
| Training and Development | 52,651,000 | 0 | 5,000,000 | 500,000 |
| Youth Facilities | 275,000 | 0 | 0 | 0 |
| Total | 236,547,000 | (10,499,000) | 30,143,000 | (8,964,000) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---------------------------------------------------|---------------------|-----------|---------------------------|-------------|
| | Amount | Change | Amount | Change |
| Central Administration | 8,596,000 | 1,400,000 | 528,000 | 0 |
| Child Care | 0 | 0 | 45,356,000 | (2,738,000) |
| Commission for the Blind and Visually Handicapped | 1,866,000 | 0 | 31,590,000 | 920,000 |
| Departmental Administrative Reimbursement | 6,500,000 | 0 | 0 | 0 |
| Family and Children Services | 10,148,000 | (617,000) | 13,301,000 | 0 |
| Systems Support | 0 | 0 | 40,593,000 | 0 |
| Training and Development | 47,451,000 | (500,000) | 200,000 | 0 |
| Youth Facilities | 275,000 | 0 | 0 | 0 |
| Total | 74,836,000 | 283,000 | 131,568,000 | (1,818,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 1,639,880,460 | 1,810,023,000 | 170,142,540 |
| Special Revenue Funds - Federal | 1,350,025,000 | 1,352,763,000 | 2,738,000 |
| Special Revenue Funds - Other | 19,030,000 | 18,880,000 | (150,000) |
| Total | 3,008,935,460 | 3,181,666,000 | 172,730,540 |

Adjustments:

Transfer(s) To

Children and Family Services Office of
General Fund (State Operations)

Appropriated 2007-08

285,000
3,009,220,460

CHILDREN AND FAMILY SERVICES

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|--------------------|
| Child Care | | | |
| General Fund | 146,198,000 | 140,166,000 | (6,032,000) |
| Special Revenue Funds - Federal | 311,906,000 | 314,644,000 | 2,738,000 |
| Special Revenue Funds - Other | 500,000 | 350,000 | (150,000) |
| Family and Children Services | | | |
| General Fund | 1,467,623,000 | 1,664,857,000 | 197,234,000 |
| Special Revenue Funds - Federal | 1,018,900,000 | 1,018,900,000 | 0 |
| Special Revenue Funds - Other | 18,530,000 | 18,530,000 | 0 |
| Training and Development | | | |
| General Fund | 5,000,000 | 5,000,000 | 0 |
| Special Revenue Funds - Federal | 19,219,000 | 19,219,000 | 0 |
| Community Projects | | | |
| General Fund | 21,059,460 | 0 | (21,059,460) |
| Total | <u>3,008,935,460</u> | <u>3,181,666,000</u> | <u>172,730,540</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Design and Construction Supervision | | | | |
| Youth Facilities Improvement Fund | 7,000,000 | 7,000,000 | 0 | 11,693,000 |
| Maintenance and Improvement of Facilities | | | | |
| Capital Projects Fund | 1,825,000 | 1,825,000 | 0 | 7,074,000 |
| Youth Facilities Improvement Fund | 15,795,000 | 15,823,000 | 28,000 | 72,051,000 |
| Executive Direction and Administrative Services | | | | |
| Misc. Capital Projects | 0 | 0 | 0 | 2,720,000 |
| Program Improvement or Program Change | | | | |
| Youth Facilities Improvement Fund | 13,840,000 | 13,840,000 | 0 | 29,674,000 |
| Youth Center | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 5,338,000 |
| Total | <u>38,460,000</u> | <u>38,488,000</u> | <u>28,000</u> | <u>128,550,000</u> |

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

MISSION

The Office of Temporary and Disability Assistance (OTDA), working in close collaboration with the Office of Children and Family Services and other agencies, helps needy adults and families achieve economic self-sufficiency through work, job training and child support enforcement. OTDA provides economic assistance to aged and disabled persons who are unable to work, transitional support to welfare recipients while they are working toward self-sufficiency, and supportive services to low-income households to help them avoid welfare dependency.

ORGANIZATION AND STAFFING

The Office of Temporary and Disability Assistance has its central office in Albany and three major field offices throughout the State. These offices provide direct operational support, supervision and guidance to the State's 58 local social services districts, which comprise each county and New York City. Social services districts are responsible for directly administering most welfare programs, including those that serve the homeless and refugees.

Agency staff also provide legal, audit and computer systems support. Through its Disability Determinations Program, the Agency evaluates the medical eligibility of disability claimants for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI).

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$5.0 billion All Funds (\$1.3 billion General Fund; \$3.7 billion Other Funds)** for OTDA. This is a decrease of **\$244 million (\$183 million General Fund; \$61 million Other Funds)** from the 2007-08 Budget. This net change primarily reflects the transfer of funding for non-OTDA programs from OTDA to the budgets of administering agencies; an increase in the county share of public assistance costs; and other adjustments.

The Office's workforce will remain unchanged at **2,305** positions in 2008-09. Approximately 660 of these positions are paid by State tax dollars from the General Fund with partial Federal reimbursement and 1,299 are funded directly by Federal grants. The remaining 346 positions are supported by various special revenues.

Major Budget actions include:

- **Child Support:** The amount of child support collections passed through to custodial parents receiving public assistance will increase from a maximum of \$50 to \$100 per month.
- **Supportive Housing:** The amount of funding for OTDA's Single Room Occupancy Program will reach \$21.3 million in 2008-09, a \$1.4 million increase from 2007-08. This increase will fund supportive services for new housing units expected to come online in 2008-09.

TEMPORARY AND DISABILITY ASSISTANCE

- **Cost of Living Adjustment (COLA) to the SSI State Supplement:** Legislation enacted in 2006 provided an annual State COLA for SSI recipients residing in Congregate Care Level III facilities. The 2008-09 Executive Budget includes \$3 million to fund the 2008 COLA.
- **Performance Reporting:** The 2007-08 Enacted Budget required performance reporting for a number of OTDA initiatives. The 2008-09 Executive Budget will expand this requirement to additional programs to assist OTDA in analyzing the effectiveness of current programs and implementing cost-effective program changes. Expanded performance data will be available on the agency's public website.
- **Transparency in Funding:** Programs historically funded within OTDA with Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars, but administered by other agencies, will be transferred to the administering agency and will be funded from the General Fund. This action, which will involve the transfer of \$112 million in appropriation authority out of OTDA and into the budgets of the administering agencies, will increase transparency, eliminate unnecessary administrative steps, and expedite the distribution of funds.
- **Public Assistance Costs:** The gross cost of public assistance benefits is approximately \$2 billion a year, of which approximately 60 percent is reimbursed with Federal and State funds, with the remainder paid by local governments. The 2008-09 Executive Budget will require New York City and counties to pay 2 percent more of all public assistance costs. In the case of families who have been on assistance for less than five years, the local share will increase to 27 percent. In the case of single adults and families on welfare for more than 5 years, the adjusted local share will be 52 percent. This proposal, which will generate \$40.5 million in State savings in 2008-09, should encourage counties to focus on those public assistance recipients, 111,000 in total, who they have deemed unable to work, to ensure they are either provided with the supportive services they need to make the successful transition from public assistance to self-sufficiency or that they receive the appropriate government support for any long term disabilities. In addition, the Executive Budget will apply more stringent work requirements for county attainment of a work incentive bonus initiated by the State to encourage counties to place more of their public assistance recipients in work activities.

PROGRAM HIGHLIGHTS

The welfare system in New York State is designed to provide temporary income and transitional support services while recipients secure employment and child support payments. The system promotes individual responsibility and provides social services districts with the flexibility they need to effectively administer a work-oriented welfare system. The system has evolved from one that focused primarily on determining client eligibility and distributing benefit payments to one that now focuses on assisting individuals in achieving independence from publicly-supported welfare programs.

Since 1994, over 1.1 million recipients have left the welfare rolls, which represents a decline of 68 percent. In addition to generating significant State and local government savings, this caseload decrease has allowed the State to use the TANF Block Grant to fund supportive services that encourage employment. The programs funded include the Earned Income Tax Credit (EITC), child care, and transportation services.

TEMPORARY AND DISABILITY ASSISTANCE

OTDA's programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households. The Executive Budget continues the Strengthening Families through Stronger Fathers initiative to encourage employment and related activities for low-income, non-custodial parents.

FAMILY ASSISTANCE

The Family Assistance program, which is financed jointly by the State, Federal government, and local districts, provides employment assessments, support services and time-limited cash assistance to eligible families with children.

All Family Assistance participants must undergo an assessment of their employability, skills and training needs and, unless determined to be exempt, must participate in assigned work activities to remain eligible for cash benefits. Federal law mandates a 50 percent work participation rate for all Family Assistance cases, which can be offset by a state's reduction in public assistance caseloads. Federal financial participation in cash benefits for Family Assistance participants is limited to a cumulative period of five years. If the Family Assistance household is unable to transition off cash assistance during this period, the family typically moves to the Safety Net Assistance program, which is financed jointly by the State and local districts.

New York's welfare program fosters individual responsibility to help break the cycle of long-term dependency. All applicants and recipients are required to participate in screening and assessment to determine if the need for welfare results from drug or alcohol abuse. If a participant is unable to work because of such circumstances, he or she is referred to an appropriate treatment program. Teen parents must attend high school or other approved education programs to receive welfare benefits.

Welfare reform also requires each social services district to screen its Family Assistance caseload for domestic violence. Acting through its designated domestic violence liaison, each district informs the individual of services they may access on a voluntary basis. Districts waive application of welfare program rules, including but not limited to child support cooperation and work requirements, if the district determines that these provisions would cause further risk or make it more difficult for the person to escape domestic violence.

SAFETY NET ASSISTANCE PROGRAM

Article XVII of the State Constitution requires the State and its social services districts to provide for the needy. New York State meets this obligation through the Safety Net Assistance program for persons who are not eligible for Family Assistance or Supplemental Security Income.

Safety Net Assistance participants are single adults and childless couples; families that have exhausted their five-year limit on Family Assistance; households where the adult is unable to work because of substance abuse; and households where the adult has refused to participate in drug/alcohol screening or treatment. In addition to providing for essential needs, the Safety Net Assistance program provides employment services such as job search and work training. Unless prevented from doing so by a physical or mental disability, Safety Net Assistance participants must engage in assigned work activities to receive assistance.

TEMPORARY AND DISABILITY ASSISTANCE

SUPPORTIVE SERVICE PROGRAMS

Activities undertaken since welfare reform have strengthened child support enforcement to ensure that parents provide for the economic well-being of their children. Improvements include automated updating of child support awards to reflect inflation; improved customer services through website access of account information; interstate reciprocity in child support proceedings; and administrative authority for social services districts to order genetic tests, subpoena information and collect relevant data from Federal, State and local agencies. The Executive Budget continues to re-invest Federal incentive bonuses in child support initiatives to strengthen performance in “hard-to-collect” cases, and continue State-local partnerships to increase criminal prosecution of parents who refuse to pay child support. These measures will help to increase total child support collections to a projected level of \$1.66 billion in 2008.

The Federal Supplemental Security Income (SSI) program provides cash assistance to the aged, blind, and disabled, and is administered by the Social Security Administration. New York State has chosen to provide additional financial support to its SSI recipients. The State’s SSI supplement is one of the most generous in the nation. The cost of the SSI supplement is projected to be \$680 million in 2008-09 to cover approximately 652,000 recipients.

The Federal Food Stamp Program provides low-income households with an electronic benefit card that can be used as cash to purchase food. New York receives \$2.3 billion per year in Federal Food Stamp benefits, with eligible households receiving an average monthly benefit of \$202.

The 2008-09 Executive Budget provides a total of \$1.05 billion in TANF-supported allocations to counties and New York City, including \$3 million for non-residential services to victims of domestic violence, up to \$35 million for the Summer Youth Employment Program and \$1.01 billion for the Flexible Fund for Family Services. The Flexible Fund for Family Services gives counties more discretion and responsibility in determining where their TANF funding should be directed.

The 2008-09 Executive Budget also continues funding for the State’s transitional and emergency shelter system and supportive housing efforts, which assist homeless individuals and families in achieving self-sufficiency by strengthening their independent living skills and helping them acquire permanent housing.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 456,347,000 | 477,097,000 | 20,750,000 | 278,000,000 |
| Aid To Localities | 4,737,101,000 | 4,472,549,000 | (264,552,000) | 4,057,656,300 |
| Capital Projects | 30,000,000 | 30,000,000 | 0 | 113,795,000 |
| Total | 5,223,448,000 | 4,979,646,000 | (243,802,000) | 4,449,451,300 |

TEMPORARY AND DISABILITY ASSISTANCE

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

| Full-Time Equivalent Positions (FTE) | | | |
|-----------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| General Fund | 201 | 203 | 2 |
| Special Revenue Funds - Federal | 65 | 65 | 0 |
| Special Revenue Funds - Other | 79 | 79 | 0 |
| Internal Service Funds | 4 | 4 | 0 |
| Child Well Being Program | | | |
| Special Revenue Funds - Other | 74 | 74 | 0 |
| Disability Determinations Program | | | |
| Special Revenue Funds - Federal | 993 | 993 | 0 |
| Special Revenue Funds - Other | 105 | 105 | 0 |
| Employment and Economic Support Program | | | |
| General Fund | 40 | 43 | 3 |
| Special Revenue Funds - Federal | 178 | 178 | 0 |
| Special Revenue Funds - Other | 27 | 27 | 0 |
| Executive Direction | | | |
| General Fund | 16 | 16 | 0 |
| Information Technology Program | | | |
| General Fund | 102 | 101 | (1) |
| Special Revenue Funds - Federal | 40 | 40 | 0 |
| Special Revenue Funds - Other | 45 | 45 | 0 |
| Legal Affairs | | | |
| General Fund | 270 | 270 | 0 |
| Specialized Services Program | | | |
| General Fund | 31 | 27 | (4) |
| Special Revenue Funds - Federal | 23 | 23 | 0 |
| Special Revenue Funds - Other | 12 | 12 | 0 |
| Total | 2,305 | 2,305 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 68,107,000 | 63,517,000 | (4,590,000) |
| Special Revenue Funds - Federal | 217,800,000 | 244,946,000 | 27,146,000 |
| Special Revenue Funds - Other | 169,240,000 | 167,434,000 | (1,806,000) |
| Internal Service Funds | 1,200,000 | 1,200,000 | 0 |
| Total | 456,347,000 | 477,097,000 | 20,750,000 |

TEMPORARY AND DISABILITY ASSISTANCE

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------|------------------------------|--------------------------------|-------------------|
| Administration | | | |
| General Fund | 25,602,000 | 13,467,000 | (12,135,000) |
| Special Revenue Funds - Federal | 9,000,000 | 9,000,000 | 0 |
| Special Revenue Funds - Other | 24,540,000 | 36,025,000 | 11,485,000 |
| Internal Service Funds | 1,200,000 | 1,200,000 | 0 |
| Child Well Being Program | | | |
| General Fund | 0 | 2,500,000 | 2,500,000 |
| Special Revenue Funds - Federal | 3,800,000 | 12,046,000 | 8,246,000 |
| Special Revenue Funds - Other | 30,000,000 | 30,000,000 | 0 |
| Departmental Administrative | | | |
| Reimbursement | | | |
| General Fund | (81,500,000) | 0 | 81,500,000 |
| Special Revenue Funds - Other | 85,000,000 | 0 | (85,000,000) |
| Disability Determinations Program | | | |
| Special Revenue Funds - Federal | 168,000,000 | 164,000,000 | (4,000,000) |
| Special Revenue Funds - Other | 9,600,000 | 10,600,000 | 1,000,000 |
| Employment and Economic Support | | | |
| Program | | | |
| General Fund | 7,625,000 | 4,669,000 | (2,956,000) |
| Special Revenue Funds - Federal | 5,000,000 | 21,400,000 | 16,400,000 |
| Special Revenue Funds - Other | 4,000,000 | 7,109,000 | 3,109,000 |
| Executive Direction | | | |
| General Fund | 1,815,000 | 608,000 | (1,207,000) |
| Special Revenue Funds - Other | 0 | 1,200,000 | 1,200,000 |
| Information Technology Program | | | |
| General Fund | 89,784,000 | 30,756,000 | (59,028,000) |
| Special Revenue Funds - Federal | 31,500,000 | 35,000,000 | 3,500,000 |
| Special Revenue Funds - Other | 14,600,000 | 69,000,000 | 54,400,000 |
| Legal Affairs | | | |
| General Fund | 22,123,000 | 10,541,000 | (11,582,000) |
| Special Revenue Funds - Other | 0 | 11,000,000 | 11,000,000 |
| Specialized Services Program | | | |
| General Fund | 2,658,000 | 976,000 | (1,682,000) |
| Special Revenue Funds - Federal | 500,000 | 3,500,000 | 3,000,000 |
| Special Revenue Funds - Other | 1,500,000 | 2,500,000 | 1,000,000 |
| Total | <u>456,347,000</u> | <u>477,097,000</u> | <u>20,750,000</u> |

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------------------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 1,491,000 | (13,303,000) | 1,336,000 | (13,423,500) |
| Child Well Being Program | 300,000 | 300,000 | 300,000 | 300,000 |
| Departmental Administrative Reimbursement | 0 | 35,500,000 | 0 | 35,500,000 |
| Employment and Economic Support Program | 1,638,000 | (3,956,000) | 1,556,000 | (3,958,000) |
| Executive Direction | 303,000 | (1,207,000) | 235,000 | (1,194,400) |
| Information Technology Program | 1,139,000 | (7,294,000) | 1,139,000 | (7,294,000) |
| Legal Affairs | 7,003,000 | (11,582,000) | 6,589,000 | (11,635,400) |
| Specialized Services Program | 733,000 | (1,682,000) | 687,000 | (1,690,000) |
| Total | 12,607,000 | (3,224,000) | 11,842,000 | (3,395,300) |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 120,000 | 120,000 | 35,000 | 500 |
| Child Well Being Program | 0 | 0 | 0 | 0 |
| Departmental Administrative Reimbursement | 0 | 0 | 0 | 0 |
| Employment and Economic Support Program | 0 | 0 | 82,000 | 2,000 |
| Executive Direction | 65,000 | (15,600) | 3,000 | 3,000 |
| Information Technology Program | 0 | 0 | 0 | 0 |
| Legal Affairs | 29,000 | (6,300) | 385,000 | 59,700 |
| Specialized Services Program | 0 | 0 | 46,000 | 8,000 |
| Total | 214,000 | 98,100 | 551,000 | 73,200 |

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Supplies and Materials | |
|-------------------------------------------|------------|--------------|------------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 11,976,000 | 668,000 | 110,000 | (44,300) |
| Child Well Being Program | 2,200,000 | 2,200,000 | 0 | 0 |
| Departmental Administrative Reimbursement | 0 | 46,000,000 | 0 | 0 |
| Employment and Economic Support Program | 3,031,000 | 1,000,000 | 27,000 | (3,000) |
| Executive Direction | 305,000 | 0 | 24,000 | (8,900) |
| Information Technology Program | 29,617,000 | (51,734,000) | 37,900 | (1,000) |
| Legal Affairs | 3,538,000 | 0 | 160,000 | 21,500 |
| Specialized Services Program | 243,000 | 0 | 21,000 | (14,100) |
| Total | 50,910,000 | (1,866,000) | 379,900 | (49,800) |

| Program | Travel | | Contractual Services | |
|-------------------------------------------|---------|----------|----------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 290,000 | 31,900 | 11,226,000 | 702,100 |
| Child Well Being Program | 0 | 0 | 2,200,000 | 2,200,000 |
| Departmental Administrative Reimbursement | 0 | 0 | 0 | 46,000,000 |
| Employment and Economic Support Program | 147,000 | 68,000 | 2,833,000 | 931,000 |
| Executive Direction | 35,000 | (14,500) | 225,000 | 14,400 |
| Information Technology Program | 36,700 | 2,000 | 6,598,400 | (5,733,000) |
| Legal Affairs | 198,000 | 42,300 | 2,603,000 | (49,800) |
| Specialized Services Program | 107,000 | 14,100 | 106,000 | (300) |
| Total | 813,700 | 143,800 | 25,791,400 | 44,064,400 |

| Program | Equipment | | Maintenance Undistributed | |
|-------------------------------------------|-----------|----------|---------------------------|--------------|
| | Amount | Change | Amount | Change |
| Administration | 350,000 | (21,700) | 0 | 0 |
| Child Well Being Program | 0 | 0 | 0 | 0 |
| Departmental Administrative Reimbursement | 0 | 0 | 0 | 0 |
| Employment and Economic Support Program | 24,000 | 4,000 | 0 | 0 |
| Executive Direction | 21,000 | 9,000 | 0 | 0 |
| Information Technology Program | 70,000 | (2,000) | 22,874,000 | (46,000,000) |
| Legal Affairs | 577,000 | (14,000) | 0 | 0 |
| Specialized Services Program | 9,000 | 300 | 0 | 0 |
| Total | 1,051,000 | (24,400) | 22,874,000 | (46,000,000) |

TEMPORARY AND DISABILITY ASSISTANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 46,225,000 | 11,485,000 | 23,340,000 | 10,420,000 |
| Child Well Being Program | 42,046,000 | 8,246,000 | 7,944,000 | 538,000 |
| Departmental Administrative Reimbursement | 0 | (85,000,000) | 0 | (36,330,000) |
| Disability Determinations Program | 174,600,000 | (3,000,000) | 78,050,000 | (400,000) |
| Employment and Economic Support Program | 28,509,000 | 19,509,000 | 16,247,000 | 13,747,000 |
| Executive Direction | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Information Technology Program | 104,000,000 | 57,900,000 | 8,038,000 | 6,830,000 |
| Legal Affairs | 11,000,000 | 11,000,000 | 11,000,000 | 11,000,000 |
| Specialized Services Program | 6,000,000 | 4,000,000 | 3,743,000 | 2,408,000 |
| Total | 413,580,000 | 25,340,000 | 149,562,000 | 9,413,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 22,885,000 | 1,065,000 | 0 | 0 |
| Child Well Being Program | 34,102,000 | 7,708,000 | 0 | 0 |
| Departmental Administrative Reimbursement | 0 | (48,670,000) | 0 | 0 |
| Disability Determinations Program | 96,550,000 | (2,600,000) | 0 | 0 |
| Employment and Economic Support Program | 12,262,000 | 5,762,000 | 0 | 0 |
| Executive Direction | 0 | 0 | 0 | 0 |
| Information Technology Program | 60,962,000 | 47,570,000 | 35,000,000 | 3,500,000 |
| Legal Affairs | 0 | 0 | 0 | 0 |
| Specialized Services Program | 2,257,000 | 1,592,000 | 0 | 0 |
| Total | 229,018,000 | 12,427,000 | 35,000,000 | 3,500,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 1,422,832,000 | 1,244,181,000 | (178,651,000) |
| Special Revenue Funds - Federal | 3,277,930,000 | 3,200,432,000 | (77,498,000) |
| Special Revenue Funds - Other | 16,339,000 | 17,936,000 | 1,597,000 |
| Fiduciary Funds | 20,000,000 | 10,000,000 | (10,000,000) |
| Total | 4,737,101,000 | 4,472,549,000 | (264,552,000) |

TEMPORARY AND DISABILITY ASSISTANCE

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------------------------|------------------------------|--------------------------------|----------------------|
| Child Well Being Program | | | |
| General Fund | 34,000,000 | 34,500,000 | 500,000 |
| Special Revenue Funds - Federal | 108,000,000 | 102,000,000 | (6,000,000) |
| Employment and Economic Support Administration Program | | | |
| General Fund | 349,755,000 | 346,542,000 | (3,213,000) |
| Employment and Economic Support Program | | | |
| General Fund | 913,227,000 | 736,439,000 | (176,788,000) |
| Special Revenue Funds - Federal | 2,762,505,000 | 2,659,732,000 | (102,773,000) |
| Fiduciary Funds | 20,000,000 | 10,000,000 | (10,000,000) |
| Food Stamp Administration Program | | | |
| Special Revenue Funds - Federal | 364,000,000 | 406,275,000 | 42,275,000 |
| Special Revenue Funds - Other | 6,339,000 | 7,936,000 | 1,597,000 |
| Specialized Services Program | | | |
| General Fund | 125,850,000 | 126,700,000 | 850,000 |
| Special Revenue Funds - Federal | 43,425,000 | 32,425,000 | (11,000,000) |
| Special Revenue Funds - Other | 10,000,000 | 10,000,000 | 0 |
| Total | <u>4,737,101,000</u> | <u>4,472,549,000</u> | <u>(264,552,000)</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Supported Housing Program | | | | |
| Housing Program Fund | 30,000,000 | 30,000,000 | 0 | 113,795,000 |
| Total | <u>30,000,000</u> | <u>30,000,000</u> | <u>0</u> | <u>113,795,000</u> |

HIGHER EDUCATION SERVICES CORPORATION

MISSION

The Higher Education Services Corporation (HESC) was established in 1974 to provide centralized processing of student financial aid programs. The Corporation administers the State's Tuition Assistance Program, the Federal Family Education Loan Program and other State and Federal aid programs.

ORGANIZATION AND STAFFING

The Corporation is governed by a 15-member Board of Trustees, 10 of whom are appointed by the Governor to 6-year terms. The 10 gubernatorial appointees include two student representatives, a representative of the general public, a college financial aid administrator, a chief executive officer of a degree-granting proprietary institution, two presidents of independent institutions, one chief executive officer of a non-degree proprietary school and two banking representatives. The remaining five ex-officio members include the Commissioner of Education, the Chancellors of the State University of New York and the City University of New York and student government leaders representing the public university systems.

The Corporation's chief executive officer is the President, who is appointed by the Governor, subject to Senate confirmation. The President's responsibilities include administrative oversight of key program areas including legal counsel, data processing, operations, grants and scholarships, loans and research.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$988.5 million (\$821.8 million General Fund, \$166.7 million Other Funds)** in support of the Corporation. This reflects a net decrease of **\$68.6 million (a \$103.1 million General Fund decrease and a \$34.5 million Other Funds increase)** from the 2007-08 budget. This decrease primarily reflects the continued implementation of prior-year Tuition Assistance Program (TAP) eligibility reforms, such as increased minimum academic standards and more stringent requirements related to the use of the Ability to Benefit (ATB) test, as well as 2008-09 savings and revenue actions highlighted below.

The Executive Budget recommends a staffing level of **700 FTEs** for the Corporation, unchanged from 2007-08 staffing levels. Virtually all employees are paid through funds received for the administration of Federal student loans. Agency administrative operations are located in Albany.

Major budget actions include:

- **Veterans' Tuition Coverage Program:** The 2008-09 Executive Budget includes \$2 million to provide all returning combat veterans who served in the Vietnam, Afghanistan or Persian Gulf conflicts with a tuition benefit in the amount of up to the full cost of SUNY tuition (\$4,350) to be used at any college or university in New York State. This will expand upon the benefits already available through the existing Veterans' Tuition Assistance program, which provides awards up to

HIGHER EDUCATION SERVICES

- \$2,000, and the Recruitment Incentive and Retention Program, which provides some active National Guard members and Guard Members who have been deployed with the equivalent of full SUNY tuition at New York State colleges and universities.
- **Challenge Grant Program:** This new federal program awards matching grants to organizations to increase the number of eligible students from underserved populations who enter and complete college. Organizations that receive these funds must provide need-based grants to eligible students. It is expected that HESC will receive a grant of up to \$7.0 million for the 2008-09 academic year.
 - **Default Collection Collaboration with the U.S. Department of Education:** The Corporation and the U.S. Department of Education (DOE) will collaborate to collect on defaulted Federal FFELP and Direct loans. The Executive Budget authorizes the New York State Department of Taxation and Finance to provide HESC with certain information for educational loan borrowers to enable this collaboration. Revenues generated by this initiative will be used to support TAP program expenditures.
 - **Default Parity:** Currently, students in default on Federal loans guaranteed by the Corporation are ineligible to receive TAP payments, but students in default on Federal loans guaranteed by organizations other than the Corporation retain TAP eligibility. The 2008-09 Executive Budget provides that all students in default on Federal loans would be ineligible for TAP awards, regardless of guarantor. This measure is expected to produce savings of \$2.6 million in 2008-09.
 - **Federal Default Fee:** The Executive Budget assumes that the Corporation will no longer cover a federally mandated student loan default fee on loans that it guarantees. The fee is assessed to borrowers, and is equivalent to one percent of the loan amount. In 2008-09, this action will reduce the Corporation's costs by \$26.6 million, which will be used to support TAP program expenditures.

PROGRAM HIGHLIGHTS

STATE OPERATIONS

HESC has made it easier for students to secure college loans by allowing them to apply on-line for loans and electronically sign promissary notes. The Corporation will continue to improve its operational efficiency in 2008-09 through increased reliance on technology and streamlined administrative practices. Colleges and lenders are now able to conduct all loan transactions on-line. During the 2008-09 academic year, the Corporation will launch its new website, New York State Marketplace. This portal will facilitate choice, competition and transparency for all government and private student loan products by providing students and their families with access to a broad spectrum of lending and guarantee information.

In addition to a renewed emphasis on providing comprehensive services to its clientele, the Corporation continues to develop partnerships with other student loan guaranty agencies and the Federal government to reduce costs, improve services and increase responsiveness through shared development efforts.

The Corporation will also continue to coordinate the State's participation in the Federal GEAR-UP program in 2008-09. The Corporation was awarded its second, six-year Federal GEAR-UP grant in the amount of \$21 million in 2006. This program provides early college preparation and guidance services to low-income individuals.

FEDERAL LOAN GUARANTEE PROGRAM

The largest part of the Corporation's operational responsibility is the administration of the Federal Family Education Loan program (FFELP). Under this program, the Corporation guarantees over \$21.2 billion in outstanding loans made by banks to students. When banks are unable to collect student loan repayments, the Corporation intervenes to avert default. If these default aversion efforts are unsuccessful, the Corporation purchases the defaulted loans from banks and steps are taken to bring such defaulted loans into repayment. In addition, the Corporation provides customer services for lenders, schools and students. This includes the distribution of loan information, as well as training and technical assistance related to loan applications and processing.

Federal loan activities administered by the Corporation include:

- \$4.6 billion in new guaranteed loans in 2006-07;
- Processing of student loans for over 655,000 borrowers; and
- Defaulted loan collections of \$418 million and defaulted loan purchases of \$409 million in 2006-07.

FINANCIAL AID PROGRAMS

The Corporation's responsibilities related to the administration of State financial aid programs include processing student applications, determining award amounts, processing and auditing aid payments to students and colleges, conducting reviews of participating institutions, collecting disallowed amounts identified in audits of participating institutions and providing information services to the public, students and schools for the following programs:

- Tuition Assistance Program: New York leads the nation in funding for needs-based student financial aid, and \$796.4 million in State Operating Funds will be provided to both full- and part-time (TAP) recipients in all sectors of higher education with an additional \$12.9 million in federal funding in support of tuition assistance;
- Aid for Part-Time Study: \$14.6 million will be available to over 22,000 part-time students in all sectors of higher education; and
- Scholarships and Fellowships: \$42.4 million will be provided for various scholarships, fellowships, and loan forgiveness programs including the American Airlines Flight 587 Memorial Scholarships, the World Trade Center Memorial Scholarships, the New York State Math and Science Teaching Initiative Scholarships, Senator Patricia K. McGee Nursing Faculty Scholarships/Nursing Faculty Loan Forgiveness Incentive Program and the Regents Licensed Social Worker Loan Forgiveness Program. Over 26,000 recipients are projected to receive aid under the fifteen State and Federal scholarship programs administered by the Corporation. Additionally, the Veterans' Tuition Assistance program will be supplemented by \$2.0 million for the new Veterans' Tuition Coverage program that provides eligible combat veterans with a tuition benefit in an amount up to the full cost of SUNY tuition.

COLLEGE CHOICE TUITION SAVINGS PROGRAM

Enacted in 1997, the College Choice Tuition Savings Program represents a State initiative to encourage families throughout New York to save for the college education of their children or grandchildren. Under this program, families can save for their children's

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attendance at accredited public and private colleges in New York or in other states with accompanying tax benefits on contributions made to, and interest earned on, college savings accounts.

Jointly administered by the Corporation and the Office of the State Comptroller, the program has been well received by the general public. Since its inception in September 1998, over 535,000 accounts have been opened, with contributions totaling approximately \$7.5 billion. New York's program has received national recognition as one of the top college savings plans in the nation.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 121,216,200 | 118,252,000 | (2,964,200) | 3,700,000 |
| Aid To Localities | 935,869,000 | 870,296,000 | (65,573,000) | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,057,085,200 | 988,548,000 | (68,537,200) | 3,700,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 320 | 320 | 0 |
| Guaranteed Loan Programs | | | |
| Special Revenue Funds - Other | 380 | 380 | 0 |
| Total | 700 | 700 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| Special Revenue Funds - Federal | 5,000,000 | 5,000,000 | 0 |
| Special Revenue Funds - Other | 116,216,200 | 113,252,000 | (2,964,200) |
| Total | 121,216,200 | 118,252,000 | (2,964,200) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| Special Revenue Funds - Other | 61,899,000 | 57,969,000 | (3,930,000) |
| Guaranteed Loan Programs | | | |
| Special Revenue Funds - Federal | 5,000,000 | 5,000,000 | 0 |
| Special Revenue Funds - Other | 54,317,200 | 55,283,000 | 965,800 |
| Total | 121,216,200 | 118,252,000 | (2,964,200) |

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STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------|-------------|-------------|------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 57,969,000 | (3,930,000) | 16,129,000 | 99,000 |
| Guaranteed Loan Programs | 60,283,000 | 965,800 | 22,001,000 | 185,000 |
| Total | 118,252,000 | (2,964,200) | 38,130,000 | 284,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------|---------------------|-----------|---------------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 41,340,000 | 971,000 | 500,000 | (5,000,000) |
| Guaranteed Loan Programs | 33,282,000 | 780,800 | 5,000,000 | 0 |
| Total | 74,622,000 | 1,751,800 | 5,500,000 | (5,000,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|---------------|
| General Fund | 924,869,000 | 821,796,000 | (103,073,000) |
| Special Revenue Funds - Federal | 7,000,000 | 12,900,000 | 5,900,000 |
| Special Revenue Funds - Other | 4,000,000 | 35,600,000 | 31,600,000 |
| Total | 935,869,000 | 870,296,000 | (65,573,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------------|----------------------|------------------------|---------------|
| Scholarships and Fellowships | | | |
| General Fund | 35,968,000 | 42,413,000 | 6,445,000 |
| Special Revenue Funds - Other | 4,000,000 | 4,000,000 | 0 |
| State Grant Programs | | | |
| General Fund | 874,271,000 | 764,753,000 | (109,518,000) |
| Special Revenue Funds - Federal | 7,000,000 | 12,900,000 | 5,900,000 |
| Special Revenue Funds - Other | 0 | 31,600,000 | 31,600,000 |
| Tuition Awards for Part-Time Students | | | |
| General Fund | 14,630,000 | 14,630,000 | 0 |
| Total | 935,869,000 | 870,296,000 | (65,573,000) |

DIVISION OF HUMAN RIGHTS

MISSION

New York holds the proud distinction of being the first state in the nation to enact a civil rights law, affording every individual an equal opportunity to enjoy a full and productive life, including in the areas of employment, housing, public accommodations, education, and credit. Under the State's Human Rights Law, discriminating against others because of their race, sex, age, disability or membership in other specified classes is illegal in the State of New York. Protection under the Human Rights Law also includes prohibiting discrimination based on military status and sexual orientation.

The New York State Division of Human Rights is the State agency charged with enforcing the Human Rights Law and protecting the civil rights of New Yorkers. To fulfill these responsibilities, the Division:

- Prosecutes unlawful discriminatory practices;
- Investigates and resolves individual complaints of illegal discrimination;
- Advances policies and legislation that expand and/or better protect the civil rights of New Yorkers; and
- Promotes human rights awareness through education and outreach.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, the Division operates from its main office in New York City and from nine regional and two satellite offices across the State.

The Division's workforce of 206 employees is primarily assigned to investigate complaints, to assist in the presentation of cases and to adjudicate individual cases of discrimination.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$21.6 million All Funds (\$14.7 million General Fund, \$6.9 million Other Funds)** for the Division of Human Rights. This is an increase of **\$2.2 million All Funds (\$0.2 million General Fund, \$2 million Other Funds)** from the 2007-08 Budget. This increase will enable the Division to keep pace with the anticipated growth in cases brought before it.

The Executive Budget recommends a Division staffing level of **208 FTEs** in 2008-09, an **increase of 2** from 2007-08 to handle increased workload expected from recently enacted legislation in the area of public accommodations for persons with disabilities. The \$2 million increase in Federal appropriation authority will allow the Division to increase its staff by an additional 20 if needed to address a growing caseload and to receive and investigate complaints and hear cases in a timely manner.

PROGRAM HIGHLIGHTS

In 2007-08 the Division focused its activities on investigating systematic forms of discrimination, on improving the individual complaint process, and on investigating and adjudicating individual cases. It will continue this work in 2008-09, along with enforcing new provisions of State law that enhance the rights of New Yorkers, particularly in the area of disabilities.

HUMAN RIGHTS

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 19,430,000 | 21,601,000 | 2,171,000 | 16,562,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 19,430,000 | 21,601,000 | 2,171,000 | 16,562,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 166 | 168 | 2 |
| Special Revenue Funds - Federal | 40 | 40 | 0 |
| Total | 206 | 208 | 2 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 14,476,000 | 14,697,000 | 221,000 |
| Special Revenue Funds - Federal | 4,904,000 | 6,904,000 | 2,000,000 |
| Special Revenue Funds - Other | 50,000 | 0 | (50,000) |
| Total | 19,430,000 | 21,601,000 | 2,171,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| General Fund | 14,476,000 | 14,697,000 | 221,000 |
| Special Revenue Funds - Federal | 4,904,000 | 6,904,000 | 2,000,000 |
| Special Revenue Funds - Other | 50,000 | 0 | (50,000) |
| Total | 19,430,000 | 21,601,000 | 2,171,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|------------|---------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 11,801,000 | 121,000 | 11,457,000 | (204,000) |
| Total | 11,801,000 | 121,000 | 11,457,000 | (204,000) |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------|-------------------------------------------|---------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 325,000 | 325,000 | 19,000 | 0 |
| Total | 325,000 | 325,000 | 19,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 2,896,000 | 100,000 | 151,000 | 0 |
| Total | 2,896,000 | 100,000 | 151,000 | 0 |

| Program | Travel | | Contractual Services | |
|----------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 192,000 | 0 | 2,353,000 | 100,000 |
| Total | 192,000 | 0 | 2,353,000 | 100,000 |

| Program | Equipment | |
|----------------|------------------|---------------|
| | Amount | Change |
| Administration | 200,000 | 0 |
| Total | 200,000 | 0 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Nonpersonal Service | |
|----------------|---------------|---------------|----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 6,904,000 | 1,950,000 | 0 | (50,000) |
| Total | 6,904,000 | 1,950,000 | 0 | (50,000) |

| Program | Maintenance Undistributed | |
|----------------|----------------------------------|---------------|
| | Amount | Change |
| Administration | 6,904,000 | 2,000,000 |
| Total | 6,904,000 | 2,000,000 |

DEPARTMENT OF LABOR

MISSION

The Department of Labor (DOL) administers New York's Unemployment Insurance system, labor exchange system and State worker protection programs, including enforcement of safety and health regulations in the public sector, State labor laws and Federal statutes related to working conditions, wages and hours and laws related to public work. The Department is a primary advocate for job creation and economic growth through workforce development, and serves as the State's principal source for labor market information, offering a variety of services designed to help businesses find workers and people find jobs.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner with a central office located in Albany. This office is responsible for two Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 78 locations throughout the State. In addition, through nine worker protection district offices, the Department enforces child labor laws, fosters workplace health and safety, and ensures that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.8 billion All Funds (\$1.5 million General Fund, \$3.8 billion Other Funds, including \$3.0 billion Enterprise Fund)** for the Department of Labor. This is a decrease of **\$299 million All Funds (\$0.2 million General Fund, \$299 million Other Funds, including \$250 million Enterprise Fund)** from the 2007-08 Budget. This change reflects the shift of disaster administration responsibility out of the Department, updated projections in Unemployment Insurance benefits, general inflationary increases, and other adjustments.

The Executive Budget recommends a staffing level of **3,643 positions** in 2008-09, a **decrease of 4** from the 2007-08 Budget, reflecting the conversion of State Employment Relations Board Members to per diem employees. Approximately 82 percent of the Department's positions are financed by Federal grants and 18 percent are supported by fees and assessments. Less than one percent of the Department's positions are supported by State tax dollars from the General Fund.

Major Budget actions include:

- **Joint Enforcement Task Force:** In 2008-09 DOL will continue its aggressive implementation of Executive Order No. 17, which established the Joint Enforcement Task Force on Employee Misclassification. DOL staff will focus on employers who intentionally misclassify workers as independent contractors instead of as employees, or pay them "off the books" to avoid the costs of unemployment insurance, workers' compensation, social security, State and Federal withholding, temporary disability insurance, minimum wage, and overtime.
- **Public Work Enforcement:** In 2008-09 the Department, using available resources, will strengthen enforcement of the State's public work law, including payment of prevailing wages, use of apprentices, and work in excess of eight hours per day/five days per week.

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- **Disaster Relief Program:** The 2008-09 Budget reflects the transfer of responsibility for administering Federal disaster relief grants and loans from DOL to the Federal Emergency Management Agency.
- **Unemployment Insurance Systems Modernization:** Existing fees and assessments received by DOL will support the Department's Unemployment Insurance computer systems modernization efforts. Appropriations totaling \$17.8 million are recommended for this project, a decrease of \$5 million from the 2007-08 Budget.
- **State Employment Relations Board (SERB):** The Budget recommends that a \$750 fee be charged to each party, labor and management, involved in an arbitration performed by a SERB staff person. Additionally, the Budget recommends that SERB Board members be paid a per diem rate for their services rather than an annual salary. Together, these actions will result in General Fund savings of \$339,000. SERB is the only Department of Labor program supported by the General Fund.

PROGRAM HIGHLIGHTS

JOB SERVICES

Consistent with the requirements of the Federal Workforce Investment Act, the Department of Labor and local governments work together at local One-Stop Centers and affiliated sites across the State that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer services, human resources consultation, and support services such as child care and transportation. The Centers benefit employers by providing them with access to worker resumes and information on tax credits, workplace safety issues and apprenticeship services.

Through the use of job orders, on-line forms, electronic job banks and talent banks available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from DOL services and to immediately access relevant information without assistance from Department staff.

In addition to partnering in One-Stop Centers across the State, the Department continues to work with other State and local agencies, community colleges and others to ensure that New York's workforce development system provides access to information and services across agency lines regardless of where a person may initially go for assistance.

WORKFORCE INVESTMENT ACT

Federally funded local assistance appropriation authority includes \$252 million for Workforce Investment Act (WIA) services. WIA provides job training to youth, adults and dislocated workers. WIA also upgrades the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants access WIA services through the network of local One-Stop Centers for the delivery of employment and training services. WIA also improves customer choice and program effectiveness, as participants can choose training providers based on past performance through the use of individual training accounts.

WORKER PROTECTION

Worker Protection functions are carried out by two Department of Labor programs: Occupational Safety and Health and Labor Standards/Public Work.

The Occupational Safety and Health program is responsible for health and safety inspections and granting licenses to qualified persons to operate or handle dangerous equipment or substances. Statistics for the last two completed State fiscal years show that the Division inspected 20,463 amusement park devices, 941 ski lifts, 6,115 places of public assembly (e.g., bleachers at concerts) and 30,797 commercial boilers. It also reviewed applications for 46,968 asbestos licenses and certificates.

The Labor Standards program enforces the Labor Law in such areas as minimum and prevailing wage, child labor and garment industry registration. During the last two completed State fiscal years, the Division inspected 1,065 businesses for compliance with child labor laws and collected nearly \$23 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 33,034 employees.

A Bureau of Immigrant Worker's Rights was established within the Department in May 2007 in order to detect and address abuses against immigrant workers throughout New York State.

In 2008-09, the Department will play a lead role in the Governor's Joint Enforcement Task Force on Employee Misclassification. Through coordinated audit and investigative activities, this enforcement initiative is aimed at employers who intentionally mislabel workers as independent contractors instead of employees, or pay them "off the books," to avoid employee-related costs. Misclassification puts law-abiding businesses at a competitive disadvantage, since they must bear the expense of providing these benefits, while those who skirt the law bear no such costs.

UNEMPLOYMENT INSURANCE

The Unemployment Insurance program makes weekly payments to eligible, unemployed workers who have lost a job through no fault of their own. These temporary payments, generally available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work. The Department also operates a re-employment services program to further strengthen efforts to move individuals back to work. The 2008-09 Budget reduces Unemployment Insurance Fiduciary funding by \$250 million – to \$3 billion – to more accurately reflect the level of claims anticipated in the upcoming State fiscal year.

As part of a continuing effort to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received to determine if applicants are eligible to receive Unemployment Insurance benefits and to handle all other processing issues related to an individual's benefits. The system, which operates through two Tele-Claims Centers located in Troy and Endicott, replaced a process which required DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices. In addition, the Department currently accepts Unemployment Insurance claims and employer registration through the Internet.

In 2006, the Department began issuing all Unemployment Insurance benefit payments through debit cards. The cards, known as Direct Payment Cards, offer customers a safe, convenient way to access their benefits. In 2007, the Department began offering a Direct

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Deposit program for Unemployment Insurance benefit payments to provide claimants with an additional option. These efforts are intended to modernize the unemployment system, while making the process more customer friendly and cost effective.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------------|--------------------------------------------|
| State Operations | 3,853,366,000 | 3,561,441,000 | (291,925,000) | 628,287,000 |
| Aid To Localities | 259,519,750 | 252,427,000 | (7,092,750) | 475,709,500 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 4,112,885,750 | 3,813,868,000 | (299,017,750) | 1,103,996,500 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Federal | 2,996 | 2,996 | 0 |
| Employment Relations Board | | | |
| General Fund | 16 | 12 | (4) |
| Employment and Training | | | |
| Special Revenue Funds - Other | 74 | 69 | (5) |
| Labor Standards | | | |
| Special Revenue Funds - Other | 279 | 282 | 3 |
| Occupational Safety and Health | | | |
| Special Revenue Funds - Other | 282 | 284 | 2 |
| Total | 3,647 | 3,643 | (4) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|---------------|
| General Fund | 1,720,000 | 1,495,000 | (225,000) |
| Special Revenue Funds - Federal | 526,425,000 | 482,328,000 | (44,097,000) |
| Special Revenue Funds - Other | 75,221,000 | 77,618,000 | 2,397,000 |
| Enterprise Funds | 3,250,000,000 | 3,000,000,000 | (250,000,000) |
| Total | 3,853,366,000 | 3,561,441,000 | (291,925,000) |

Adjustments:

Transfer(s) From

Special Pay Bill

 Special Revenue Funds - Federal

(464,000)

 Special Revenue Funds - Other

(512,000)

Appropriated 2007-08

3,852,390,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|------------------------------|--------------------------------|----------------------|
| Administration | | | |
| Special Revenue Funds - Federal | 454,925,000 | 460,828,000 | 5,903,000 |
| Special Revenue Funds - Other | 512,000 | 0 | (512,000) |
| Employment Relations Board | | | |
| General Fund | 1,720,000 | 1,495,000 | (225,000) |
| Special Revenue Funds - Other | 0 | 225,000 | 225,000 |
| Employment and Training | | | |
| Special Revenue Funds - Other | 9,673,000 | 9,673,000 | 0 |
| Labor Standards | | | |
| Special Revenue Funds - Other | 25,546,000 | 26,655,000 | 1,109,000 |
| Occupational Safety and Health | | | |
| Special Revenue Funds - Other | 39,490,000 | 41,065,000 | 1,575,000 |
| Unemployment Insurance Benefit Fund | | | |
| Special Revenue Funds - Federal | 71,500,000 | 21,500,000 | (50,000,000) |
| Enterprise Funds | 3,250,000,000 | 3,000,000,000 | (250,000,000) |
| Total | <u>3,853,366,000</u> | <u>3,561,441,000</u> | <u>(291,925,000)</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------------------|------------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Employment Relations Board | 1,251,000 | 0 | 1,218,000 | 0 |
| Total | <u>1,251,000</u> | <u>0</u> | <u>1,218,000</u> | <u>0</u> |

| Program | Temporary Service (Nonannual Salaried) | |
|----------------------------|---------------------------------------------------|---------------|
| | Amount | Change |
| Employment Relations Board | 33,000 | 0 |
| Total | <u>33,000</u> | <u>0</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------------------|----------------|------------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Employment Relations Board | 244,000 | (225,000) | 36,000 | 0 |
| Total | <u>244,000</u> | <u>(225,000)</u> | <u>36,000</u> | <u>0</u> |

| Program | Travel | | Contractual Services | |
|----------------------------|---------------|---------------|-----------------------------|------------------|
| | Amount | Change | Amount | Change |
| Employment Relations Board | 33,000 | 0 | 150,000 | (225,000) |
| Total | <u>33,000</u> | <u>0</u> | <u>150,000</u> | <u>(225,000)</u> |

| Program | Equipment | |
|----------------------------|------------------|---------------|
| | Amount | Change |
| Employment Relations Board | 25,000 | 0 |
| Total | <u>25,000</u> | <u>0</u> |

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STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------|---------------|---------------|------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 460,828,000 | 5,391,000 | 0 | (670,000) |
| Employment Relations Board | 225,000 | 225,000 | 0 | 0 |
| Employment and Training | 9,673,000 | 0 | 2,847,000 | 39,000 |
| Labor Standards | 26,655,000 | 1,109,000 | 15,713,000 | 720,000 |
| Occupational Safety and Health | 41,065,000 | 1,575,000 | 18,813,000 | 995,000 |
| Unemployment Insurance Benefit Fund | 3,021,500,000 | (300,000,000) | 0 | 0 |
| Total | 3,559,946,000 | (291,700,000) | 37,373,000 | 1,084,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------------------|---------------------|-----------|---------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 0 | (306,000) | 460,828,000 | 6,367,000 |
| Employment Relations Board | 225,000 | 225,000 | 0 | 0 |
| Employment and Training | 1,826,000 | (39,000) | 5,000,000 | 0 |
| Labor Standards | 10,942,000 | 389,000 | 0 | 0 |
| Occupational Safety and Health | 22,252,000 | 580,000 | 0 | 0 |
| Unemployment Insurance Benefit Fund | 0 | 0 | 3,021,500,000 | (300,000,000) |
| Total | 35,245,000 | 849,000 | 3,487,328,000 | (293,633,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| General Fund | 20,470,750 | 0 | (20,470,750) |
| Special Revenue Funds - Federal | 238,619,000 | 251,997,000 | 13,378,000 |
| Special Revenue Funds - Other | 430,000 | 430,000 | 0 |
| Total | 259,519,750 | 252,427,000 | (7,092,750) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| Employment and Training | | | |
| General Fund | 18,649,500 | 0 | (18,649,500) |
| Special Revenue Funds - Federal | 238,619,000 | 251,997,000 | 13,378,000 |
| Occupational Safety and Health | | | |
| Special Revenue Funds - Other | 430,000 | 430,000 | 0 |
| Community Projects | | | |
| General Fund | 1,821,250 | 0 | (1,821,250) |
| Total | 259,519,750 | 252,427,000 | (7,092,750) |

STATE UNIVERSITY OF NEW YORK

MISSION

Created in 1948, the State University of New York (SUNY) is the largest public university system in the nation with 64 campuses offering a complete range of academic, professional and vocational programs. The State University system is uniquely positioned to provide New Yorkers with access to quality postsecondary educational programs in all regions of the State.

ORGANIZATION AND STAFFING

The three major components of the State University's mission — teaching, public service and research — are carried out by:

- Eight campuses offering academic programs through the doctoral level and serving as research centers;
- Fourteen comprehensive colleges providing undergraduate education in a variety of academic fields;
- Seven colleges of technology focusing on the development of a workforce with the advanced skills required by an increasingly technology-dependent economy;
- Five statutory and contract colleges at Alfred and Cornell universities that offer nationally acclaimed programs in ceramics, veterinary medicine, agriculture and life sciences, industrial and labor relations, and human ecology;
- Thirty community colleges offering access to a wide array of higher education opportunities that prepare students for transfer to senior colleges or train them for a variety of technical or paraprofessional occupations; and
- Three teaching hospitals in Stony Brook, Brooklyn and Syracuse, along with a medical school in Buffalo, which provide graduate medical education training for SUNY students as well as valuable health care services for their host communities.

The University is governed by a Board of Trustees consisting of 17 members, with 15 appointed by the Governor to staggered seven-year terms and approved by the Senate, and two ex-officio trustees representing the student assembly and faculty of the State University. The Board oversees the operations of the University's State-operated campuses and also exercises general supervisory authority over the community colleges, which are sponsored by local governments and governed by local boards of trustees.

The chief executive officer of the University is the Chancellor who is appointed by, and serves at the pleasure of, the Board of Trustees. Individual college presidents are also appointed by, and serve at the pleasure of, the Board.

The State University's operating budget supports an estimated 40,632 full-time equivalent positions, consisting of 24,130 positions that are supported through a combination of State tax dollars and tuition revenues and 16,502 positions supported by other funds. Community college staff are not included in these totals as they are not employees of the State.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$11.7 billion in All Funds support (\$2.8 billion General Fund; \$8.9 billion Other Funds)** for the State University of New York. This represents an increase of **\$4.2 billion (\$0.04 billion General Fund; \$4.1 billion Other Funds)** from the 2007-08 budget. This net change primarily reflects base level adjustments

for personal services, nonpersonal services, fringe benefits and other inflationary costs, major budget actions described below, and other measures. The Executive Budget does not assume a tuition increase, therefore, the University's Tuition Revenue Offset will remain level at \$1.05 billion.

Major budget actions include:

- **New Five-Year Capital Program.** The Executive Budget includes \$4.3 billion of new appropriations in 2008-09 to support the first year of a \$6.5 billion, five-year capital investment program. This five-year program will provide \$2.75 billion for critical maintenance projects and \$1.6 billion for strategic initiative projects at State-operated educational facilities; \$1.0 billion for projects at SUNY's self-supporting hospitals and residence halls; \$526 million for Community College capital projects, representing the State's 50 percent share of project costs; \$75 million to support a pilot "Greening of SUNY" initiative for self-supporting energy efficiency capital projects; and \$500 million in spending authority for projects supported by non-State funds (i.e. grants and donations).
- **Nursing Programs.** The Executive Budget provides \$1 million of additional funding to expand SUNY nursing programs
- **Office of Diversity and Educational Equity.** The Executive Budget provides \$200,000 in additional funding for SUNY's Office of Diversity and Educational Equity for the development and dissemination of model programs demonstrated to be effective in meeting the needs of English Language Learners. These additional funds will increase total support for the office to \$500,000.
- **Stony Brook Collaborative Research Alliance.** The Executive budget provides \$250,000 to support initial planning costs for a strategic research partnership between Stony Brook University, Cold Spring Harbor Laboratory and Brookhaven National Laboratory. The goal of the Alliance is to link the intellectual and infrastructure resources of these three pre-eminent research institutions to create a life sciences and biomedical research cluster that will attract world class researchers and bio-medical-related businesses to the Long Island region and New York State as a whole.
- **Energy Costs.** The Executive Budget includes a \$45 million contingency appropriation outside of SUNY's appropriation schedule to cover extraordinary utility cost increases experienced by the University's State-operated and statutory campuses in 2008-09, should they arise.
- **Savings from Innovation and Enhanced Flexibility.** The Executive Budget recognizes the flexibility of the Board of Trustees to manage a \$34 million (2.5 percent) reduction in General Fund support in a manner that is responsive to student needs and University priorities. The Executive Budget also includes Article VII legislation that would enhance SUNY's existing flexibility in the areas of procurement and construction, which will facilitate cost savings efforts.
- **\$50 per FTE Reduction in Community College Base Operating Aid.** Funding for base operating aid is reduced by \$50 per full-time equivalent (FTE) student from \$2,675 to \$2,625 per FTE to achieve savings of \$8.3 million on an academic fiscal year basis.

STATE-OPERATED COLLEGES

The Executive Budget provides \$6.9 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to \$2.4 billion in support from the General Fund, the University's operating budget includes \$4.5 billion in activities funded by other revenues. Revenue-generating entities and programs include: the three teaching hospitals at Brooklyn, Stony Brook and Syracuse; the Long Island Veterans' Home (which is administered by the Stony Brook Health Science Center); dormitory operations; food services; and tuition-supported activities, including summer session and overseas academic studies.

2008-09 gross operating support for State colleges and schools will total \$3.41 billion, representing an increase of \$42 million or 1.2 percent. Within this amount, taxpayer support will total nearly \$2.4 billion, an increase of \$42 million or 1.8 percent. SUNY's General Revenue Offset Account, the primary repository of tuition revenues, will total \$1.05 billion, unchanged from 2007-08 levels.

The 2008-09 Executive Budget provides \$26.6 million less in State support for energy spending than in 2007-08, better aligning energy funding with recent and projected future energy expenditure levels. However, the Budget also includes an energy contingency appropriation outside of the University's appropriation schedule as a buffer against extraordinary energy costs increases, should they arise.

SUNY's special revenue funding, exclusive of the General Revenue Offset Account, will total \$3.2 billion, an increase of \$217 million, including:

- An increase of \$85 million in appropriations for the Stabilization Account, which have a two-year life and are, therefore, appropriated every other year;
- An increase of \$61 million for the SUNY hospitals, reflecting collectively bargained salary increases and support for their revenue-generating initiatives;
- An increase of \$26 million for the State University Tuition Reimbursable Account (SUTRA), to accommodate revenue from potential enrollment growth;
- An increase of \$30 million for the General Income Fund Reimbursable account (IFR) reflecting general inflationary costs.
- Additional inflationary adjustments of \$13 million for the Dormitory IFR account, and \$2 million for the Long Island Veterans Home.

For 2008-09, Federal appropriations totaling \$251 million will support the Pell grant program and various other student financial aid programs.

SUNY HOSPITALS

The 2008-09 Budget continues the appropriation structure adopted in 2001-02 for the SUNY hospitals. All hospital spending is appropriated in one account with the hospitals being responsible for direct payment of their fringe benefit and debt service costs. Under this appropriation structure, the SUNY hospitals will continue to be directly accountable for operating within their available revenues, including a fixed State subsidy amount.

The recommended State subsidy for the SUNY hospitals, which recognizes costs attributable to their State agency status, is increased by \$7.8 million to a total of \$154.1 million to reflect collectively bargained salary increases and costs attributable to employee fringe benefits.

STATE UNIVERSITY

COMMUNITY COLLEGES

SUNY's 30 community colleges represent the primary point of access for nearly 215,000 students from across the State. Community colleges have three basic sources of funding: State support, local support and student tuition revenue. The Executive Budget recommends \$451.1 million of State support, a net decrease of \$77,000. This net change is attributable to an increase of \$9.2 million for additional enrollment and rental aid costs; a decrease of \$8.3 million related to a \$50 per FTE reduction in operating aid, from \$2,675 to \$2,625; and the elimination of \$1 million in additional operating support for low-enrollment community colleges.

CORNELL COOPERATIVE EXTENSION

County cooperative extension associations — funded by State, county and Federal contributions — provide specialized information and assistance in community development, agricultural technology, 4-H youth development and consumer and family education. The Executive Budget recommends nearly \$3.7 million in State support for this program, the same level of funding provided in the 2007-08 Executive Budget.

CAPITAL PROJECTS

In the 2007-08 Executive Budget, the Governor called upon SUNY to develop a new five-year capital plan for the 2008-09 to 2012-13 period. In response to the University's 2008-09 capital budget request, the Executive Budget provides a new five-year capital funding framework that will promote stability, predictability and greater discipline in the capital funding process, while ensuring campus priorities are balanced with available resources. This framework will supplement existing reappropriations with \$4.3 billion in new appropriation authority, consisting of:

- \$1.6 billion for strategic initiatives at State-operated and statutory campuses that will improve, enhance and advance the academic, research, recreational and community support priorities of the University. The Executive Budget recommends that, following enactment of the capital appropriation for strategic initiatives, the SUNY Board of Trustees will advance a project schedule, up to the amount of the appropriation, to a newly established University Capital Projects Review Board (UCPRB), which will consider the schedule in its entirety. Article VII language submitted with the Executive Budget establishes the UCPRB;
- \$550 million, representing the first of five planned annual appropriations totaling \$2.75 billion to address critical maintenance needs at State-operated and statutory campuses;
- \$1.02 billion for projects at the self-supporting University hospitals and residence halls;
- \$526 million for Community College capital projects, representing the State's 50 percent share of project costs;
- \$75 million to initiate a pilot "Greening of SUNY" initiative to provide campuses with the ability to finance self-supporting projects that yield long-term operational savings through energy conservation;
- \$500 million in spending authority to enable campuses to use non-State funds (i.e. grants and donations) to fully or partially support Educational Facilities Program capital projects.

To accommodate this investment in University infrastructure, SUNY's bond cap will be increased by \$1.6 billion for a total bonding authorization of \$10.03 billion.

PROGRAM HIGHLIGHTS

The State University of New York is the nation's largest comprehensive public university, offering 7,669 degree and certificate programs at the research universities, community colleges, medical schools and colleges of technology that comprise its 64 campuses. The State University enrolls over 40 percent of college-bound students graduating from New York State high schools. Nearly 427,000 full-time and part-time SUNY students — 212,109 at State-operated campuses and 214,782 in community colleges — are pursuing studies ranging from one-year certificate programs to doctorates.

The academic profile of incoming students continues to grow stronger at SUNY campuses. More than half of all students that enrolled at SUNY University Centers in Fall 2003 had SAT scores above 1200 and grade point averages above 90 — comparable to admission profiles found at top public flagship institutions in California, Michigan, Texas and North Carolina. Overall, SUNY campuses averaged nearly 1150 on the SAT, more than 100 points above the national average.

The State University is also working to expand the volume of scholarly research conducted by its faculty, and is more aggressively seeking Federal and other external support for research. As a result, SUNY sponsored research expenditures are expected to reach nearly \$925 million in 2007. Research grants at SUNY now underwrite over 10,400 projects, which directly support more than 18,000 full and part-time jobs across New York State.

SUNY campuses are partners in the State's six University-based Centers of Excellence, a high-technology initiative that will continue New York's advancement in the areas of university-based research, business creation and job development, including:

- Albany Center of Excellence in Nanoelectronics, a semiconductor research center at SUNY-Albany;
- Buffalo Center of Excellence in Bioinformatics which includes the Life Sciences Complex used for super-computing, pharmaceutical research and workforce development; and
- Long Island Center of Excellence in Wireless Internet and Information Technology which, in tandem with several other high-tech research projects such as the Bioinformatics Research Center at Cold Spring Harbor Laboratory.

The State University's 30 locally sponsored community colleges serve as a source of skilled employees and play a role in the State's efforts to attract and retain businesses seeking an able workforce. Through their policy of open admissions, the community colleges also ensure access to postsecondary education.

From the curriculum and instruction in its classrooms, research in its laboratories, support from its alumni and its appeal to a growing number of college-bound students, the State University continues to elevate its ranking among the nation's finest public universities.

STATE UNIVERSITY

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------------|--------------------------------------------|
| State Operations | 6,636,587,140 | 6,896,446,000 | 259,858,860 | 759,142,000 |
| Aid To Localities | 449,894,713 | 455,813,000 | 5,918,287 | 0 |
| Capital Projects | 379,700,000 | 4,285,595,000 | 3,905,895,000 | 3,395,039,000 |
| Total | 7,466,181,853 | 11,637,854,000 | 4,171,672,147 | 4,154,181,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------------|---------------------------------------|---------------------------------------|------------|
| All State University Colleges and Schools | | | |
| General Fund | 24,125 | 24,130 | 5 |
| Special Revenue Funds - Federal | 3 | 3 | 0 |
| Special Revenue Funds - Other | 16,497 | 16,497 | 0 |
| Capital Projects Funds - Other | 2 | 2 | 0 |
| Total | 40,627 | 40,632 | 5 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 2,321,724,540 | 2,363,733,000 | 42,008,460 |
| Special Revenue Funds - Federal | 250,500,000 | 250,500,000 | 0 |
| Special Revenue Funds - Other | 4,052,362,600 | 4,269,803,000 | 217,440,400 |
| Internal Service Funds | 12,000,000 | 12,410,000 | 410,000 |
| Total | 6,636,587,140 | 6,896,446,000 | 259,858,860 |

Adjustments:

| | |
|-------------------------------|---------------|
| Prior Year Deficiency | |
| State University of New York | |
| General Fund | 11,000,000 |
| Special Revenue Funds - Other | (11,000,000) |
| Transfer(s) From | |
| Special Pay Bill | |
| General Fund | (1,016,000) |
| Special Revenue Funds - Other | (3,015,000) |
| Appropriated 2007-08 | 6,632,556,140 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------------|----------------------|------------------------|--------------|
| All State University Colleges and Schools | | | |
| General Fund | 1,341,378,540 | 1,302,186,000 | (39,192,540) |
| Special Revenue Funds - Federal | 250,500,000 | 250,500,000 | 0 |
| Special Revenue Funds - Other | 4,052,362,600 | 4,269,803,000 | 217,440,400 |
| Internal Service Funds | 12,000,000 | 12,410,000 | 410,000 |
| Employee Fringe Benefits | | | |
| General Fund | 980,346,000 | 1,061,547,000 | 81,201,000 |
| Total | 6,636,587,140 | 6,896,446,000 | 259,858,860 |

STATE UNIVERSITY

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-------------------------------------------|---------------|-------------|-----------------------------------------------|-------------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 1,892,952,071 | 167,831,261 | 1,745,407,291 | 149,407,375 |
| Total | 1,892,952,071 | 167,831,261 | 1,745,407,291 | 149,407,375 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-------------------------------------------|-------------------------------------------|------------|-------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 135,184,944 | 17,384,817 | 12,359,836 | 1,039,069 |
| Total | 135,184,944 | 17,384,817 | 12,359,836 | 1,039,069 |

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-------------------------------------------|---------------|---------------|------------------------|------------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 459,256,929 | (207,023,801) | 93,065,258 | 58,043,758 |
| Employee Fringe Benefits | 1,061,547,000 | 81,201,000 | 0 | 0 |
| Total | 1,520,803,929 | (125,822,801) | 93,065,258 | 58,043,758 |

| Program | Travel | | Contractual Services | |
|-------------------------------------------|------------|-------------|----------------------|---------------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 11,696,964 | (1,014,751) | 312,286,618 | (237,425,867) |
| Employee Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 11,696,964 | (1,014,751) | 312,286,618 | (237,425,867) |

| Program | Equipment | | General State Charges | |
|-------------------------------------------|------------|--------------|-----------------------|------------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 42,208,089 | (26,626,941) | 0 | 0 |
| Employee Fringe Benefits | 0 | 0 | 1,061,547,000 | 81,201,000 |
| Total | 42,208,089 | (26,626,941) | 1,061,547,000 | 81,201,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------------|---------------|-------------|------------------|---------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 3,482,690,000 | 217,850,400 | 1,225,422,300 | 775,900 |
| Total | 3,482,690,000 | 217,850,400 | 1,225,422,300 | 775,900 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------------------------|---------------------|-------------|---------------------------|---------|
| | Amount | Change | Amount | Change |
| All State University Colleges and Schools | 2,217,847,700 | 216,965,500 | 39,420,000 | 109,000 |
| Total | 2,217,847,700 | 216,965,500 | 39,420,000 | 109,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|-----------|
| General Fund | 449,894,713 | 455,813,000 | 5,918,287 |
| Total | 449,894,713 | 455,813,000 | 5,918,287 |

STATE UNIVERSITY

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------------|----------------------|------------------------|------------------|
| Community Colleges | | | |
| General Fund | 444,283,713 | 452,143,000 | 7,859,287 |
| County Cooperative Extension Program - | | | |
| Cornell University | | | |
| General Fund | 4,170,000 | 3,670,000 | (500,000) |
| Community Projects | | | |
| General Fund | 1,441,000 | 0 | (1,441,000) |
| Total | <u>449,894,713</u> | <u>455,813,000</u> | <u>5,918,287</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------|----------------------|------------------------|----------------------|-----------------------------|
| Senior Universities | | | | |
| General Maintenance and Improvements | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 15,404,000 |
| Capital Projects Fund - Advances | 379,700,000 | 2,687,000,000 | 2,307,300,000 | 2,834,936,000 |
| State University Capital Projects Fund | | | | |
| State University Capital Projects Fund | 0 | 500,000,000 | 500,000,000 | 168,949,000 |
| State University Residence Hall Rehabilitation Fund | | | | |
| State University Residence Hall Rehabilitation Fund | 0 | 123,000,000 | 123,000,000 | 19,017,000 |
| SUNY Dorms (Direct Auth Bonds) | 0 | 450,000,000 | 450,000,000 | 157,945,000 |
| Subtotal | <u>379,700,000</u> | <u>3,760,000,000</u> | <u>3,380,300,000</u> | <u>3,196,251,000</u> |
| Community Colleges | | | | |
| General Maintenance and Improvements | | | | |
| Capital Projects Fund | 0 | 20,000,000 | 20,000,000 | 32,288,000 |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 18,000,000 |
| Cap Proj Fund - SUNY CC (Direct Auth Bonds) | 0 | 505,595,000 | 505,595,000 | 148,500,000 |
| Subtotal | <u>0</u> | <u>525,595,000</u> | <u>525,595,000</u> | <u>198,788,000</u> |
| Total | <u>379,700,000</u> | <u>4,285,595,000</u> | <u>3,905,895,000</u> | <u>3,395,039,000</u> |

STATE UNIVERSITY CONSTRUCTION FUND

MISSION

The State University Construction Fund is a public benefit corporation established in 1962 to serve as the construction agent for academic buildings, dormitories and other facilities at State-operated institutions and statutory colleges under the jurisdiction of the State University of New York (SUNY). Consistent with the State University's approved Master Capital Construction Plan, the Fund oversees construction, acquisition, reconstruction and rehabilitation or improvement of such facilities.

ORGANIZATION AND STAFFING

The Fund is administered by a Board of Trustees consisting of three members appointed by the Governor, one of whom must be a State University Trustee. Members other than the State University Trustee are confirmed by the Senate. The Board appoints a General Manager who serves as chief administrative officer of the agency.

The agency's workforce for 2008-09 is expected to be **135** employees. The Fund's operations are supported entirely from proceeds of revenue bonds issued to finance the construction and reconstruction of academic facilities.

BUDGET HIGHLIGHTS

The Executive Budget includes **\$18.8 million** in appropriations funded from proceeds of State University Educational Facilities Revenue bonds. This level of funding represents a change of **\$1.5 million** from 2007-08, due primarily to an increase in staff from 125 to 135 in order to address the design, planning and construction management workload of the State University's new \$4.4 billion, five-year Educational Facilities Capital Plan and \$450 million five-year Hospital Capital Plan. This funding level is based on the multi-year priorities identified by the State University of New York for its 29 State-operated campuses, three hospitals and the Statutory colleges at Cornell University and Alfred University.

PROGRAM HIGHLIGHTS

As of March 31, 2007, the Fund has completed 5,010 academic, hospital and dining hall capital projects with a replacement value of approximately \$25.7 billion (\$22.9 billion for buildings and \$2.8 billion for infrastructure). During the 2006-07 fiscal year, the Fund initiated the design of 57 projects having a total value of \$49.6 million and began construction of 77 projects having an estimated cost of \$232.5 million. These figures exclude projects administered by individual campuses.

In addition to design and construction of SUNY's educational facilities, other key functions of the Fund include:

- Preparation and development of the State University's Master Capital Construction Plan, as well as master plans for individual campuses;
- Preparation of the State University's annual capital budget request and facility program;

STATE UNIVERSITY CONSTRUCTION

- Development and maintenance of online interactive data processing systems on space and property inventories, real property, State building codes and other related plant management functions; and
- Management and administration of University-wide programs including minor rehabilitation, energy conservation and telecommunications.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 17,340,000 | 18,805,000 | 1,465,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 17,340,000 | 18,805,000 | 1,465,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 125 | 135 | 10 |
| Total | 125 | 135 | 10 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Other | 17,340,000 | 18,805,000 | 1,465,000 |
| Total | 17,340,000 | 18,805,000 | 1,465,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| Special Revenue Funds - Other | 17,340,000 | 18,805,000 | 1,465,000 |
| Total | 17,340,000 | 18,805,000 | 1,465,000 |

STATE UNIVERSITY CONSTRUCTION

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service | |
|----------------|------------|-----------|------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 18,805,000 | 1,465,000 | 10,951,000 | 629,000 |
| Total | 18,805,000 | 1,465,000 | 10,951,000 | 629,000 |

| Program | Nonpersonal Service | |
|----------------|---------------------|---------|
| | Amount | Change |
| Administration | 7,854,000 | 836,000 |
| Total | 7,854,000 | 836,000 |

OFFICE OF WELFARE INSPECTOR GENERAL

MISSION

The Office of Welfare Inspector General was established in 1992 to prevent, investigate, and prosecute welfare fraud, waste, abuse and illegal acts involving social services programs at both the State and local levels. The Office investigates and when appropriate prosecutes welfare recipients who are dishonestly receiving benefits for which they are not eligible. It also investigates instances in which providers of Medicaid, day care or other social services are fraudulently receiving payments from government. The agency is also responsible for investigating any failure by State and local officials to investigate and prosecute such fraud and abuse within their jurisdiction. Furthermore, it is charged with recommending policies to prevent and to detect social services fraud, and then to monitor the implementation of these recommendations.

In carrying out its responsibilities, the Office works closely with various State agencies in support of fraud investigations. The Office of Temporary and Disability Assistance provides welfare program data and information concerning the application of program rules and regulations. Local social services districts assist the Office with identifying the amount of money fraudulently obtained from different welfare programs. The Attorney General assists the Office with the prosecution of those alleged to be involved in fraudulent activity. The Office also works with the Office of Children and Family Services on cases involving adult homes, and other community programs, as well as with the Department of Health and the Office of the Medicaid Inspector General on Medicaid-related cases.

ORGANIZATION AND STAFFING

The Office is headed by the Welfare Inspector General who is appointed for a five-year term by the Governor with the advice and consent of the Senate. The Welfare Inspector General's statewide operations are administered from New York City with a field office in Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.6 million All Funds (\$420,000 General Fund; \$1.2 million Other Funds)** for the Office of Welfare Inspector General. This is an increase of **\$260,000 (\$12,000 General Fund increase; \$248,000 Other Funds increase)** from the 2007-08 Budget. This change primarily reflects inflation and fringe benefit costs.

The Office will have a workforce of **ten positions** for 2008-09, unchanged from the 2007-08 Budget.

PROGRAM HIGHLIGHTS

The Office annually receives hundreds of complaints about alleged welfare fraud, waste and abuse that originate from citizens and other governmental agencies. The Office also generates investigations on its own initiative. Fraud investigations result in substantial savings for all levels of government by uncovering fraudulent activity by a member of a household receiving welfare, as well as unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to

WELFARE INSPECTOR GENERAL

welfare recipients. The Office annually works on approximately 200 fraud investigations and recovers funding which is repaid to the appropriate programs. Stopping fraudulent activity reduces future years' welfare costs by individuals who would otherwise continue to fraudulently take money from the government, and by providing a deterrent to those who may seek to defraud government programs.

In addition to investigations of individual welfare recipients, the Office completes investigations to uncover patterns of abuse within the welfare system including not only recipients but also social services agencies, organizations and contractors.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 1,337,000 | 1,597,000 | 260,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,337,000 | 1,597,000 | 260,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Welfare Inspector General, Office of the General Fund | 4 | 4 | 0 |
| Special Revenue Funds - Other | 6 | 6 | 0 |
| Total | 10 | 10 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| General Fund | 408,000 | 420,000 | 12,000 |
| Special Revenue Funds - Other | 929,000 | 1,177,000 | 248,000 |
| Total | 1,337,000 | 1,597,000 | 260,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------------------------------|----------------------|------------------------|---------|
| Welfare Inspector General, Office of the General Fund | 408,000 | 420,000 | 12,000 |
| Special Revenue Funds - Other | 929,000 | 1,177,000 | 248,000 |
| Total | 1,337,000 | 1,597,000 | 260,000 |

WELFARE INSPECTOR GENERAL

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|------------------------------------------|---------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Welfare Inspector General, Office of the | 420,000 | 12,000 | 420,000 | 12,000 |
| Total | 420,000 | 12,000 | 420,000 | 12,000 |

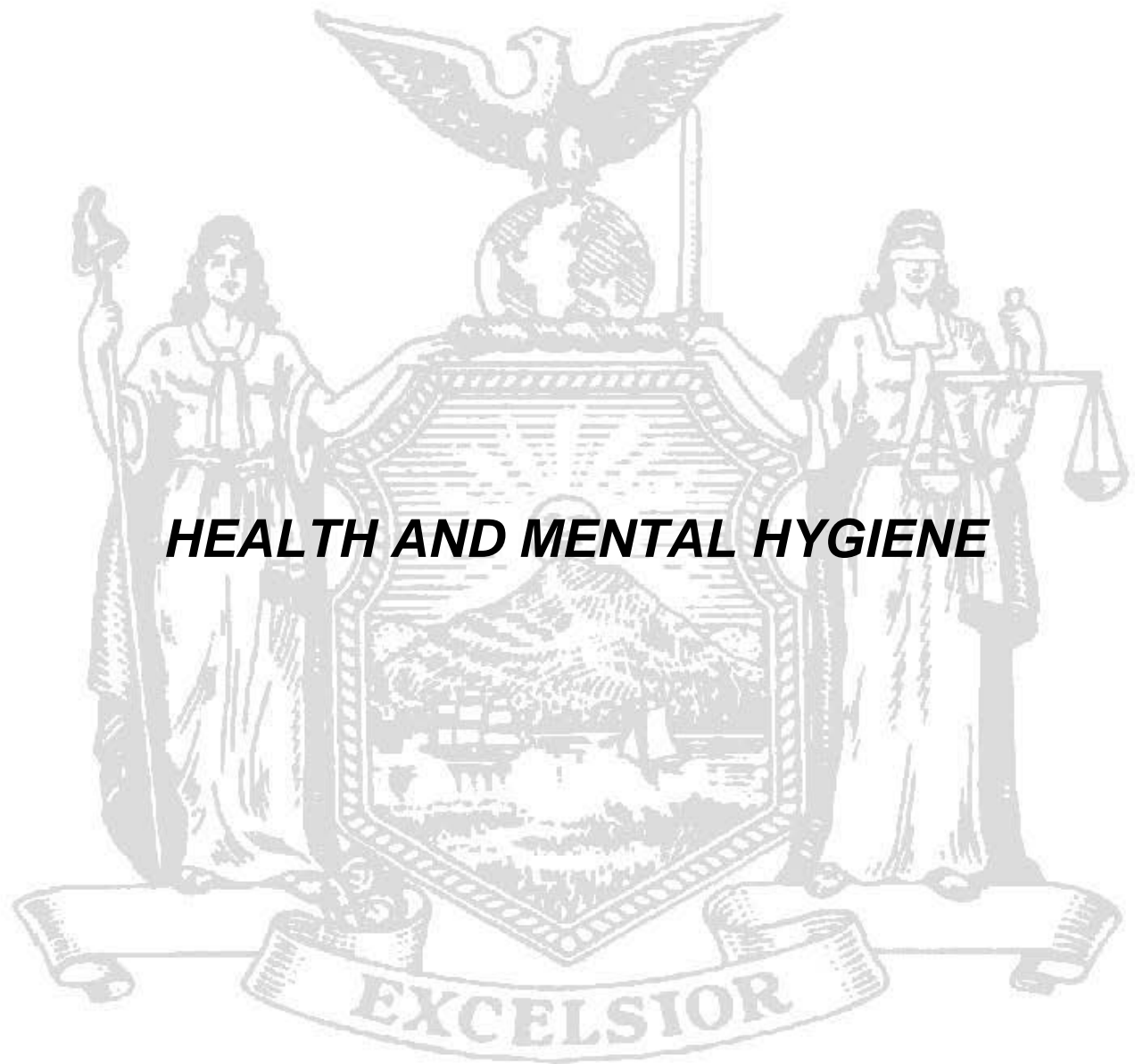
STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | |
|---------|--------|--------|
| | Amount | Change |
| Total | 0 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|------------------------------------------|-----------|---------|------------------|--------|
| | Amount | Change | Amount | Change |
| Welfare Inspector General, Office of the | 1,177,000 | 248,000 | 457,000 | 13,000 |
| Total | 1,177,000 | 248,000 | 457,000 | 13,000 |

| Program | Nonpersonal Service | |
|------------------------------------------|---------------------|---------|
| | Amount | Change |
| Welfare Inspector General, Office of the | 720,000 | 235,000 |
| Total | 720,000 | 235,000 |



HEALTH AND MENTAL HYGIENE

OVERVIEW AND PERFORMANCE MEASURES

HEALTH CARE

The following charts provide some information on performance and fiscal measures related to New York's health care programs. New York State's Medicaid spending totaled \$46.5 billion in State Fiscal Year 2006-07. New York spends more than any other state on both a total and per capita basis. Medicaid expenditures are the result of several factors, such as access to services, beneficiary mix, eligibility, benefits provided and managed care enrollment. New York's enrollment in Medicaid managed care programs and other State-supported health care programs has increased significantly over the past ten years, especially for the elderly.

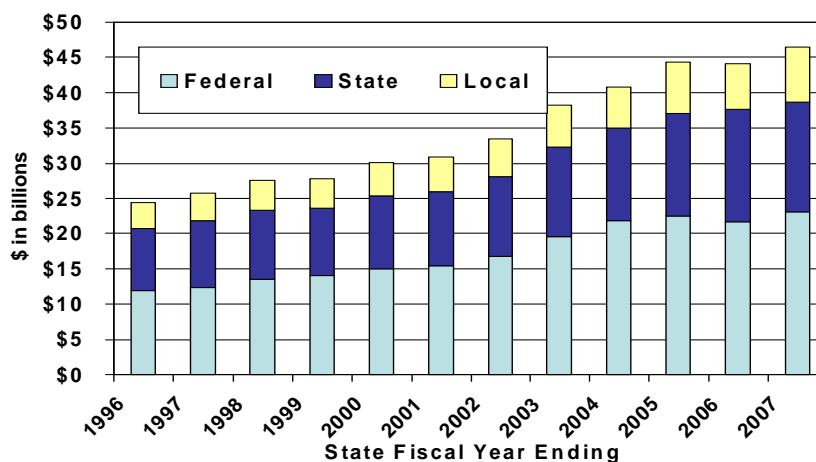
Family Health Plus and the Elderly Pharmaceutical Insurance Coverage (EPIC) programs have all resulted in improving the lives of New York State residents. In addition, enrollment in Medicaid managed care has increased. The Family Health Plus program provides health insurance coverage for low-income New Yorkers between the ages of 19 and 64 who have income or resources too high to qualify for Medicaid. The EPIC program provides comprehensive prescription drug coverage for individuals over 65 with incomes up to \$35,000 (single) or \$50,000 (married).

Various provisions included in the Executive Budget are intended to continue and expand on healthcare reform efforts begun in 2007-08 by directly associating spending with patient needs and redirecting resources to primary, preventive and ambulatory care. Funding shifts can be expected to result in improved patient outcomes and the more efficient use of State resources..

The information below is based on the most recent actual data available from the New York State Division of the Budget, the New York State Department of Health, and the Centers for Medicare and Medicaid Services.

HEALTH CARE

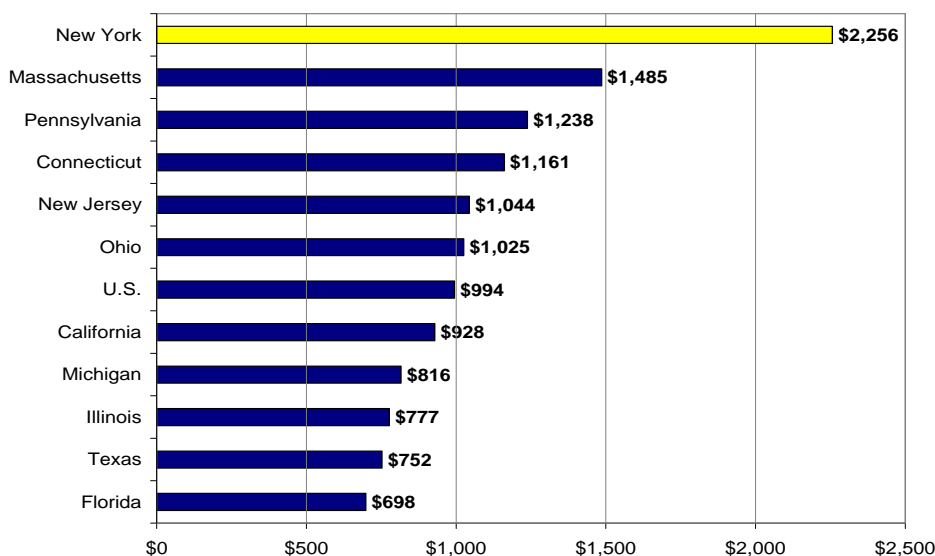
Federal, State and Local Medicaid Spending from 1995-96 through 2006-07



Source: New York State Division of the Budget

Federal, State and local Medicaid spending increased steadily from 1996 through 2007, as enrollment and health care costs have increased. Total Federal, State and local spending for State Fiscal Year 2006-07 nearly \$46.5 billion.

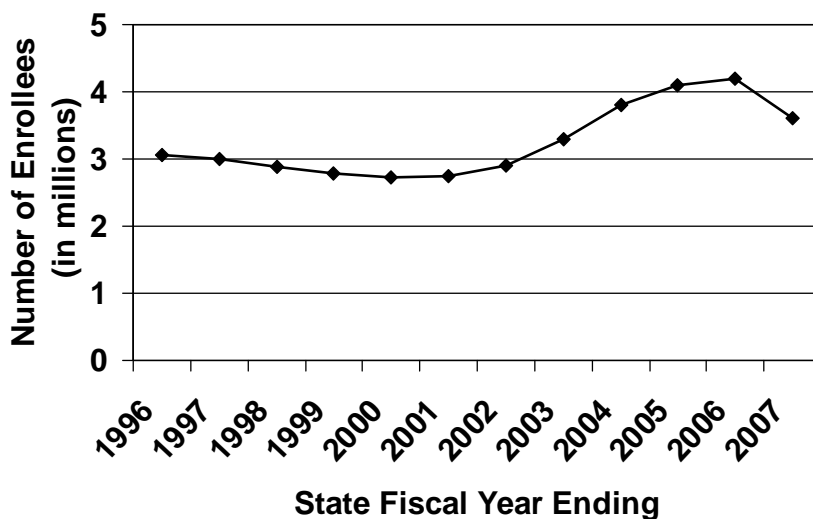
Total Per Capita Medicaid Spending by Selected States



Source: Centers for Medicare and Medicaid Services

New York ranks first in total Medicaid spending compared to a select number of other states. In 2006, New York's Medicaid spending of \$2,256 per person was over twice the amount of \$994 spent nationally.

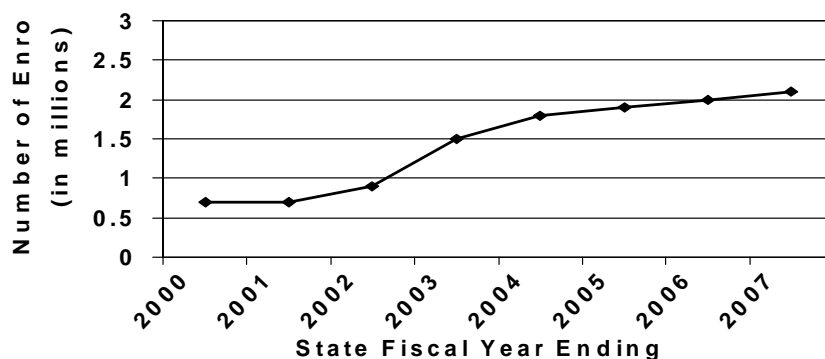
Total Medicaid Enrollment from 1995-96 through 2006-07



Source: New York State Department of Health

New York State's Medicaid enrollment, including those enrolled in Family Health Plus, has increased by more than 1 million individuals, from 3 million enrollees in 1995-96 to 4.1 million in 2006-07. Average annual enrollment for the Family Health Plus program, which began in 2001, grew from 5,800 in 2001-02 to 514,000 in 2006-07, representing 12.5 percent of total enrollment.

Total Medicaid Managed Care Enrollment from 1995-96 through 2006-07



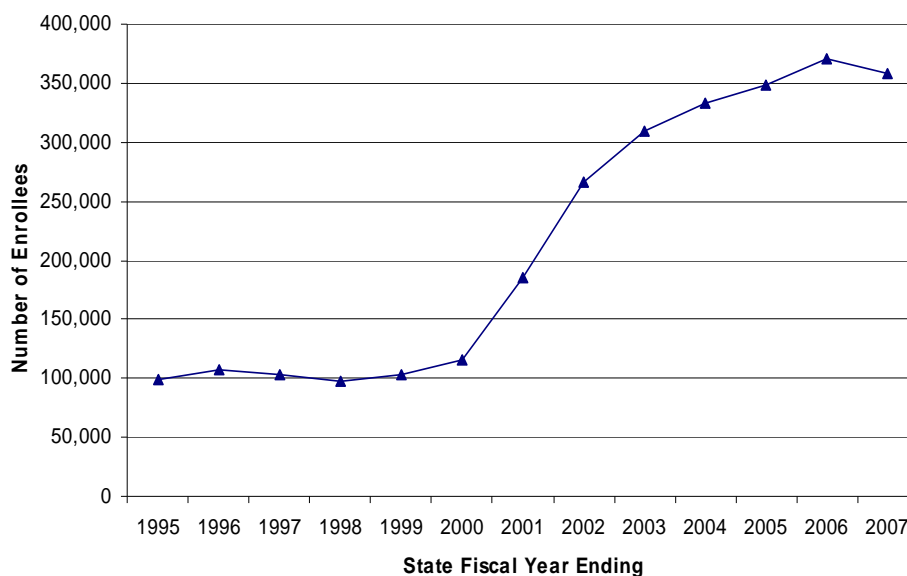
Source: New York State Department of Health

Medicaid managed care is a health insurance plan or health care system that coordinates the provision, quality and cost of care for its enrolled members. New York's Medicaid managed care enrollment has increased from 600,000 individuals in 1995-96 to

HEALTH CARE

slightly more than 2 million in 2006-07. In 1997, New York implemented a mandatory Medicaid managed care program to improve access to coordinated health care and provide a medical “home” to recipients in a cost-effective manner.

Total Enrollment for EPIC from 1995-96 through 2006-07



Source: New York State Department of Health

New York State’s EPIC program, which assists the elderly with their prescription drug costs, has increased significantly since 1995-96. Enrollment increased from nearly 107,000 in 1996 to 358,000 in 2007, representing an increase of 235 percent. In 2001, income eligibility levels were increased to help more seniors enroll in EPIC.

MENTAL HYGIENE

New York State makes a substantial investment in the provision of services to individuals with mental illnesses, chemical dependencies, and mental retardation and developmental disabilities. Taxpayers, advocates and other stakeholders need to be informed as to how these service systems are performing and how consumer needs are being met.

The State's Department of Mental Hygiene (DMH) agencies – Office of Mental Health (OMH); Office of Mental Retardation and Developmental Disabilities (OMRDD); and Office of Alcoholism and Substance Abuse Services (OASAS) – as well as the Commission on Quality of Care and Advocacy for Persons with Disabilities and the Developmental Disabilities Planning Council, are responsible for providing and overseeing services for these at-risk populations.

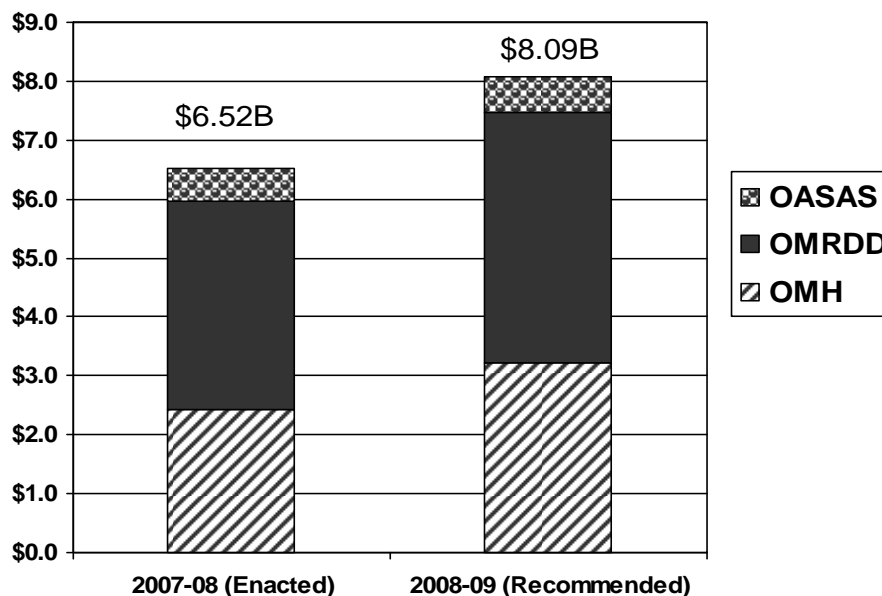
Funding for New York's Mental Hygiene agencies will increase by over \$1.57 billion from 2007-08 levels, to \$8.09 billion in 2008-09. This level of support places New York as the leading state in the nation for providing these services, with per capita funding levels that are more than double the national average.

The Mental Hygiene populations reflect some of the most chronically ill and service intensive populations in the State that often cross over between care systems. In part, this phenomenon explains their high cost of care and New York's overall high per capita spending levels. In order to ensure appropriateness of care and its cost-effective delivery, the State must continually strive to ensure that physical and mental health care is integrated and rationally funded. One high cost health area targeted for reform in 2008-09 involves co-morbid populations and detoxification services.

While major advances are being made in the development of outcome measures in the mental hygiene field, consumer satisfaction remains one of the most significant performance value indicators. New York scores high (over 90 percent of consumers satisfied) in all three mental hygiene areas and is still striving to improve on this measure by offering consumers a greater choice of rehabilitative services and opportunities.

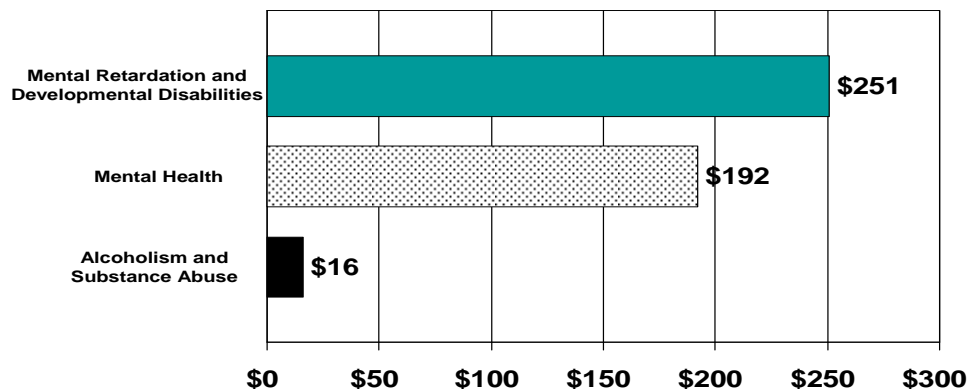
DMH Agency Appropriations - Operating Funds

(\$ Billions)



All Funds spending for New York's Mental Hygiene agencies will increase by over \$1.57 billion, or 24 percent, from 2007-08 levels. The increase reflects, in part the results of a statewide Medicaid Appropriation Restructuring Initiative designed to promote transparency in how the State's Medicaid budget is accounted for, as well as the budgeting for the first time in the Mental Hygiene agencies of the appropriate share of State employee fringe benefits. Also reflected is the annualization of prior year initiatives, new community-based services expansion, critical investments to strengthen ongoing programs, particularly in the area of non-profit workforce recruitment and retention, the fixed cost of service delivery in State-operated institutional and community programs, as well as savings associated with State Operations efficiencies and revenue generation that otherwise offsets General Fund spending.

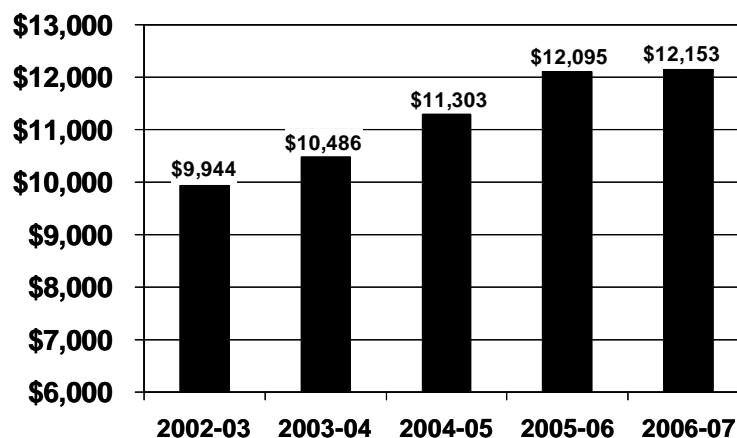
New York Mental Hygiene Per Capita Spending



Source: Coleman Institute for Cognitive Disabilities, National Association of State Mental Health Program Directors Research Institute, Center on Addiction and Substance Abuse

For every New Yorker, the State spends an average of \$250 in services for mental retardation and developmental disabilities; \$190 for mental health care; and almost \$20 for substance abuse services. New York's spending on these health services is more than double the national average in all three mental hygiene categories. In the area of total spending, New York ranks first in the nation for both mental retardation and developmental disabilities and alcoholism and substance abuse services, and second in the nation for spending on mental health services.

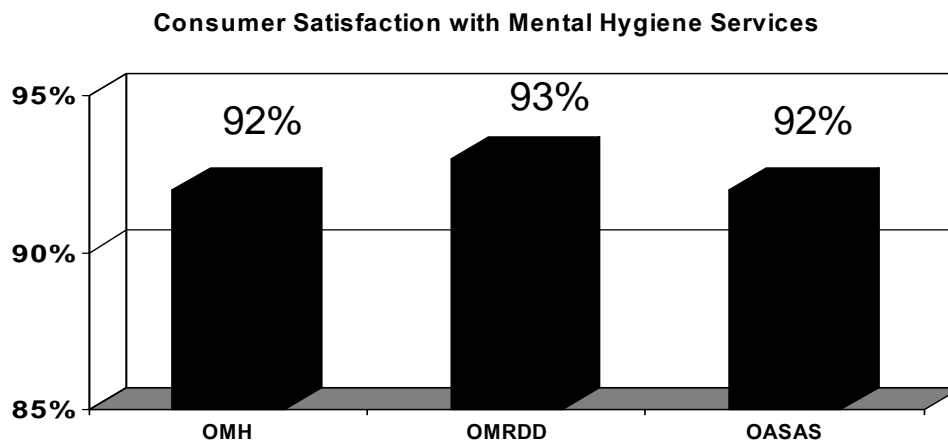
Medicaid Spending Per Recipient For Hospital Detox Has Increased By More Than 22% Over The Last 5 years



Source: NYS Division of the Budget

MENTAL HYGIENE

Unlike other states, nearly all of New York's detoxification services are provided in hospital-based settings (85 percent of all cases). While costs have continued to escalate (reaching over \$12,000 per recipient), outcomes from this service remain poor – nearly 75 percent of all discharges are not linked to necessary follow-up care and almost 45 percent of those released cycle back to hospitals for crisis detoxification services. These high cost services and patient recycling require reform. The success of reform will be measured by a decrease in repeat hospital services and a correlation between money invested and outcomes for patients.



Assessing customer satisfaction is a key measure of the effectiveness of mental hygiene services. The chart above illustrates that a vast majority of all clients are satisfied with the services they receive. Specifically, based on recent surveys of State-operated outpatient programs conducted by OMH, 92 percent of all recipients rated services in the good to excellent range, indicating they were generally satisfied with services. In addition, OMRDD conducted a survey of its nationally renowned NYS-CARES program, and found that 93 percent of the 12,000 consumers were highly satisfied with their Day and Residential services. Lastly, OASAS surveyed clients who received inpatient services at its Addiction Treatment Centers (ATCs) and roughly 92 percent reported satisfaction.

STATE OFFICE FOR THE AGING

MISSION

The New York State Office for the Aging is responsible for promoting, coordinating and administering State, Federal and local programs and services for 3.2 million New Yorkers aged 60 or older. The Office provides leadership and direction to 59 Area Agencies on Aging, as well as to numerous other local programs and providers that comprise the network of services to the aged.

ORGANIZATION AND STAFFING

The State Office for the Aging is headed by a Director and is composed of four divisions: Executive, Finance and Administration, Policy, Management and Public Information and Community Service. The Office will have a workforce of 141 positions in 2008-09, 135 funded within the agency, and an additional six funded by other State agencies. Approximately 49 percent of Office operations are funded by the General Fund and 51 percent are financed by Federal grants and other revenue sources.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$250 million All Funds (\$127 million General Fund, \$123 million Other Funds)** for the State Office for the Aging (SOFA). This is an increase of **\$4.6 million All Funds (\$4.6M General Fund)** from the 2007-08 budget. This change is primarily due to \$5 million for new investments, a \$4 million annualization from a 2007-08 initiative to expand the Supplemental Nutrition Assistance Program (SNAP), and increased funding to support the third year of the Cost-of-Living Adjustment for the following programs: Expanded In-home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE) Program and the Supplemental Nutrition Assistance Program (SNAP) and other adjustments. Additionally, programs previously funded by transfers from the Department of Health will now be included in SOFA's budget. These include: Health Insurance Information, Counseling and Assistance Program (\$1 million); Managed Care Consumer Assistance Program (\$2 million); and Evidence Based Disease Prevention (\$241,000).

The Executive Budget recommends a staffing level of **141 FTEs** for the State Office for the Aging, **a decrease of 6** from the 2007-08 budget.

Major budget actions include:

- **Targeted Investments:** Additional funding for Caregiver Centers for Excellence (\$950,000), an Adult Day Demonstration Program (\$1 million), a new Expanded In-home Services for the Elderly Program targeted to the frail elderly (\$2.5 million), a new Community Empowerment Program (\$500,000) and to develop a web-based reporting infrastructure for the local Area Agencies for the Aging (\$50,000).

Within the Aging system, State support is used to match the Older Americans Act and other Federal funding and establish a service-delivery network that attracts a variety of other public and private contributions. When combined, this results in total network spending of over \$400 million, excluding the value of volunteer labor, which has been estimated at upwards of \$35 million.

PROGRAM HIGHLIGHTS

The full array of programs offered through the Office for the Aging are aimed at keeping seniors independent as long as possible with the assistance of family and other informal caregivers, as well as through the limited use of formal support services. These community-based services help keep people healthy and in their homes and out of hospitals and nursing homes.

COMMUNITY BASED LONG TERM CARE SERVICES

The 2008-09 Budget continues funding for the Office's community-based service programs, including CSE, Naturally Occurring Retirement Communities (NORCs), Neighborhood NORCs, Respite services and operational funding for transportation providers. The Budget also preserves core funding for EISEP. EISEP provides non-medical in-home services, case management, respite and ancillary services to the frail elderly, most of whom are low income but not eligible for Medicaid. Recipients are required to cost-share, based on their annual income level, for received EISEP program services. EISEP is expected to serve almost 51,000 persons in 2008-09.

NUTRITION SERVICES

Through a combination of State tax dollars and Federal grants, the State annually provides over 23.5 million congregate and home-delivered meals as well as other nutritional services primarily to non-institutionalized frail elderly clients. These seniors are at risk of malnutrition because they are no longer able to obtain an adequate diet without assistance. The Office receives \$41 million from Federal grants in support of congregate and home-delivered meals and another \$15 million to support the purchase of food. The 2008-09 Budget continues funding for the Supplemental Nutrition Assistance Program (SNAP), the State counterpoint to the Federal programs, at \$23 million.

ASSISTANCE TO CAREGIVERS

Family members and other informal caregivers provide an estimated 80 percent of long-term care for older New Yorkers; sustaining this cost-effective, individualized support system for seniors is a key objective of the aging service system. The State Office for the Aging's 17 Caregiver Resource Centers assist caregivers through training programs, support groups, counseling and linkages to other community services. The \$12 million Federal Caregivers Program provides respite, training and counseling for caregivers, as well as other services that support an elderly person's ability to maximize their independence.

VOLUNTEER ADVOCACY

The Long-Term Care Ombudsman Program (LTCOP) supports the statewide advocacy of more than 1,900 trained volunteers on the behalf of the approximately 161,000 residents of New York State's nursing homes, adult care facilities and assisted living residences. Under the LTCOP, volunteers, working in collaboration with community agencies,

receive, investigate and resolve a wide range of concerns and complaints regarding conditions and treatment in long-term care facilities, with the goal of ensuring the quality of life for residents.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|------------------|-----------------------------------------------------|
| State Operations | 14,016,000 | 13,871,000 | (145,000) | 7,758,000 |
| Aid To Localities | 231,370,085 | 236,142,000 | 4,771,915 | 119,083,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 245,386,085 | 250,013,000 | 4,626,915 | 126,841,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration and Grants Management | | | |
| General Fund | 39 | 33 | (6) |
| Special Revenue Funds - Federal | 107 | 107 | 0 |
| Special Revenue Funds - Other | 1 | 1 | 0 |
| Total | 147 | 141 | (6) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 3,366,000 | 3,221,000 | (145,000) |
| Special Revenue Funds - Federal | 10,250,000 | 10,250,000 | 0 |
| Special Revenue Funds - Other | 300,000 | 300,000 | 0 |
| Enterprise Funds | 100,000 | 100,000 | 0 |
| Total | 14,016,000 | 13,871,000 | (145,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------|------------------------------|--------------------------------|------------------|
| Administration and Grants Management | | | |
| General Fund | 3,366,000 | 3,221,000 | (145,000) |
| Special Revenue Funds - Federal | 10,250,000 | 10,250,000 | 0 |
| Special Revenue Funds - Other | 300,000 | 300,000 | 0 |
| Enterprise Funds | 100,000 | 100,000 | 0 |
| Total | 14,016,000 | 13,871,000 | (145,000) |

AGING

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------------|-----------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 2,640,000 | 330,000 | 2,632,000 | 336,000 |
| Total | 2,640,000 | 330,000 | 2,632,000 | 336,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------------|-------------------------------------------|----------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 0 | (14,000) | 8,000 | 8,000 |
| Total | 0 | (14,000) | 8,000 | 8,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|--------------------------------------|---------|-----------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 581,000 | (475,000) | 33,000 | 0 |
| Total | 581,000 | (475,000) | 33,000 | 0 |

| Program | Travel | | Contractual Services | |
|--------------------------------------|--------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 56,000 | 0 | 210,000 | 0 |
| Total | 56,000 | 0 | 210,000 | 0 |

| Program | Equipment | | Maintenance Undistributed | |
|--------------------------------------|-----------|--------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 7,000 | 0 | 275,000 | (475,000) |
| Total | 7,000 | 0 | 275,000 | (475,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------------|------------|--------|------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 10,650,000 | 0 | 7,600,000 | 0 |
| Total | 10,650,000 | 0 | 7,600,000 | 0 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------------------|---------------------|--------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Grants Management | 2,650,000 | 0 | 400,000 | 0 |
| Total | 2,650,000 | 0 | 400,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 119,770,085 | 124,542,000 | 4,771,915 |
| Special Revenue Funds - Federal | 107,600,000 | 107,600,000 | 0 |
| Special Revenue Funds - Other | 4,000,000 | 4,000,000 | 0 |
| Total | 231,370,085 | 236,142,000 | 4,771,915 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| Community Services | | | |
| General Fund | 113,113,000 | 124,542,000 | 11,429,000 |
| Special Revenue Funds - Federal | 107,600,000 | 107,600,000 | 0 |
| Special Revenue Funds - Other | 4,000,000 | 4,000,000 | 0 |
| Community Projects | | | |
| General Fund | 6,657,085 | 0 | (6,657,085) |
| Total | <u>231,370,085</u> | <u>236,142,000</u> | <u>4,771,915</u> |

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

MISSION

The New York State Developmental Disabilities Planning Council is fully funded under the Federal Developmental Disabilities Assistance and Bill of Rights Act. The Act, originally signed into law in 1975, authorizes the Council to prepare, implement and monitor a plan for improving the quality of life for people with developmental disabilities.

ORGANIZATION AND STAFFING

Located in Albany, the Council comprises 34 current members who have been appointed by the Governor to three-year staggered terms. Federal law requires that at least 60 percent of the Council's membership be persons with developmental disabilities, parents or guardians of children with developmental disabilities and immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves. Other required members represent State agencies, educational and training providers and local, public and private service agencies.

The Governor appoints the Chairperson of the Council from among the Council's members. In addition, a full-time staff of 18, under the leadership of an Executive Director, assists the Council in carrying out its mission.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$4.6 million All Funds (\$4.6 million in Federal funds)** for the Council. This represents the same level of funding as in 2007-08 and is based on the level of anticipated Federal funding. This funding is sufficient to support the Council's role in coordinating information about persons with developmental disabilities and the services available to them, and in overseeing grant funds.

Federal funds fully support all Council operations, including the recommended staffing of **18 FTEs**, which represents no change from 2007-08, and contracts with non-profit agencies to develop new services and service delivery methods. The contracts are monitored by the Council to ensure that Federal funds provided to the State are used to augment — rather than duplicate or replace — existing services for people with developmental disabilities.

PROGRAM HIGHLIGHTS

Through its Council membership of State agency heads, including the Commissioner of the Office of Mental Retardation and Developmental Disabilities, the Council employs an interagency approach to advocate improved and enhanced services, supports and assistance for persons with developmental disabilities. Its activities include conducting quarterly meetings, preparing policy papers on issues affecting people with developmental disabilities and their families, providing training and technical assistance and implementing its current five-year State Plan (FFY 2007 – FFY 2011). For 2008-09, the Council will continue to identify and fund new and innovative demonstration programs in support of its multi-year State Plan, including those aimed at increasing the number of available employment opportunities, enhancing programmatic responsiveness to maximize the

DEVELOPMENTAL DISABILITIES PLANNING

inclusion of children with developmental disabilities in education and early intervention, ensuring access to and expanding health and wellness programs, promoting choice in housing, and reducing obstacles in transportation to facilitate community integration. In support of these and other strategic objectives, the Council works with persons with developmental disabilities, parents, service providers, advocacy groups and local and State government agencies to advocate for an enhanced system of community services, individualized supports and assistance that facilitates self-determination, independence, community inclusion and productivity.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 4,560,000 | 4,560,000 | 0 | 3,830,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 4,560,000 | 4,560,000 | 0 | 3,830,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------|---------------------------------------|---------------------------------------|------------|
| Developmental Disabilities Planning | 18 | 18 | 0 |
| Special Revenue Funds - Federal | 18 | 18 | 0 |
| Total | 18 | 18 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------|
| Special Revenue Funds - Federal | 4,550,000 | 4,550,000 | 0 |
| Enterprise Funds | 10,000 | 10,000 | 0 |
| Total | 4,560,000 | 4,560,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|----------------------|------------------------|--------|
| Developmental Disabilities Planning | 4,550,000 | 4,550,000 | 0 |
| Special Revenue Funds - Federal | 10,000 | 10,000 | 0 |
| Enterprise Funds | 4,560,000 | 4,560,000 | 0 |
| Total | 4,560,000 | 4,560,000 | 0 |

DEVELOPMENTAL DISABILITIES PLANNING

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Developmental Disabilities Planning | 4,560,000 | 0 | 1,098,000 | 113,000 |
| Total | 4,560,000 | 0 | 1,098,000 | 113,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Developmental Disabilities Planning | 931,000 | 44,000 | 2,531,000 | (157,000) |
| Total | 931,000 | 44,000 | 2,531,000 | (157,000) |

DEPARTMENT OF HEALTH

MISSION

The Department of Health ensures that high quality appropriate health services are available to all New York State residents at a reasonable cost. Department functions and responsibilities include:

- Promoting and supervising public health activities throughout the State;
- Ensuring high quality medical care in a sound and cost effective manner for all residents;
- Reducing infectious diseases such as food and waterborne illnesses, hepatitis, HIV, meningitis, sexually transmitted infections, tuberculosis, vaccine-preventable diseases and chronic disabling illnesses such as heart disease, cancer, stroke and respiratory diseases; and
- Directing a variety of health-related homeland security measures in conjunction with the Office of Homeland Security. As part of this mission, the Department works with the State's health care community to ensure appropriate readiness and response to potential public health threats.

The Department of Health is also the principal State agency that interacts with the Federal and local governments, health care providers and program participants for the State's Medicaid program. In addition, the Office of Health Insurance Programs, is responsible for developing and implementing strategies to improve access to health insurance coverage for the uninsured and providing for an integrated approach to oversight and administration of the Medicaid program to strengthen coordination within the Department and among State agencies and focus on improving health outcomes.

ORGANIZATION AND STAFFING

Under the direction of the Commissioner, who is appointed by the Governor, the Department of Health meets its responsibilities through the Office of Health Insurance Programs, the Office of Long Term Care Services and Programs, the centers located in the Office of Public Health, and the Office of Health Systems Management. The 2007-08 Executive Budget provided for the Department's reorganization by consolidating all public health insurance programs under a new office, responsible for Medicaid and Family Health Plus, Child Health Plus, Elderly Pharmaceutical Insurance Coverage, and the AIDS Drug Assistance Program, and all long term care services under a single office to improve integration of planning and program development. These entities are responsible for providing policy and management direction to the Department's system of regional offices. Department staff located in regional offices conduct health facility surveillance, monitor public health, provide direct services and oversee county health department activities.

Additionally, the Department is responsible for five health care facilities that are engaged in patient care: the Helen Hayes Hospital in West Haverstraw which offers specialty rehabilitation services, and four nursing homes for the care of veterans and their dependents in Oxford, New York City, Batavia and Montrose. In early 1999, responsibility for the operations of the Roswell Park Cancer Institute was transferred to a public benefit corporation, the Roswell Park Cancer Institute Corporation, pursuant to an operating agreement between the Corporation and the Department. This has provided Roswell with the flexibility needed to compete more effectively in a changing health care environment.

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In 2008-09, the Department of Health will have a workforce of 6,040 positions, with 28 percent of those positions employed in the Department's health care facilities.

- Approximately 35 percent of these positions are paid by the General Fund;
- 10 percent are directly supported by fees;
- 38 percent are supported by third party and private patient care reimbursement; and
- The remaining 17 percent are directly funded by Federal grants.

BUDGET HIGHLIGHTS

MEDICAID

Without any new cost controlling measures, total Medicaid spending in New York would grow to \$47.3 billion in 2008-09. The 2008-09 Medicaid Budget reflects a commitment to an effective and affordable delivery system that promotes high quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's most vulnerable residents.

Medicaid costs represent the single largest spending area in the State's budget. While spending growth has been moderated recently, it continues to increase at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2008-09 Executive Budget includes funding to support the Medicaid cap legislation which provides significant fiscal relief to local governments by capping their share of Medicaid costs up to the amount they will have spent in 2005, as modified by a predictable growth factor. To help control and refocus Medicaid spending, the Budget recommends a series of actions to limit Medicaid cost increases keeping the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients. This Budget furthers the fundamental retooling of New York's health care system begun in the 2007-08 by:

- recommending a series of measures to control health care costs, including several initiatives to ensure that the State is paying appropriately for prescription drugs;
- reforming Medicaid reimbursement for hospitals and making needed investments in primary and preventive care;
- continuing efforts advanced last year to strengthen care coordination and management for high-cost individuals to lower costs and improve treatment outcomes;
- expanding access to health insurance coverage, by implementing the Family Health Plus Buy-In and EPIC Discount Card programs, simplifying eligibility enrollment processes, including aligning Medicaid and Family Health Plus resource rules, and expanding coverage for children and foster children up to age 21;
- extending the Health Care Reform Act (HCRA) and recommending several actions to ensure that HCRA is fiscally sound;
- beginning the transformation of the Long Term Care system with the establishment of a Home Care Task Force and providing resources to develop reform options;
- providing additional resources through the HEAL NY and F-SHRP programs to support implementation of the Berger Commission recommendations and other reform efforts;

In addition, the Executive Budget advances statutory reforms to assist in the fight against fraud and provides additional resources for the Office of the Medicaid Inspector General to improve and expand the State's Medicaid fraud, waste and abuse control efforts.

Pharmacy

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach \$1.4 billion in 2008-09. The Budget includes a number of recommendations to control the growth of pharmacy costs. Major Budget actions:

- **Move Pharmacy Services Outside of the Family Health Plus (FHP) Benefit:** The Budget recommends that pharmacy benefits for FHP enrollees be provided on a fee for service basis rather than through managed care plans (the same approach used for Medicaid managed care). This allows the State to collect additional drug rebates since it does not currently receive rebates on drugs covered through FHP. This will generate State savings of \$27 million in 2008-09.
- **Add Anti-Depressants to the Preferred Drug Program (PDP):** The State will add anti-depressants, similar to other states, and other classes of drugs to the PDP allowing the State to collect supplemental rebates. Anti-psychotics, anti-retroviral and anti-rejection drugs will remain exempt from the PDP and protections to ensure that a physician's decision prevails in all instances is maintained. This will generate savings of \$5 million in 2008-09.
- **Expand the Clinical Drug Review Program (CDRP):** The Budget will allow PDP drugs to be included in the CDRP along with over 40 new drugs/drug classes to generate additional savings and ensure the appropriate usage of at-risk drugs. State savings of \$18 million in 2008-09 will be realized.
- **Reduce Pharmacy Reimbursement:** Medicaid reimbursement to pharmacies is lowered from Average Wholesale Price (AWP) less 14 percent to AWP less 17 percent on brand name drugs to more closely reflect the actual wholesale price to pharmacies. This will be offset by a \$1.00 increase in the dispensing fee for generics and brand name drugs on the preferred drug list. The Budget will also reduce co-pays for brand name drugs on the PDL (from \$3 to \$1). This will generate net State savings of \$20 million in 2008-09.
- **Create a Specialty Pharmacy Program:** Contract with selected pharmacies to obtain specialty drugs — which have increased dramatically in number and cost — to ensure that Medicaid recipients receive the appropriate medications. These drugs typically require specific handling and limited distributions. Pharmacies involved will be required to ensure safe delivery, necessary supplies, education and support services. This is expected to produce State savings of \$4 million in 2008-09.
- **Increase Participation in Federal 340B Program:** This program allows eligible entities (e.g., Federally Qualified Health Centers) to obtain certain prescription drugs at costs below the Medicaid level. This is projected to generate State savings of \$4 million in 2008-09.
- **Enhance Utilization Management and Counteract Drug Marketing:** The State will consult with outside experts with national experience in providing pharmacy management services to State Medicaid Programs to strengthen utilization review requirements, implement a Medication Therapy Management Program to improve medication compliance and clinical outcomes, provide objective research to physicians to encourage appropriate prescribing patterns and implement further controls on early refills. These actions will produce State savings of \$12 million in 2008-09.

The Department of Health continues to dedicate \$5 million in administrative resources and educational supports to ensure that individuals who are eligible for both Medicaid and Medicare have access to medically necessary drugs under the Medicare Part D prescription

drug program. These funds support ongoing Department of Health activities including: education and training for recipients, interventions with pharmacies, prescribers and plans, and monitoring to ensure Medicaid beneficiaries are enrolled and medications are appropriately covered by their Part D plans. In addition, the Budget includes additional funding for the State Medicaid program to continue a wrap around benefit for certain drugs used in the treatment of mental illnesses, HIV/AIDS and organ transplants.

Acute Care

The Health Care Reform Act (HCRA) serves as the statutory basis governing hospital financing. Under HCRA, most non-Medicaid payors negotiate rates with hospitals, encouraging competition in the health care industry. The Budget recommends a three year extension of HCRA — through March 31, 2011 — and updates reimbursement methodologies to reflect more current costs, promote increased transparency and accountability in how funding is utilized and to promote primary and preventive health care in community settings. In addition, the Budget reflects net State savings in the acute care area of \$100 million, through the following actions:

- **Rebase Inpatient Reimbursement:** Medicaid reimbursement for inpatient services will be updated, over a four-year period, to reflect more recent cost experience (transitioning from a base of 1981 costs to 2005). Most of the resulting savings and a 25 percent reduction in the current trend factor will be redirected to make investments in ambulatory and primary care.
- **Increase Physician Fees and Invest in Community Based Primary Care:** Over four years, consistent with inpatient rebasing, physician fees will be increased and a new clinic reimbursement methodology will be implemented (replacing current caps on clinic reimbursement) that will reimburse providers based upon the intensity of services rather than on a “per visit” basis. In addition, funding is targeted to primary care enhancements, including: diabetes and asthma education, expanded “after-hours” access, mental health reimbursement for social workers serving children and maternal populations and targeted case management for high risk pregnant women.
- **Redirect Graduate Medical Education (GME) Reimbursement:** The Budget will redirect Medicaid GME funding, through inpatient rebasing, to support training in outpatient settings and HCRA funding is redistributed for programs to address physician shortages, increase diversity in medicine and training in biomedical research.
- **Implement Hospital Efficiency Measures:** The Budget will reimburse inpatient detoxification services at cost by establishing a “per-diem” rate and generate efficiency savings through a variety of initiatives including selective contracting with designated hospitals for certain services and restricting reimbursements for “never events” and preventable complications.
- **Berger Commission Savings:** The Budget reflects savings realized from implementation of the Commission’s recommendations, including the closure of 9 hospitals and the merger/affiliation of 48 hospitals.

Long Term Care

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$5.7 billion in 2008-09. The Executive Budget includes a number of recommendations to advance reform efforts in this area including the establishment of a Home Care Technical Advisory Council and nearly \$2 million in new funding to develop nursing home reimbursement reform measures and facility restructuring plans, establish a home care database and expedite nursing home appeals. Major Budget actions :

- **Reconfigure Nursing Home Rebasing Funding:** The Executive Budget reconfigures rebasing to eliminate \$85 million in funding that has not received the necessary Federal approval and ensure that the funds planned for payment in 2008-09 are provided in a timely fashion.
- **Offset Inflationary Cost:** The inflationary trend factor of 2.3 percent for nursing homes, personal care and home care will be reduced by 25 percent to promote and encourage the implementation of efficiencies to reduce costs. This generates savings of \$26 million in 2008-09.
- **Restructure Financially Disadvantaged:** The methodology for distributing payments to nursing homes in severe financial distress will be restructured and facilities will be required to submit restructuring plans, with quantifiable benchmarks, to be eligible for these payments.
- **Modify Rate Reimbursement/Manage Utilization:** The Budget encourages efficiencies in home care by reducing administrative costs for Certified Home Health Agencies (CHAAs) and the Long Term Home Health Care Program and modifying rates for CHAAs so that rate ceilings are fixed. This will generate \$25 million in 2008-09 State savings. In addition, the Budget establishes a three-year Personal Care Demonstration Project in New York City to better meet the needs of consumers. The more efficient management of these services is expected to generate State savings of \$6 million in 2008-09.
- **Berger Commission Savings:** The Budget reflects State savings resulting from the implementation of the Berger Commission recommendations, including the closure of 3 nursing homes, downsizing of 12 homes and merger/affiliation of 6 homes.

Managed Care

The State's Medicaid managed care program — currently authorized through March 2009 — ensures that the neediest people receive high quality, accessible health care. In addition, the program has Special Needs Plans which provide comprehensive services to individuals infected with HIV/AIDS. Medicaid managed care also incorporates a comprehensive set of consumer protections to ensure that all recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans. To date, New York City and fifty-seven counties are operating managed care programs. New York City and thirty-seven of these counties currently require mandatory enrollment. Managed care enrollment is projected to reach approximately 2.1 million by the end of 2007-08 and 2.2 million in 2008-09.

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Major budget actions include:

- **State Enrollment Portal/Facilitated Enrollment:** The Budget will create a State Enrollment Portal to directly enroll individuals in Medicaid and centralize access for all public health insurance programs. Funding is also increased for facilitated enrollment by community-based organizations. The \$7.5 million costs of these investments in 2008-09 will be financed by decreasing managed care premiums.
- **Limit Premium Increases:** Managed care plans, including Family Health Plus and Managed Long Term Care plans, will be required to partially offset inflationary increases to promote efficiencies and make health care coverage more affordable. This will generate State savings of \$23 million in 2008-09.
- **Update Utilization Thresholds/Improve Care Management:** Medicaid Utilization thresholds will be updated to more appropriately reflect current clinical practices and utilization will be monitored against clinical profiles to ensure the quality and effectiveness of patient care. Initiatives to improve pre-natal and diabetes care management and avoid costly hospitalizations are also recommended. Combined, these actions are expected to produce State savings of \$13 million in 2008-09.
- **Mandatory Managed Care and Dual Eligible Enrollment:** The Budget reflects the continued expansion of managed care on a mandatory basis, including enrollment of Supplemental Security Income (SSI) and Seriously and Persistently Mentally Ill (SPMI) individuals. It also requires dual eligibles (those in Medicaid and Medicare) who are enrolled in a Medicare managed care plan to enroll in the same plan for their Medicaid benefits to provide better coordination of care for these recipients. These actions will generate State savings of \$3 million in 2008-09.

Medicaid Administration

The Department of Health is responsible for overall management of the Medicaid program, including the State's interaction with Federal and local governments, health care providers and Medicaid recipients. Counties will continue their role in making Medicaid eligibility determinations and contracting with providers of Medicaid services. Payments to health care providers are made through the State's new computerized payment system — commonly known as eMedNY — that is operated by a private company with oversight by State personnel. The new eMedNY Medicaid System replaced both the Medicaid Management Information System (MMIS) and the Electronic Medicaid Eligibility Verification System (EMEVS) with an integrated claims processing system. The new system provides updated technologies and brings New York State into compliance with new Federal reporting requirements. In addition, eMedNY is being used to substantially enhance front-end detection of Medicaid fraud.

CHILD HEALTH PLUS

New York's Child Health Plus (CHPlus) program continues to set a national standard for children's health insurance coverage for children up to age 19. Federal funds combined with State HCRA moneys allow CHPlus to provide comprehensive health insurance benefits for nearly 400,000 children. The Budget will provide State-only funds to fully

finance the planned expansion of Child Health Plus from 250 percent to 400 percent of the Federal Poverty Level in the event Federal dollars continue to be unavailable because of ongoing disagreements in Washington regarding extension of the Federal State Children's Health Insurance Program. Family contribution levels will also be increased.

FAMILY HEALTH PLUS

The Family Health Plus (FHP) program offers access to comprehensive health coverage for eligible low-income adults who do not have insurance through their employers, yet have incomes that do not qualify them for other publicly financed health programs. Under Family Health Plus, health coverage is provided to families with incomes up to 150 percent of the gross FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. When Federal funds are combined with State HCRA and General Fund moneys, FHP provides comprehensive health insurance benefits for 518,000 adults. The Budget implements the Family Health Plus Buy-In Program, beginning in April 2008, that gives employers the option to "buy-in" to Family Health Plus coverage for their employees. The State will share in the cost for employees that would have been eligible for Family Health Plus coverage.

OTHER PUBLIC HEALTH PROGRAMS

General Fund appropriations finance 16 percent of the Department of Health's total budget of \$6.5 billion in 2008-09 after excluding Medicaid and HCRA program costs. Other revenue sources, including: 1) reimbursement for patient care provided at the Department's health care facilities; 2) regulatory fees and audit recoveries; 3) management fees for hospital and nursing home construction projects financed through bond proceeds; and 4) registration, testing and certification fees for various public health services, support 33 percent of the Department of Health's budget, including the Professional Medical Conduct Program, clinical and environmental laboratory certification activities, and health care facilities' operating costs. The remaining 51 percent is provided by Federal grants and Enterprise funds.

Capital Project appropriations promote the efficient operation of healthcare facilities statewide and preserve and maintain the Department's hospitals, nursing homes, and the three separate laboratory facilities in Albany County that constitute the Wadsworth Center for Laboratories and Research. The costs of projects at the health care facilities are funded from the General Fund, HCRA and/or facility revenues.

This overall recommendation ensures that public health priorities are preserved. Major Budget actions include:

- **Primary and Preventive Care:** The Budget includes more than \$100 million for primary and preventive care programs, including school based health clinics, nutrition programs, cancer screening, prenatal and postpartum visits and a variety of other programs. New funding of \$4.5 million is added for a comprehensive hepatitis C program, HIV programs and for childhood lead poisoning, adolescent pregnancy and obesity prevention programs.
- **HEAL NY:** The fourth \$250 million installment is recommended, increasing available appropriation levels to \$1 billion over four-years, for the Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) Program

authorized in 2005-06. This program supports healthcare projects to upgrade information and healthcare technology, enhance the efficiency of facility operations and support facility improvement, reconfiguration and consolidation. The Budget dedicates \$7 million in HEAL NY funding to support health planning.

- **Elderly Pharmaceutical Insurance Coverage (EPIC) Program:** The Executive Budget includes \$699 million for EPIC to ensure that 350,000 senior citizens receive crucial prescription insurance. The Budget reduces reimbursement for brand name drugs from Average Wholesale Price (AWP) less 14 percent to AWP less 17 percent while increasing the generic dispensing fee from \$4.50 to \$5.50. The Budget also expands EPIC to offer a discount card to financially vulnerable individuals. The program would have the same income-eligibility levels as EPIC, but would be available to those under the age of 65. Additionally, EPIC will continue to enroll all eligible seniors in Medicare Part D unless such enrollment presents a significant financial hardship. The EPIC program also continues to cover Part D premium costs to prevent an increased cost to seniors as a result of coordinating benefits with the Medicare prescription drug program;
- **Early Intervention:** The Budget includes \$186 million for the State share of Early Intervention which provides needed services to infants and toddlers under the age of three who have developmental delays. The Budget eliminates a cost-of-living adjustment for Early Intervention providers. A one-time adjustment of \$60 million will be taken to correct for overpayments made to New York City.
- **General Public Health Works:** The Budget recommends \$240 million for the General Public Health Works Program to reimburse counties for core and optional public health services at the rate of 36 percent.
- **Stem Cell Research:** The Budget includes an additional \$50 million to support the stem cell research program. When combined with the funds provided in 2007-08, \$150 million will now be available for stem cell research this year.
- **Emergency Preparedness:** The Budget includes \$15.5 million for State emergency preparedness programs and to stockpile medications and supplies in the event of a pandemic outbreak, such as the avian flu. It also includes \$12.5 for county emergency preparedness grants. The Budget also continues the \$40 million reserve appropriation to address any public health emergencies.
- **HIV/AIDS:** Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of \$3.6 billion for AIDS programs — a year-to-year increase of more than \$105 million — including \$133.6 million for the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection; New funding of \$500,000 is recommended for HIV-related risk reduction efforts.
- **Roswell Park Cancer Institute:** Includes \$118 million for the Roswell Park Cancer Corporation including \$78 million for operating support, \$15 million for cancer research and \$25 million for capital projects.
- **Anti-Smoking Initiatives:** Includes \$84 million for an anti-smoking program, an increase of \$2.2 million, for counter advertising, community and school-based education programs, cancer mapping, cancer research, strict enforcement of laws regulating the sale and use of tobacco products.
- **Cost of Living Adjustment:** Includes \$56 million to support the third year of the three-year Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health, State Office for the Aging and AIDS programs; and extends the COLA adjustment to March 31, 2012.

- **Adult Homes**: Includes \$4.7 million to continue the State's ongoing commitment to improve the lives of adult home residents in New York. The Department, working with the Office of Mental Health, the Commission on Quality of Care and Advocacy for Persons with Disabilities and the State Office for the Aging, has undertaken a statewide effort to further expand the various initiatives already underway in adult homes, including: vocational and educational training, recreational activities, independent living skills, as well as the general maintenance and upkeep of the homes, which is critical to ensuring the health and safety of residents. Additionally, \$5.25 million is available in the Office of Mental Health for enhanced care coordination and more than 3,500 additional case management slots for mentally ill residents of adult homes.
- **Wadsworth Center/Clinical Laboratories**: Maintains funding for the Wadsworth Center for Laboratories and Research to purchase critical equipment, as well as \$10 million for capital improvements to the Wadsworth Laboratories. The Budget establishes a new Clinical Laboratory Masters Degree Training Program to allow Wadsworth to train lab personnel on-site. It also establishes fee-financed programs to certify clinical laboratory specialists and register labs that conduct limited testing.

PROGRAM HIGHLIGHTS

MEDICAID

Medicaid was established in 1965 by the Federal government as a health insurance program for the poor. In addition to the Federally mandated services — inpatient and outpatient hospital care, nursing facility care, physician services, home health care, family planning, and laboratory and x-ray services — New York also provides almost all Federally permissible optional services.

PUBLIC HEALTH

Efforts such as education, research and disease prevention are aimed at improving the health of all New Yorkers. Particular focus is placed on nutrition, prenatal and perinatal care, child health, treatment and control of sexually-transmitted diseases and tuberculosis, childhood immunization, the health risks of environmental contaminants, drinking water purity, cancer education and outreach and follow-up investigations of disease outbreak. In addition, the Department serves as primary liaison with local and county health departments to ensure the quality of public health services throughout New York State.

The Wadsworth Center for Laboratories and Research assists the Department in accomplishing its public health mission. Screening programs conducted by the Wadsworth Laboratories address public health concerns such as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. The newborn screening program tests for 45 disorders, making New York State a national leader in the area of newborn testing. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, West Nile virus, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 700 environmental

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laboratories and more than 1,800 clinical laboratories and patient service centers to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Centers for Community and Environmental Health continue to play key roles in managing the State's preparation for response to bio-terrorism.

The Department develops and funds HIV prevention and health care programs, educates the public and health care providers, formulates policy and directs regional and statewide HIV/AIDS planning. New York remains a leader in combating this complex epidemic by responding to changes in incidence with even greater attention to population-based programming, long-term care and policies designed to reduce discrimination and guarantee basic medical care and treatment for the uninsured. New York State will spend \$3.6 billion to combat HIV/AIDS next year.

HEALTH SYSTEMS MANAGEMENT

The Department ensures that quality health care is available to all New York residents by overseeing the services provided by hospitals, nursing homes, diagnostic and treatment centers and home care providers. The Department strives to ensure that limited health care dollars are prudently spent through its reimbursement rate methodologies, rate setting, and review and monitoring of health facility plans for construction and expansion. Federal reimbursement for surveillance and certification, and fees for overseeing facilities to ensure that bonded debt is repaid, help to offset program costs.

Responsibility for setting Medicaid reimbursement rates for hospitals, nursing homes, home health agencies and diagnostic and treatment centers, as well as oversight of the HCRA surcharges and assessments, is overseen by the Office of Health Insurance Programs, which was established in 2007-08.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------------|--------------------------------------------|
| State Operations | 1,974,276,500 | 2,005,909,000 | 31,632,500 | 7,977,731,300 |
| Aid To Localities | 49,366,162,460 | 48,735,136,300 | (631,026,160) | 34,039,193,400 |
| Capital Projects | 304,412,000 | 277,580,000 | (26,832,000) | 860,514,000 |
| Total | 51,644,850,960 | 51,018,625,300 | (626,225,660) | 42,877,438,700 |

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

| Full-Time Equivalent Positions (FTE) | | | |
|-----------------------------------------------------|----------------------------|----------------------------|------------|
| Program | 2007-08 | 2008-09 | FTE Change |
| | Estimated FTEs 03/31/08 | Estimated FTEs 03/31/09 | |
| Administration and Executive Direction | | | |
| General Fund | 107 | 117 | 10 |
| Special Revenue Funds - Federal | 58 | 58 | 0 |
| Special Revenue Funds - Other | 253 | 253 | 0 |
| AIDS Institute | | | |
| General Fund | 178 | 179 | 1 |
| Child Health Insurance | | | |
| Special Revenue Funds - Other | 41 | 41 | 0 |
| Community Health | | | |
| General Fund | 26 | 30 | 4 |
| Special Revenue Funds - Federal | 616 | 631 | 15 |
| Special Revenue Funds - Other | 131 | 131 | 0 |
| Elderly Pharmaceutical Insurance Coverage | | | |
| Special Revenue Funds - Other | 32 | 32 | 0 |
| Environmental Health | | | |
| General Fund | 99 | 101 | 2 |
| Special Revenue Funds - Federal | 132 | 137 | 5 |
| Special Revenue Funds - Other | 79 | 92 | 13 |
| Capital Projects Funds - Other | 80 | 80 | 0 |
| Health Care Financing | | | |
| General Fund | 76 | 76 | 0 |
| Special Revenue Funds - Other | 65 | 75 | 10 |
| Health Insurance Programs, Office of | | | |
| General Fund | 443 | 456 | 13 |
| Special Revenue Funds - Federal | 66 | 91 | 25 |
| Special Revenue Funds - Other | 5 | 5 | 0 |
| Health Systems Management, Office of | | | |
| General Fund | 586 | 611 | 25 |
| Special Revenue Funds - Other | 263 | 292 | 29 |
| Institution Management | | | |
| Special Revenue Funds - Other | 1,585 | 1,672 | 87 |
| Laboratories and Research | | | |
| General Fund | 410 | 412 | 2 |
| Special Revenue Funds - Federal | 76 | 81 | 5 |
| Special Revenue Funds - Other | 222 | 222 | 0 |
| Managed Care and Program Evaluation, Division of | | | |
| General Fund | 155 | 165 | 10 |
| Total | 5,784 | 6,040 | 256 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 228,166,000 | 260,672,800 | 32,506,800 |
| Special Revenue Funds - Federal | 1,160,840,000 | 1,191,493,000 | 30,653,000 |
| Special Revenue Funds - Other | 585,260,500 | 553,733,200 | (31,527,300) |
| Enterprise Funds | 10,000 | 10,000 | 0 |
| Total | 1,974,276,500 | 2,005,909,000 | 31,632,500 |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Special Pay Bill | | | |
| General Fund | (327,000) | | |
| Special Revenue Funds - Other | (514,000) | | |
| Transfer(s) To | | | |
| Health, Department of | | | |
| Special Revenue Funds - Federal (Aid | | | |
| To Localities) | 2,800,000,000 | | |
| Appropriated 2007-08 | 4,773,435,500 | | |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------------------|------------------------------|--------------------------------|-------------------|
| Administration and Executive Direction | | | |
| General Fund | 29,636,500 | 31,636,500 | 2,000,000 |
| Special Revenue Funds - Federal | 9,146,000 | 10,003,000 | 857,000 |
| Special Revenue Funds - Other | 36,130,800 | 37,110,800 | 980,000 |
| AIDS Institute | | | |
| General Fund | 16,714,000 | 17,008,000 | 294,000 |
| Child Health Insurance | | | |
| Special Revenue Funds - Federal | 64,130,000 | 64,130,000 | 0 |
| Special Revenue Funds - Other | 11,559,000 | 16,045,000 | 4,486,000 |
| Community Health | | | |
| General Fund | 7,981,000 | 12,774,800 | 4,793,800 |
| Special Revenue Funds - Federal | 118,018,000 | 143,903,000 | 25,885,000 |
| Special Revenue Funds - Other | 10,584,000 | 6,062,000 | (4,522,000) |
| Elderly Pharmaceutical Insurance Coverage | | | |
| Special Revenue Funds - Other | 20,333,000 | 20,911,000 | 578,000 |
| Environmental Health | | | |
| General Fund | 9,317,500 | 9,515,000 | 197,500 |
| Special Revenue Funds - Federal | 15,678,000 | 18,105,000 | 2,427,000 |
| Special Revenue Funds - Other | 19,963,700 | 21,207,400 | 1,243,700 |
| Health Care Financing | | | |
| General Fund | 7,371,000 | 7,577,000 | 206,000 |
| Special Revenue Funds - Other | 10,378,000 | 11,363,000 | 985,000 |
| Health Insurance Programs, Office of | | | |
| General Fund | 58,092,000 | 63,909,000 | 5,817,000 |
| Special Revenue Funds - Federal | 846,697,000 | 846,697,000 | 0 |
| Special Revenue Funds - Other | 14,900,000 | 14,200,000 | (700,000) |
| Health Services | | | |
| General Fund | 30,000 | 30,000 | 0 |
| Health Systems Management, Office of | | | |
| General Fund | 64,545,000 | 25,073,000 | (39,472,000) |
| Special Revenue Funds - Other | 70,698,000 | 51,944,000 | (18,754,000) |
| Institution Management | | | |
| Special Revenue Funds - Other | 139,377,000 | 155,157,000 | 15,780,000 |
| Enterprise Funds | 10,000 | 10,000 | 0 |
| Laboratories and Research | | | |
| General Fund | 41,431,000 | 43,881,500 | 2,450,500 |
| Special Revenue Funds - Federal | 11,448,000 | 12,932,000 | 1,484,000 |
| Special Revenue Funds - Other | 146,015,000 | 86,128,000 | (59,887,000) |
| Long Term Care, Office of | | | |
| General Fund | 0 | 50,258,000 | 50,258,000 |
| Special Revenue Funds - Other | 0 | 20,283,000 | 20,283,000 |
| Maintenance Undistributed | | | |
| General Fund | (105,262,000) | (113,322,000) | (8,060,000) |
| Special Revenue Funds - Other | 105,262,000 | 113,322,000 | 8,060,000 |
| Managed Care and Program Evaluation, Division of | | | |
| General Fund | 17,461,000 | 17,827,000 | 366,000 |
| Special Revenue Funds - Other | 60,000 | 0 | (60,000) |
| Medicaid Management Information System | | | |
| General Fund | 80,849,000 | 94,505,000 | 13,656,000 |
| Special Revenue Funds - Federal | 95,723,000 | 95,723,000 | 0 |
| Total | <u>1,974,276,500</u> | <u>2,005,909,000</u> | <u>31,632,500</u> |

HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------------------------------------|--------------------|------------------|-------------------------------------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 8,172,300 | 0 | 8,112,300 | 445,000 |
| AIDS Institute | 11,047,000 | 214,000 | 11,027,000 | 211,000 |
| Community Health | 2,660,800 | 691,800 | 2,640,700 | 755,700 |
| Environmental Health | 7,125,000 | 44,500 | 6,857,300 | (1,700) |
| Health Care Financing | 5,070,000 | 206,000 | 5,020,000 | 166,000 |
| Health Insurance Programs, Office of | 27,567,000 | (93,000) | 27,216,000 | (444,000) |
| Health Services | 30,000 | 0 | 30,000 | 0 |
| Health Systems Management, Office of | 16,927,000 | (25,370,000) | 16,328,000 | (24,844,000) |
| Laboratories and Research | 27,670,500 | 1,857,500 | 26,800,000 | 1,314,000 |
| Long Term Care, Office of | 26,754,000 | 26,754,000 | 25,818,000 | 25,818,000 |
| Managed Care and Program Evaluation, Division of | 11,381,000 | 0 | 11,381,000 | 0 |
| Total | 144,404,600 | 4,304,800 | 141,230,300 | 3,420,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------------------------------------------|---------------------------------------------------|------------------|---------------------------------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 10,000 | (240,000) | 50,000 | (205,000) |
| AIDS Institute | 0 | 0 | 20,000 | 3,000 |
| Community Health | 0 | (5,000) | 20,100 | (58,900) |
| Environmental Health | 243,700 | 33,700 | 24,000 | 12,500 |
| Health Care Financing | 10,000 | 5,000 | 40,000 | 35,000 |
| Health Insurance Programs, Office of | 1,000 | 1,000 | 350,000 | 350,000 |
| Health Services | 0 | 0 | 0 | 0 |
| Health Systems Management, Office of | 53,000 | (72,000) | 546,000 | (454,000) |
| Laboratories and Research | 70,000 | 0 | 800,500 | 543,500 |
| Long Term Care, Office of | 82,000 | 82,000 | 854,000 | 854,000 |
| Managed Care and Program Evaluation, Division of | 0 | 0 | 0 | 0 |
| Total | 469,700 | (195,300) | 2,704,600 | 1,080,100 |

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|-----------------------------------------------------|--------------------|-------------------|-------------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 23,464,200 | 2,000,000 | 1,077,400 | 0 |
| AIDS Institute | 5,961,000 | 80,000 | 1,333,881 | 0 |
| Community Health | 10,114,000 | 4,102,000 | 200,900 | 190,900 |
| Environmental Health | 2,390,000 | 153,000 | 101,000 | (32,600) |
| Health Care Financing | 2,507,000 | 0 | 99,000 | (20,000) |
| Health Insurance Programs, Office of | 36,342,000 | 5,910,000 | 536,000 | 0 |
| Health Systems Management, Office of | 8,146,000 | (14,102,000) | 186,000 | (240,000) |
| Laboratories and Research | 16,211,000 | 593,000 | 3,352,000 | 0 |
| Long Term Care, Office of | 23,504,000 | 23,504,000 | 350,000 | 350,000 |
| Managed Care and Program Evaluation, Division of | 6,446,000 | 366,000 | 156,000 | 0 |
| Medicaid Management Information System | 94,505,000 | 13,656,000 | 0 | 0 |
| Total | 229,590,200 | 36,262,000 | 7,392,181 | 248,300 |

| Program | Travel | | Contractual Services | |
|-----------------------------------------------------|------------------|----------------|-----------------------------|-------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 406,500 | 25,000 | 19,352,000 | 835,000 |
| AIDS Institute | 311,700 | 0 | 3,636,900 | 80,000 |
| Community Health | 116,800 | 84,800 | 9,487,000 | 7,872,000 |
| Environmental Health | 374,400 | 0 | 1,661,000 | 38,400 |
| Health Care Financing | 40,000 | 10,000 | 2,318,000 | 0 |
| Health Insurance Programs, Office of | 823,000 | 0 | 29,902,000 | 3,860,000 |
| Health Systems Management, Office of | 237,000 | (1,010,000) | 6,499,000 | (12,338,000) |
| Laboratories and Research | 76,000 | 0 | 7,085,000 | 200,000 |
| Long Term Care, Office of | 1,065,000 | 1,065,000 | 14,674,000 | 14,674,000 |
| Managed Care and Program Evaluation, Division of | 130,000 | 2,000 | 6,000,000 | 334,000 |
| Medicaid Management Information System | 0 | 0 | 94,505,000 | 13,656,000 |
| Total | 3,580,400 | 176,800 | 195,119,900 | 29,211,400 |

| Program | Equipment | | Maintenance Undistributed | |
|-----------------------------------------------------|------------------|----------------|----------------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 628,300 | 554,000 | 2,000,000 | 586,000 |
| AIDS Institute | 228,519 | 0 | 450,000 | 0 |
| Community Health | 309,300 | 304,300 | 0 | (4,350,000) |
| Environmental Health | 100,600 | (5,800) | 153,000 | 153,000 |
| Health Care Financing | 50,000 | 10,000 | 0 | 0 |
| Health Insurance Programs, Office of | 831,000 | 0 | 4,250,000 | 2,050,000 |
| Health Systems Management, Office of | 201,000 | (314,000) | 1,023,000 | (200,000) |
| Laboratories and Research | 5,305,000 | 0 | 393,000 | 393,000 |
| Long Term Care, Office of | 415,000 | 415,000 | 7,000,000 | 7,000,000 |
| Managed Care and Program Evaluation, Division of | 160,000 | 30,000 | 0 | 0 |
| Medicaid Management Information System | 0 | 0 | 0 | 0 |
| Total | 8,228,719 | 993,500 | 15,269,000 | 5,632,000 |

HEALTH

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service | |
|-----------------------------------------------------|----------------------|--------------------|-------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 47,113,800 | 1,837,000 | 16,885,000 | 188,000 |
| Child Health Insurance | 80,175,000 | 4,486,000 | 2,777,000 | 176,000 |
| Community Health | 149,965,000 | 21,363,000 | 2,281,000 | 206,000 |
| Elderly Pharmaceutical Insurance Coverage | 20,911,000 | 578,000 | 2,002,000 | (114,000) |
| Environmental Health | 39,312,400 | 3,670,700 | 7,322,100 | 255,900 |
| Health Care Financing | 11,363,000 | 985,000 | 5,420,000 | 108,000 |
| Health Insurance Programs, Office of | 860,897,000 | (700,000) | 1,509,000 | (584,000) |
| Health Systems Management, Office of | 51,944,000 | (18,754,000) | 14,460,000 | (1,601,000) |
| Institution Management | 155,167,000 | 15,780,000 | 87,937,000 | 4,525,000 |
| Laboratories and Research | 99,060,000 | (58,403,000) | 9,225,000 | (4,154,158) |
| Long Term Care, Office of | 20,283,000 | 20,283,000 | 1,659,000 | 1,659,000 |
| Managed Care and Program Evaluation, Division of | 0 | (60,000) | 0 | (30,000) |
| Medicaid Management Information System | 95,723,000 | 0 | 0 | 0 |
| Total | 1,631,914,200 | (8,934,300) | 151,477,100 | 634,742 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------------------------------|----------------------------|------------------|----------------------------------|---------------------|
| | Amount | Change | Amount | Change |
| Administration and Executive Direction | 20,225,800 | 792,000 | 10,003,000 | 857,000 |
| Child Health Insurance | 13,268,000 | 4,310,000 | 64,130,000 | 0 |
| Community Health | 3,781,000 | (4,728,000) | 143,903,000 | 25,885,000 |
| Elderly Pharmaceutical Insurance Coverage | 18,684,000 | 667,000 | 225,000 | 25,000 |
| Environmental Health | 12,335,300 | 837,800 | 19,655,000 | 2,577,000 |
| Health Care Financing | 5,943,000 | 877,000 | 0 | 0 |
| Health Insurance Programs, Office of | 12,691,000 | (116,000) | 846,697,000 | 0 |
| Health Systems Management, Office of | 21,189,000 | (6,153,000) | 16,295,000 | (11,000,000) |
| Institution Management | 67,230,000 | 11,255,000 | 0 | 0 |
| Laboratories and Research | 26,083,000 | (6,552,842) | 63,752,000 | (47,696,000) |
| Long Term Care, Office of | 7,624,000 | 7,624,000 | 11,000,000 | 11,000,000 |
| Managed Care and Program Evaluation, Division of | 0 | (30,000) | 0 | 0 |
| Medicaid Management Information System | 0 | 0 | 95,723,000 | 0 |
| Total | 209,054,100 | 8,782,958 | 1,271,383,000 | (18,352,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 13,349,893,460 | 13,563,331,300 | 213,437,840 |
| Special Revenue Funds - Federal | 27,968,484,000 | 27,377,860,000 | (590,624,000) |
| Special Revenue Funds - Other | 6,276,585,000 | 6,022,745,000 | (253,840,000) |
| Fiduciary Funds | 1,771,200,000 | 1,771,200,000 | 0 |
| Total | 49,366,162,460 | 48,735,136,300 | (631,026,160) |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Alcoholism and Substance Abuse Services, Office of General Fund (State Operations) | (27,837,000) | | |
| General State Charges General Fund (State Operations) | (1,505,759,000) | | |
| Health, Department of Special Revenue Funds - Federal (State Operations) | (2,800,000,000) | | |
| Mental Health, Office of General Fund (State Operations) | (790,258,000) | | |
| Mental Retardation and Developmental Disabilities, Office of General Fund (State Operations) | (476,146,000) | | |
| Transfer(s) To | | | |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on Special Revenue Funds - Other | 60,000 | | |
| Appropriated 2007-08 | 43,766,222,460 | | |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------------|------------------------------|--------------------------------|----------------------|
| Administration and Executive Direction | | | |
| General Fund | 632,000 | 608,000 | (24,000) |
| AIDS Institute | | | |
| General Fund | 21,476,700 | 28,157,700 | 6,681,000 |
| Special Revenue Funds - Other | 88,253,000 | 88,253,000 | 0 |
| Child Health Insurance | | | |
| Special Revenue Funds - Federal | 487,800,000 | 487,800,000 | 0 |
| Special Revenue Funds - Other | 442,500,000 | 442,500,000 | 0 |
| Community Health | | | |
| General Fund | 650,318,500 | 691,072,600 | 40,754,100 |
| Special Revenue Funds - Federal | 682,915,000 | 745,491,000 | 62,576,000 |
| Special Revenue Funds - Other | 71,929,000 | 74,964,000 | 3,035,000 |
| Elderly Pharmaceutical Insurance Coverage | | | |
| General Fund | 40,300,000 | 0 | (40,300,000) |
| Special Revenue Funds - Other | 747,175,000 | 678,300,000 | (68,875,000) |
| Environmental Health | | | |
| General Fund | 6,000,000 | 13,650,000 | 7,650,000 |
| Special Revenue Funds - Federal | 3,206,000 | 3,687,000 | 481,000 |
| Special Revenue Funds - Other | 200,000 | 200,000 | 0 |
| Health Care Financing | | | |
| General Fund | 150,000 | 814,000 | 664,000 |
| Health Care Reform Act Program | | | |
| Special Revenue Funds - Other | 1,252,100,000 | 1,266,900,000 | 14,800,000 |
| Health Insurance Programs, Office of | | | |
| General Fund | 17,048,000 | 1,500,000 | (15,548,000) |
| Special Revenue Funds - Federal | 300,000,000 | 300,000,000 | 0 |
| Special Revenue Funds - Other | 300,000,000 | 300,000,000 | 0 |
| Health Systems Management, Office of | | | |
| General Fund | 25,278,700 | 16,749,000 | (8,529,700) |
| Special Revenue Funds - Federal | 400,000 | 400,000 | 0 |
| Special Revenue Funds - Other | 6,490,000 | 0 | (6,490,000) |
| Laboratories and Research | | | |
| General Fund | 4,943,000 | 931,000 | (4,012,000) |
| Special Revenue Funds - Federal | 3,201,000 | 3,682,000 | 481,000 |
| Long Term Care, Office of | | | |
| General Fund | 0 | 20,773,000 | 20,773,000 |
| Special Revenue Funds - Other | 0 | 4,690,000 | 4,690,000 |
| Maintenance Undistributed | | | |
| General Fund | (7,288,000) | (7,288,000) | 0 |
| Special Revenue Funds - Other | 7,288,000 | 7,288,000 | 0 |
| Medical Assistance | | | |
| General Fund | 12,037,898,000 | 12,255,414,000 | 217,516,000 |
| Special Revenue Funds - Federal | 25,909,162,000 | 25,255,000,000 | (654,162,000) |
| Special Revenue Funds - Other | 3,360,650,000 | 3,159,650,000 | (201,000,000) |
| Fiduciary Funds | 1,771,200,000 | 1,771,200,000 | 0 |
| Medical Assistance Administration | | | |
| General Fund | 540,950,000 | 540,950,000 | 0 |
| Special Revenue Funds - Federal | 581,800,000 | 581,800,000 | 0 |
| Community Projects | | | |
| General Fund | 12,186,560 | 0 | (12,186,560) |
| Total | <u>49,366,162,460</u> | <u>48,735,136,300</u> | <u>(631,026,160)</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|--------------------------------------------------------------|------------------------------|--------------------------------|---------------------|-------------------------------------|
| Health Care Efficiency and Affordability Law for New Yorkers | | | | |
| Capital Projects Fund | 165,000,000 | 165,000,000 | 0 | 333,298,000 |
| Capital Projects Fund - Advances | 85,000,000 | 85,000,000 | 0 | 346,929,000 |
| Laboratories and Research | | | | |
| Capital Projects Fund | 10,000,000 | 10,000,000 | 0 | 22,380,000 |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 5,000,000 |
| Maintenance and Improvements of Existing Institutions | | | | |
| Capital Projects Fund | 7,600,000 | 7,600,000 | 0 | 24,934,000 |
| New Institution Construction | | | | |
| Cap Proj Fund - DOH (Direct Auth Bonds) | 0 | 0 | 0 | 21,000,000 |
| Water Resources | | | | |
| Federal Capital Projects Fund | 36,812,000 | 9,980,000 | (26,832,000) | 106,973,000 |
| Total | <u>304,412,000</u> | <u>277,580,000</u> | <u>(26,832,000)</u> | <u>860,514,000</u> |

OFFICE OF THE MEDICAID INSPECTOR GENERAL

MISSION

The Office of the Medicaid Inspector General (OMIG) was statutorily established in 2006 — as an independent entity within the Department of Health — to improve and preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for services funded by Medicaid.

In carrying out its mission, the Office conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with the Department of Health, and the Office of Mental Health, Office of Mental Retardation and Developmental Disabilities and Office of Alcoholism and Substance Abuse Services. In addition, the Medicaid Inspector General works closely with the Attorney General's Medicaid Fraud and Control Unit (MFCU) and Federal and local law enforcement agencies.

ORGANIZATION AND STAFFING

The Office is headed by the Medicaid Inspector General who is appointed by the Governor with the advice and consent of the Senate. The Office of Medicaid Inspector General is headquartered in Albany with six regional field offices located throughout the state — in Buffalo, Hauppauge (Long Island), Rochester, Syracuse, White Plains and New York City.

The Office is organized into six bureaus — Information Technology and Fraud Detection Systems, Investigations and Enforcement, Medicaid Audit, Revenue Initiatives, Administration and Office of the Counsel — and will have a workforce of 753 positions in 2008-09

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$92 million All Funds (\$36 million General Fund, \$56 million Other Funds)** to support the operations of the Office of Medicaid Inspector General. This is a decrease of **\$6.2 million (an increase of \$4.0 million General Fund, and a decrease of \$10.2 million Other Funds)** from the 2007-08 Budget. This net change reflects the costs of new positions, additional resources for technology investments and an adjustment in the Federal appropriation to reflect anticipated spending.

The 2008-09 Executive Budget recommends **753 FTEs** for OMIG, an **increase of 227** which reflect 75 new staff and the hiring of currently authorized staff. Approximately 48 percent of the positions are supported by the General Fund and the remaining 52 percent are supported by Federal and other funds.

Major budget actions include:

- **New Positions:** The Executive Budget adds \$5.5 million (\$2.7 million General Fund) to support 75 new auditors, investigators and other positions to improve the State's ability to combat fraud, waste and abuse in the Medicaid Program. New staff will be used to enhance OMIG's investigative capabilities, expand audits of rate-based providers, and perform recovery, legal and internal control activities.

MEDICAID INSPECTOR GENERAL

- **Technology Investments:** The Executive Budget recommends an additional \$8 million (\$4 million General Fund) to obtain new data mining software products and expand the Card Swipe Program, which allows Medicaid providers to validate the identity of individuals using the Medicaid card.
- **Statutory Enhancements:** The Budget advances a series of statutory measures to improve the State's ability to combat Medicaid fraud by providing civil remedies for the misappropriation of Medicaid funds and expanding OMIG's access to tax information and complaints filed under the State False Claims Act.

PROGRAM HIGHLIGHTS

The Medicaid program was established by the Federal government in 1965 as a health insurance program for the poor. Absent any additional reforms, New York's Medicaid program would cost \$47.3 billion in 2008-09. Medicaid provides coverage to nearly 4 million New Yorkers.

The Department of Health now processes more than 400 million Medicaid claims annually to approximately 60,000 active health care providers offering a wide range of services including nursing facility care, inpatient and outpatient hospital care, home health care, physician services, pharmaceuticals, and other services.

The 2008-09 Executive Budget provides the resources needed to support the Office of Medicaid Inspector General's mission to prevent, detect, investigate and prosecute Medicaid fraud.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 97,995,000 | 91,839,000 | (6,156,000) | 31,243,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 97,995,000 | 91,839,000 | (6,156,000) | 31,243,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------|---------------------------------------|---------------------------------------|------------|
| Medicaid Audit and Fraud Prevention | | | |
| General Fund | 323 | 361 | 38 |
| Special Revenue Funds - Federal | 339 | 376 | 37 |
| Special Revenue Funds - Other | 16 | 16 | 0 |
| Total | 678 | 753 | 75 |

MEDICAID INSPECTOR GENERAL

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 32,052,000 | 36,044,000 | 3,992,000 |
| Special Revenue Funds - Federal | 60,686,000 | 50,610,000 | (10,076,000) |
| Special Revenue Funds - Other | 5,257,000 | 5,185,000 | (72,000) |
| Total | 97,995,000 | 91,839,000 | (6,156,000) |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------------|------------------------------|--------------------------------|---------------|
| Medicaid Audit and Fraud Prevention | | | |
| General Fund | 35,752,000 | 39,744,000 | 3,992,000 |
| Special Revenue Funds - Federal | 60,686,000 | 50,610,000 | (10,076,000) |
| Special Revenue Funds - Other | 1,557,000 | 1,485,000 | (72,000) |
| Maintenance Undistributed | | | |
| General Fund | (3,700,000) | (3,700,000) | 0 |
| Special Revenue Funds - Other | 3,700,000 | 3,700,000 | 0 |
| Total | 97,995,000 | 91,839,000 | (6,156,000) |

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Personal Service Regular (Annual Salaried)</u> | |
|-------------------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Medicaid Audit and Fraud Prevention | 21,000,000 | 3,992,000 | 20,900,000 | 4,049,000 |
| Total | 21,000,000 | 3,992,000 | 20,900,000 | 4,049,000 |

| <u>Program</u> | <u>Temporary Service (Nonannual Salaried)</u> | | <u>Holiday/Overtime Pay (Annual Salaried)</u> | |
|-------------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Medicaid Audit and Fraud Prevention | 0 | (1,000) | 100,000 | (56,000) |
| Total | 0 | (1,000) | 100,000 | (56,000) |

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Supplies and Materials</u> | |
|-------------------------------------|---------------|---------------|-------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Medicaid Audit and Fraud Prevention | 18,744,000 | 0 | 973,250 | 0 |
| Total | 18,744,000 | 0 | 973,250 | 0 |

| <u>Program</u> | <u>Travel</u> | | <u>Contractual Services</u> | |
|-------------------------------------|---------------|---------------|-----------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Medicaid Audit and Fraud Prevention | 288,500 | 0 | 6,516,000 | 2,250,000 |
| Total | 288,500 | 0 | 6,516,000 | 2,250,000 |

| <u>Program</u> | <u>Equipment</u> | | <u>Maintenance Undistributed</u> | |
|-------------------------------------|------------------|---------------|----------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Medicaid Audit and Fraud Prevention | 2,767,250 | 1,750,000 | 8,199,000 | (4,000,000) |
| Total | 2,767,250 | 1,750,000 | 8,199,000 | (4,000,000) |

MEDICAID INSPECTOR GENERAL

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Medicaid Audit and Fraud Prevention | 52,095,000 | (10,148,000) | 22,886,000 | 3,883,000 |
| Maintenance Undistributed | 3,700,000 | 0 | 0 | 0 |
| Total | 55,795,000 | (10,148,000) | 22,886,000 | 3,883,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Medicaid Audit and Fraud Prevention | 22,709,000 | (9,031,000) | 6,500,000 | (5,000,000) |
| Maintenance Undistributed | 0 | 0 | 3,700,000 | 0 |
| Total | 22,709,000 | (9,031,000) | 10,200,000 | (5,000,000) |

DEPARTMENT OF MENTAL HYGIENE

The Department of Mental Hygiene operates through three independent agencies — the Office of Mental Health, the Office of Mental Retardation and Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services. All three agencies provide services directly to their clients through State-operated facilities and receive reimbursement for these services, primarily with Medicaid funds.

Patient revenues in the Patient Income Account are pledged first to the payment of debt service on outstanding Mental Hygiene bonds. The recommended \$671 million in new appropriations from the Patient Income Account and the Mental Hygiene Program Fund may be distributed to any of the three agencies in order to access additional revenues made available through a decreased set-aside for debt service resulting from planned debt management actions and employee fringe benefit costs of State agencies.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 0 | 671,179,000 | 671,179,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 0 | 671,179,000 | 671,179,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-------------|
| Mental Hygiene | | | |
| General Fund | (150,000,000) | 0 | 150,000,000 |
| Special Revenue Funds - Other | 150,000,000 | 671,179,000 | 521,179,000 |
| Total | 0 | 671,179,000 | 671,179,000 |

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

MISSION

The mission of the Office of Alcoholism and Substance Abuse Services (OASAS) is to improve the lives of New Yorkers by leading a premier system of services for addiction prevention, treatment, and recovery.

ORGANIZATION AND STAFFING

Headed by a Commissioner appointed by the Governor, OASAS is responsible for the development and management of the State's policy on chemical dependence and compulsive gambling. The Office exercises these responsibilities directly as a provider of treatment services through a statewide system of 13 Addiction Treatment Centers (ATCs), through the regulation and oversight of over 1,500 chemical dependence and compulsive gambling prevention, treatment, and recovery services providers, the largest in the nation, and as a conduit for Federal and State financial assistance. The Office also furthers State policy goals in areas that include Public Safety, Public Health, Public Welfare, and Public Education by coordinating chemical dependence and compulsive gambling resources and strategies in collaboration with other State agencies.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends over **\$748 million All Funds (including \$151M General Fund; \$597M Other Funds)** for OASAS to continue agency and community operations, including the full operation of its 13 ATCs. This funding is supplemented by Federal and State resources budgeted in other State agencies, and by the contributions of local governments, voluntary agencies and other sources. Overall, the recommended budget increases **\$91 million from 2007-08**, which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments, the increase over 2007-08 is **\$63 million**, of which nearly \$30 million is due to employee fringe benefits now budgeted in OASAS. The remaining net change primarily reflects the annualization of prior year initiatives, savings associated with program efficiencies, and targeted investments, as outlined below.

In 2008-09, OASAS will have a workforce of 1,010, of which nearly 60 percent provide an array of clinical treatment services through the ATCs. This represents an **increase of 20 FTEs** over 2007-08, primarily due to enhanced clinical services in the ATCs and increased administrative oversight of the OASAS Service System.

- **Eliminating Unnecessary Spending and Non-Critical Programs.** By collaborating with the Office of the State Medicaid Inspector General and the Department of Health (DOH) in the area of Medicaid regulatory compliance and enforcement, OASAS will save an additional \$10 million in wasteful, inappropriate or unnecessary spending in DOH's budget. Further, annual savings of \$1 million will be realized by improving provider performance reviews.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

- **Identifying State Operations Efficiencies.** OASAS will also achieve \$2.6 million in savings by maintaining strict controls on hiring and engaging in such creative management strategies as shared services, energy efficiencies and exploring bulk information technology purchasing with other agencies.
- **Reforming Services to High-Cost Populations.** The 2008-09 recommendation provides \$1.5 million — annualizing to \$3 million — to help OASAS expand intensive care coordination initiatives with the Office of Mental Health, DOH and other stakeholders to improve patient care and outcomes, particularly for individuals with both mental illness and chemical dependence, with the establishment of a co-occurring disorders program and the addition of three county-based Dual Diagnosis Coordinators. For the State-operated service system, new resources will permit OASAS to replicate a successful swing bed detoxification program at its Ward ATC, as well as enhance necessary clinical staffing to address more complex client needs at its ATCs. In conjunction with the Office of Temporary and Disability Assistance (OTDA), OASAS will also explore opportunities to streamline processes and funding associated with the provision of chemical dependence treatment services to public assistance recipients in OASAS-certified residential facilities.
- **Reforming Detoxification Services.** OASAS will continue to collaborate with DOH, other State agencies and service providers to redesign the delivery of detoxification services to promote recovery and better integrate reimbursement with outcomes. One goal is to strengthen the ability of community-based detoxification providers to deal with less complicated detoxification episodes.
- **Enhancing Community-Based Services.** OASAS will develop 21 community recovery centers statewide over the next three years — at a full annualized cost of \$2.7 million — to help persons in recovery and their families with emotional counseling, as well as information, recreation and other social supports to break the addiction cycle and maintain sobriety. In addition, the 2008-09 recommendation permits OASAS to address unmet residential need by providing operating support to establish 125 scattered site apartments with case management services and capital funds to develop 120 community residential and supportive living beds. Lastly, the Budget supports the expansion of Compulsive Gambling Prevention programs to an additional 18 counties in 2008-09 and an additional 19 counties in 2009-10, that when fully annualized will cost \$2.3 million.
- **Improving Program Outcomes and Oversight.** Eleven additional State staff are recommended to support the agency in a variety of areas, including new residential program expansion, Compulsive Gambling Prevention expansion, enhancing its program evaluation capabilities and establishing a multi-year program to develop and deliver training programs to enhance the competencies of professionals in the addictions and compulsive gambling fields.

The recommendation also continues to fund several prior year priorities and, therefore, fully supports the third year of a three-year cost of living adjustment (COLA) tied to the Consumer Price Index for existing funded providers of chemical dependence and compulsive gambling services. This COLA will be used by OASAS to enhance funding by about \$12 million in 2008-09 for localities and not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other inflationary pressures. Most importantly, this Budget also extends the COLA for another three years through March 31, 2012, to continue efforts to address recruitment and retention issues and provide relief for escalating energy, pharmaceutical, insurance, and utility costs.

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

In addition, the Executive Budget recognizes that preserving the infrastructure of the current statewide service network is critical and therefore continues an investment of \$120 million in bonded capital funds over the next several years to either relocate or extensively renovate existing chemical dependence treatment programs, whose aging infrastructure results in the inefficient delivery of treatment services and jeopardizes the health and safety of clients and staff.

PROGRAM HIGHLIGHTS

OASAS administers a comprehensive array of prevention, treatment, and recovery services for New Yorkers. This is accomplished through a highly qualified network of State, local government and voluntary agencies and school districts. In accordance with Federal and State statute, OASAS licenses and regulates program providers, ensures that fiscal resources are appropriately spent, and assists local programs in providing the highest quality services.

Approximately 260,000 individuals receive services annually in New York State's licensed chemical dependence treatment and compulsive gambling system, which is provided by approximately 1,200 community-based programs. About 110,000 individuals are enrolled in New York's chemical dependence treatment programs on any given day. OASAS also provides funding to approximately 300 prevention providers who utilize science-based, outcome-oriented programs focusing on such risk factors as family conflict, permissive attitudes towards alcohol and substance abuse, and lack of commitment to school, which research shows are predictive of adolescent problem behaviors like alcohol and substance abuse, delinquency, teen pregnancy, school drop-out and violence. While reducing these risk factors, prevention programs also focus on nurturing healthy beliefs and clear standards within community and family, since combining both activities is crucial to reducing the prevalence of problem behaviors like alcohol and substance abuse.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 61,983,000 | 132,079,000 | 70,096,000 | 6,445,000 |
| Aid To Localities | 475,499,000 | 494,981,000 | 19,482,000 | 201,130,000 |
| Capital Projects | 119,606,000 | 121,336,000 | 1,730,000 | 269,059,000 |
| Total | 657,088,000 | 748,396,000 | 91,308,000 | 476,634,000 |

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

| Program | Full-Time Equivalent Positions (FTE) | | |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Executive Direction | | | |
| Special Revenue Funds - Federal | 81 | 81 | 0 |
| Special Revenue Funds - Other | 349 | 360 | 11 |
| Capital-Administration | | | |
| Capital Projects Funds - Other | 8 | 8 | 0 |
| Institutional Services | | | |
| Special Revenue Funds - Federal | 16 | 16 | 0 |
| Special Revenue Funds - Other | 536 | 545 | 9 |
| Total | 990 | 1,010 | 20 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|------------|
| Special Revenue Funds - Federal | 6,445,000 | 6,445,000 | 0 |
| Special Revenue Funds - Other | 55,538,000 | 125,634,000 | 70,096,000 |
| Total | 61,983,000 | 132,079,000 | 70,096,000 |

Adjustments:

Transfer(s) From

Alcoholism and Substance Abuse
Services, Office of

General Fund (54,206,000)

Special Revenue Funds - Other (21,500,000)

Transfer(s) To

Alcoholism and Substance Abuse
Services, Office of

General Fund 21,500,000

Special Revenue Funds - Other 54,206,000

Health, Department of

General Fund (Aid To Localities) 27,837,000

Appropriated 2007-08

89,820,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|------------|
| Executive Direction | | | |
| Special Revenue Funds - Federal | 5,245,000 | 5,245,000 | 0 |
| Special Revenue Funds - Other | 9,232,000 | 62,298,000 | 53,066,000 |
| Institutional Services | | | |
| Special Revenue Funds - Federal | 1,200,000 | 1,200,000 | 0 |
| Special Revenue Funds - Other | 46,306,000 | 63,336,000 | 17,030,000 |
| Total | 61,983,000 | 132,079,000 | 70,096,000 |

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|------------------------|--------------------|-------------------|-------------------|-------------------|
| | Amount | Change | Amount | Change |
| Executive Direction | 67,543,000 | 53,066,000 | 36,686,000 | 24,708,000 |
| Institutional Services | 64,536,000 | 17,030,000 | 34,121,000 | 632,000 |
| Total | <u>132,079,000</u> | <u>70,096,000</u> | <u>70,807,000</u> | <u>25,340,000</u> |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|------------------------|---------------------|-------------------|---------------------------|----------|
| | Amount | Change | Amount | Change |
| Executive Direction | 30,167,000 | 28,358,000 | 690,000 | 0 |
| Institutional Services | 30,415,000 | 16,398,000 | 0 | 0 |
| Total | <u>60,582,000</u> | <u>44,756,000</u> | <u>690,000</u> | <u>0</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------------|
| General Fund | 145,337,000 | 151,478,000 | 6,141,000 |
| Special Revenue Funds - Federal | 135,468,000 | 135,473,000 | 5,000 |
| Special Revenue Funds - Other | 194,694,000 | 208,030,000 | 13,336,000 |
| Total | <u>475,499,000</u> | <u>494,981,000</u> | <u>19,482,000</u> |

Adjustments:

| | |
|--------------------------------|--------------------|
| Transfer(s) From | |
| Alcoholism and Substance Abuse | |
| Services, Office of | |
| General Fund | (186,654,000) |
| Transfer(s) To | |
| Alcoholism and Substance Abuse | |
| Services, Office of | |
| Special Revenue Funds - Other | 186,654,000 |
| Appropriated 2007-08 | <u>475,499,000</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------|----------------------|------------------------|-------------------|
| Community Treatment Services Program | | | |
| General Fund | 144,253,000 | 151,478,000 | 7,225,000 |
| Special Revenue Funds - Federal | 102,413,000 | 102,418,000 | 5,000 |
| Special Revenue Funds - Other | 126,552,000 | 135,698,000 | 9,146,000 |
| Prevention and Program Support | | | |
| Special Revenue Funds - Federal | 33,055,000 | 33,055,000 | 0 |
| Special Revenue Funds - Other | 68,142,000 | 72,332,000 | 4,190,000 |
| Community Projects | | | |
| General Fund | 1,084,000 | 0 | (1,084,000) |
| Total | <u>475,499,000</u> | <u>494,981,000</u> | <u>19,482,000</u> |

ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------|------------------------------|--------------------------------|------------------|-------------------------------------|
| Design and Construction Supervision | | | | |
| Capital Projects Fund | 4,000,000 | 2,000,000 | (2,000,000) | 4,403,000 |
| MH Capital Improvements - Authority Bonds | 500,000 | 500,000 | 0 | 500,000 |
| Administration | | | | |
| Capital Projects Fund | 1,200,000 | 1,230,000 | 30,000 | 0 |
| Community Alcoholism and Substance Abuse Facilities | | | | |
| Capital Projects Fund | 4,810,000 | 4,810,000 | 0 | 23,416,000 |
| MH Capital Improvements - Authority Bonds | 106,846,000 | 108,546,000 | 1,700,000 | 219,228,000 |
| Institutional Services Program | | | | |
| Capital Projects Fund | 500,000 | 500,000 | 0 | 2,472,000 |
| MH Capital Improvements - Authority Bonds | 1,000,000 | 3,000,000 | 2,000,000 | 19,040,000 |
| Non-Bondable | | | | |
| Capital Projects Fund | 750,000 | 750,000 | 0 | 0 |
| Total | <u>119,606,000</u> | <u>121,336,000</u> | <u>1,730,000</u> | <u>269,059,000</u> |

OFFICE OF MENTAL HEALTH

MISSION

The Office of Mental Health's (OMH) mission is to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious mental illness and children with serious emotional disturbances.

ORGANIZATION AND STAFFING

The Office of Mental Health is headed by a Commissioner who is appointed by the Governor. New York's public mental health system consists of programs that are operated by the Office of Mental Health, as well as community programs certified and funded by the State, but operated by local governments, not-for-profit and proprietary providers. OMH has two primary functions as the State's mental health authority: to ensure access to high quality services for adults with severe mental illness and children with serious emotional disturbances and to promote overall public mental health through education and advocacy. The agency has four lines of business underpinning these functions:

- **Regulating, Certifying, Financing and Overseeing New York's Public Mental Health System.** OMH oversees 58 local governmental units, one of which covers New York City in its entirety. The agency also regulates and/or licenses more than 2,500 mental health programs operated by local governments and private agencies serving approximately 600,000 persons annually, including inpatient, outpatient, emergency, residential and family care, and community support services;
- **Providing State-operated Inpatient and Outpatient Mental Health Services.** OMH is a major provider of intermediate and long-term inpatient as well as outpatient treatment services through a network of 25 psychiatric centers that include 16 Adult Psychiatric Centers and six Children's Psychiatric Centers. OMH operates three facilities serving forensic patients involved with the criminal justice system. Additionally, OMH provides mental health services in 23 sites around the State to inmates incarcerated in Department of Correctional Services' facilities;
- **Conducting Basic and Applied Research to Advance Prevention, Treatment, and Recovery.** OMH conducts basic and applied research at the New York State Psychiatric Institute in Manhattan and the Nathan S. Kline Institute for Psychiatric Research in Rockland County, with a focus on identifying interventions that have been proven by scientific research to be effective and that can be incorporated into mainstream practice. New York State's investment in research is augmented by many grants from Federal and other sources through the Research Foundation for Mental Hygiene (RFMH), Inc. Additionally, OMH's Center for Information Technology and Evaluation Research conducts evaluation research and statistical analysis which are used to examine service outcomes, investigate pressing mental health issues, and develop sound approaches for improving service quality and access; and
- **Promoting Public Mental Health through Education and Outreach.** OMH supports a variety of educational activities focusing on the nature and impact of mental illness, effective treatments and services, useful preventive and coping strategies, and service accessibility. The agency's information dissemination strategies are designed to reach as many New Yorkers as possible, with a particular focus on high-risk groups.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.7 billion All Funds (\$564 million General Fund; \$3.1 billion Other funds)** for the Office of Mental Health (OMH). This is a net increase of **\$1.4 billion (\$67 million General Fund)** over 2007-08 which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments and changes in Capital Projects, the increase over 2007-08 appropriations is \$628 million, of which \$498 million is due to employee fringe benefits now budgeted in OMH. The remaining net change primarily reflects community residential pipeline expansion, the annualization of prior year initiatives, inflationary increases, State Operations savings associated with program efficiencies, and targeted investments, as outlined below.

The Executive Budget recommends a staffing level of **18,034 FTEs** for the Office of Mental Health, an increase of **415** from the 2007-08 Budget. This increase primarily reflects the annualization of prior year initiatives and positions added to OMH's fill level to comply with new and anticipated statutory changes. Most of the agency's workforce provides direct care services to patients.

OMH continues to improve the efficiency and cost-effectiveness of its operations and the network of non-profit providers it supports. Major budget actions to promote cost efficiency and rationalize reimbursement include:

- **Rationalizing Provider Reimbursement:** OMH will renew efforts to ensure that all appropriate third-party revenue standards for non-profit providers are maintained, saving an estimated \$7.5 million from 2008-09 projected costs;
- **Other Aid to Localities Efficiencies:** Increased emphasis on managing Local Assistance spending — including achieving audit recoupments and managing new program development — will result in an estimated \$34 million savings from projected 2008-09 costs without any impact on service delivery;
- **State Operations Program Efficiencies:** OMH will work to re-align staff resources to decrease the usage of overtime and consultant contracts, control the implementation of prior year initiatives, and will also implement best practices to reduce energy and pharmaceutical spending. These actions will save approximately \$19 million from projected 2008-09 costs; and
- **Maximizing Third-Party Revenues:** Through due diligence analysis, OMH will generate an additional \$32 million in third-party revenues to offset General Fund spending.

These savings actions as well as others proposed in the Budget will permit targeted investments to support the Commissioner's priorities for 2008-09 to strengthen community mental health care and provide the highest quality of care for people requiring inpatient services, with the ultimate goal of helping individuals to live full, productive lives in their communities. Recommendations include:

- **Workforce Strategies for Recruitment, Retention and Training:** For State Operations, targeted salary enhancements will be provided to ensure that OMH can recruit and retain a qualified clinical workforce, especially in areas of the State that are traditionally underserved, and the Rural Tele-psychiatry program will be expanded to allow for increased education and training. This initiative will cost \$2.3 million in 2008-09 eventually annualizing to \$12 million over three years. On

the non-profit workforce side, the Budget supports \$30.1 million for the final year of the current three-year Cost of Living Adjustment (COLA) for these employees commenced in 2006-07 and extends the COLA for another three years through 2011-12;

- **Sustaining and Expanding the Ambulatory Care System:** Consistent with the Governor's philosophy of improving access to ambulatory care to reduce reliance on costly inpatient and emergency services, and based on the results of the 2007 study of outpatient provider reimbursement, the Budget advances \$5 million in new resources that will annualize to \$10 million to take the first steps in rationalizing clinic funding. This initiative will provide fiscal relief to mental health clinics by: establishing minimum comprehensive outpatient provider rates for clinics licensed solely under Mental Hygiene Law; rebasing clinic providers who have exceeded their Comprehensive Outpatient Programs (COPS) threshold using prior year service volume; eliminating volume adjustments on COPS clinic services; limiting certain payments made for services provided to managed care enrollees; and removing the Medicaid neutrality cap for mental health clinic services. In the children's mental health area, this Budget recommends removing barriers to specialty mental health treatment for children by allowing for the designation of more clinics that serve children enrolled in managed care. Additionally, new resources that will annualize to \$5 million will permit Family Services to be added to the portfolio of covered services under the Clinic Plus program. Furthermore, employment services in the Personalized Recovery Oriented Services program will be enhanced by new resources that will annualize to \$1.3 million;
- **Managing the Care of High Cost Populations:** OMH, in concert with OASAS and the Department of Health and consistent with the priorities of the Task Force on Co-Occurring Disorders, will engage in demonstration programs to address the treatment needs of persons who are both mentally ill and chemically dependent, with \$1.0 million included in OMH's budget for this purpose, which will annualize to \$2.5 million. An additional \$1.5 million — annualizing to \$2.0 million — will support two managed care demonstration programs (one in Western New York and one in New York City) that will help coordinate both the health and the behavioral health needs of high cost populations, resulting in more effective and cost efficient coordinated care; and
- **New Community Bed Initiatives:** In order to meet the continuing need for housing of persons moving into less restrictive settings, the recommendation commits new capital and operating resources that will permit OMH to develop 1,500 Supported Housing Beds targeted to specific mentally ill populations; develop 500 integrated Single Room Occupancy (SRO) beds for priority populations; and, in concert with the Department of Health and the Commission on Quality of Care and Advocacy for Persons with Disabilities, provide capital funds to purchase Adult Homes and convert them into OMH housing. Additionally, the Executive Budget provides increased flexibility for Mental Hygiene agencies to establish integrated housing projects, which will increase access to housing, while also helping to reduce the negative stigma attached to housing for the mentally ill.

The 2008-09 recommendation also supports key investments commenced in 2007-08 to strengthen the infrastructure of OMH's community-based system of care, including \$12 million in new resources for the second of a three-year effort to enhance the critical Community Residence housing model.

MENTAL HEALTH

PROGRAM HIGHLIGHTS

To live successfully, most individuals with serious mental illness need both treatments that control or eliminate their psychiatric symptoms and support services that address the needs associated with the disabling effects of their illness. Public mental health services are grouped in four major categories across the health care continuum: community support, outpatient, inpatient, and emergency services. In New York State, both State and locally operated programs provide services in each of these four categories:

- **Community Support** helps individuals diagnosed with serious mental illness live as independently as possible in the community, and helps children with serious emotional disturbance remain with their families. These programs provide case management, vocational, self-help, residential and other support services. Although the specific array of community support services differs for adults and children, the goal is always to support successful and full community living;
- **Outpatient Services** provide treatment and rehabilitation in an ambulatory setting, including clinics, partial hospitalization, day treatment for children, continuing day treatment for adults, Assertive Community Treatment (ACT), Prepaid Mental Health Plan (PMHP) and Personalized Recovery-Oriented Services (PROS);
- **Inpatient Services** provide acute stabilization and intensive treatment and rehabilitation with 24-hour care in a controlled environment when community services and supports do not meet the needs of adults and children; and
- **Emergency Services** provide rapid psychiatric and/or medical stabilization and ensure the safety of individuals who present a risk to themselves or others. These programs include a range of crisis counseling and residential services, as well as Comprehensive Psychiatric Emergency Programs.

In all mental health settings, the fundamental goal of OMH is to maximize access to quality mental health care for every single New Yorker. This includes bridging the gap between science and service and focusing on accountability for results, best practices and coordination of care.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------------|--------------------------------------------|
| State Operations | 574,268,000 | 1,935,877,000 | 1,361,609,000 | 1,358,000 |
| Aid To Localities | 1,074,901,000 | 1,301,447,000 | 226,546,000 | 64,380,000 |
| Capital Projects | 646,052,000 | 446,822,000 | (199,230,000) | 1,349,608,000 |
| Total | 2,295,221,000 | 3,684,146,000 | 1,388,925,000 | 1,415,346,000 |

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration and Finance | | | |
| General Fund | 571 | 0 | (571) |
| Special Revenue Funds - Federal | 14 | 14 | 0 |
| Special Revenue Funds - Other | 0 | 705 | 705 |
| Enterprise Funds | 20 | 20 | 0 |
| Internal Service Funds | 24 | 24 | 0 |
| Adult Services | | | |
| General Fund | 11,959 | 0 | (11,959) |
| Special Revenue Funds - Other | 0 | 12,470 | 12,470 |
| Capital Planning | | | |
| Capital Projects Funds - Other | 41 | 41 | 0 |
| Children and Youth Services | | | |
| General Fund | 2,072 | 0 | (2,072) |
| Special Revenue Funds - Other | 0 | 2,092 | 2,092 |
| Forensic Services | | | |
| General Fund | 1,989 | 0 | (1,989) |
| Special Revenue Funds - Other | 0 | 2,136 | 2,136 |
| Maintenance Undistributed | | | |
| Special Revenue Funds - Other | 397 | 0 | (397) |
| Research | | | |
| General Fund | 505 | 0 | (505) |
| Special Revenue Funds - Other | 27 | 532 | 505 |
| Total | <u>17,619</u> | <u>18,034</u> | <u>415</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|----------------------|
| Special Revenue Funds - Federal | 1,358,000 | 1,358,000 | 0 |
| Special Revenue Funds - Other | 561,776,000 | 1,923,385,000 | 1,361,609,000 |
| Enterprise Funds | 8,514,000 | 8,514,000 | 0 |
| Internal Service Funds | 2,620,000 | 2,620,000 | 0 |
| Total | <u>574,268,000</u> | <u>1,935,877,000</u> | <u>1,361,609,000</u> |

Adjustments:

Transfer(s) From

 Mental Health, Office of

 General Fund (550,676,000)

 Special Revenue Funds - Other (562,767,000)

 Special Pay Bill

 General Fund (23,512,000)

Transfer(s) To

 Health, Department of

 General Fund (Aid To Localities) 790,258,000

 Mental Health, Office of

 General Fund 562,767,000

 Special Revenue Funds - Other 550,676,000

Appropriated 2007-08

1,341,014,000

MENTAL HEALTH

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|---------------|
| Administration and Finance | | | |
| Special Revenue Funds - Federal | 1,358,000 | 1,358,000 | 0 |
| Special Revenue Funds - Other | 3,870,000 | 100,653,000 | 96,783,000 |
| Enterprise Funds | 8,514,000 | 8,514,000 | 0 |
| Internal Service Funds | 2,620,000 | 2,620,000 | 0 |
| Adult Services | | | |
| Special Revenue Funds - Other | 546,000,000 | 1,311,632,000 | 765,632,000 |
| Children and Youth Services | | | |
| Special Revenue Funds - Other | 0 | 206,391,000 | 206,391,000 |
| Forensic Services | | | |
| Special Revenue Funds - Other | 0 | 224,812,000 | 224,812,000 |
| Research | | | |
| Special Revenue Funds - Other | 11,906,000 | 79,897,000 | 67,991,000 |
| Total | 574,268,000 | 1,935,877,000 | 1,361,609,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------------|---------------|---------------|------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration and Finance | 113,145,000 | 96,783,000 | 51,695,000 | 47,263,000 |
| Adult Services | 1,311,632,000 | 765,632,000 | 739,520,000 | 193,520,000 |
| Children and Youth Services | 206,391,000 | 206,391,000 | 127,776,000 | 127,776,000 |
| Forensic Services | 224,812,000 | 224,812,000 | 142,562,000 | 142,562,000 |
| Research | 79,897,000 | 67,991,000 | 46,396,000 | 39,805,000 |
| Total | 1,935,877,000 | 1,361,609,000 | 1,107,949,000 | 550,926,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------|---------------------|-------------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration and Finance | 58,150,000 | 49,520,000 | 3,300,000 | 0 |
| Adult Services | 568,947,000 | 568,947,000 | 3,165,000 | 3,165,000 |
| Children and Youth Services | 78,615,000 | 78,615,000 | 0 | 0 |
| Forensic Services | 82,250,000 | 82,250,000 | 0 | 0 |
| Research | 33,501,000 | 28,186,000 | 0 | 0 |
| Total | 821,463,000 | 807,518,000 | 6,465,000 | 3,165,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 496,387,000 | 563,815,000 | 67,428,000 |
| Special Revenue Funds - Federal | 37,834,000 | 44,626,000 | 6,792,000 |
| Special Revenue Funds - Other | 540,680,000 | 693,006,000 | 152,326,000 |
| Total | 1,074,901,000 | 1,301,447,000 | 226,546,000 |

Adjustments:

Transfer(s) From

Mental Health, Office of

General Fund

(397,170,750)

Special Revenue Funds - Other

63,224,250

Transfer(s) To

Mental Health, Office of

General Fund

(63,224,250)

Special Revenue Funds - Other

397,170,750

Appropriated 2007-08

1,074,901,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------------------|------------------------------|--------------------------------|--------------------|
| Adult Services | | | |
| General Fund | 347,498,000 | 391,008,000 | 43,510,000 |
| Special Revenue Funds - Federal | 30,772,000 | 37,564,000 | 6,792,000 |
| Special Revenue Funds - Other | 445,003,000 | 613,625,000 | 168,622,000 |
| Children and Youth Services | | | |
| General Fund | 147,840,000 | 172,807,000 | 24,967,000 |
| Special Revenue Funds - Federal | 7,062,000 | 7,062,000 | 0 |
| Special Revenue Funds - Other | 87,692,000 | 71,146,000 | (16,546,000) |
| Enhanced Community Services | | | |
| Special Revenue Funds - Other | 500,000 | 500,000 | 0 |
| Community Support and Workforce Reinvestment | | | |
| Special Revenue Funds - Other | 7,485,000 | 7,735,000 | 250,000 |
| Community Projects | | | |
| General Fund | 1,049,000 | 0 | (1,049,000) |
| Total | <u>1,074,901,000</u> | <u>1,301,447,000</u> | <u>226,546,000</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------|------------------------------|--------------------------------|----------------------|-------------------------------------|
| Design and Construction Supervision | | | | |
| Capital Projects Fund | 2,000,000 | 2,000,000 | 0 | 2,117,000 |
| MH Capital Improvements - Authority Bonds | 12,000,000 | 12,000,000 | 0 | 18,935,000 |
| Executive Direction | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 2,445,000 |
| MH Capital Improvements - Authority Bonds | 3,717,000 | 3,717,000 | 0 | 6,144,000 |
| Community Mental Health Facilities | | | | |
| Capital Projects Fund | 6,000,000 | 6,000,000 | 0 | 29,304,000 |
| MH Capital Improvements - Authority Bonds | 312,555,000 | 173,555,000 | (139,000,000) | 681,103,000 |
| Maintenance and Improvements of Existing Facilities | | | | |
| Capital Projects Fund | 34,010,000 | 34,010,000 | 0 | 56,152,000 |
| MH Capital Improvements - Authority Bonds | 274,770,000 | 214,540,000 | (60,230,000) | 545,408,000 |
| Non-Bondable | | | | |
| Capital Projects Fund | 1,000,000 | 1,000,000 | 0 | 8,000,000 |
| Total | <u>646,052,000</u> | <u>446,822,000</u> | <u>(199,230,000)</u> | <u>1,349,608,000</u> |

OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

MISSION

The mission of the Office of Mental Retardation and Developmental Disabilities (OMRDD) is to help people with developmental disabilities live richer lives. The agency's vision is to assure that people with developmental disabilities enjoy meaningful relationships with family, friends, and others in their lives; experience personal health and growth; and live in homes and fully participate in the communities of their choice.

ORGANIZATION AND STAFFING

Under the direction of a Commissioner appointed by the Governor, OMRDD currently operates through 14 district offices called Developmental Disabilities Services Offices (DDSO). Its Central Office oversees and supports operations of the district offices. OMRDD also operates the Institute for Basic Research in Developmental Disabilities (IBR) on Staten Island.

By the end of 2008-09, there will be fewer than 500 people with developmental disabilities living in developmental centers along with approximately 1,100 in special units. Over the past two decades, the developmental center population has declined by 8,000.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends nearly **\$4.4 billion All Funds (including \$1.4B General Fund; \$3.0B Other Funds)** for the Office to continue to support a comprehensive system of care serving more than 140,000 persons with disabilities and their families, reflecting the State's commitment to serving the needs of persons with developmental disabilities. This is an increase of **\$1.2 billion from 2007-08**, which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments, the increase from 2007-08 is over **\$750 million**, of which \$503 million is due to employee fringe benefits now budgeted in OMRDD. The Executive Budget recommendations for 2008-09 preserve essential direct care and maintain the quality of services for individuals with developmental disabilities in both not-for-profit and OMRDD-operated programs, despite the need to implement cost-savings measures in the face of the State's fiscal difficulties.

The overall recommendation maintains the State's commitment to serve a wide range of developmentally disabled New Yorkers, including those who are medically frail and behaviorally challenged, as well as consumers who have been placed out-of-State or who are "aging out" of other child care systems, or who are living at home.

OMRDD will have a workforce of 23,703 for 2008-09, most of whom work directly with consumers of services. The remainder comprises supervisors of direct care workers, clinicians, administrative support and management personnel. This represents an **increase of 183 FTEs** over 2007-08, in part due to OMRDD's efforts to reduce overtime spending and enhance quality of care, new statutory requirements, and the opening of new State-operated community homes in 2008-09.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

OMRDD continues to improve the efficiency and cost-effectiveness of its operations and the network of not-for-profit providers it supports. Major budget actions to promote cost efficiency, maximize revenues, and rationalize reimbursement total over \$130 million in savings and include:

- **Controlling State Personal and Non-Personal Services Costs.** In 2008-09, OMRDD will save \$4.4 million in State Personal Service costs through the replication of best practices in overtime control and staff deployment. The agency will also realize \$8 million in Non-Personal Service savings through a variety of actions, including increasing energy audits, containing pharmacy spending, less frequent equipment replacement and more efficiently using contractual resources by converting them to State positions where appropriate.
- **Maximizing Medicaid and Medicare Enrollments.** Beginning in 2007-08 and carrying over into 2008-09, OMRDD and its partnering not-for-profit provider associations and their members have set in motion action steps that require families and individuals with developmental disabilities to apply for all Medicaid and Medicare benefits to which they are entitled. To assure that these benefits are accessed appropriately, OMRDD will provide education and assistance to families and individuals with developmental disabilities seeking or receiving supports and services that can be funded by Medicaid and/or Medicare. Coupled with revenue actions in State-operated programs, this proposal will generate savings totaling approximately \$120 million in 2008-09.
- **Rationalizing Provider Reimbursement.** In support of the Governor's Health Care Reform efforts and in collaboration with the Department of Health (DOH) and its various stakeholders, OMRDD will expand its focus on rationalizing, reforming and restructuring Medicaid funding of services. The Executive Budget Recommendation calls for a multiyear effort for OMRDD to rationalize and reform its financial platform through a series of rate/price setting restructurings beginning with under 31 bed Intermediate Care Facility (ICF) services, Home and Community Based Services (HCBS) Waiver day habilitation services and Article 16 clinic services. In addition, OMRDD will be evaluating and modifying where appropriate the levels of administrative reimbursement in all rate/price/fee based programs. It is anticipated that these restructuring efforts will produce savings of \$4.7 million in 2008-09, while supporting the program direction of OMRDD.

These savings actions as well as others proposed in the budget will permit targeted investments to support OMRDD's priorities for 2008-09, including:

- **A Multi-Year Plan to Downsize Developmental Center Capacity by Creating Additional Community Capacity.** Over the next four years, OMRDD will develop additional State-operated beds for hard to serve populations both in institutional settings, including nursing homes, and in the community. This effort will be complemented by additional not-for-profit residential opportunities over each of the next three years that will help reduce Developmental Center census by some 500 persons and position the Western New York Developmental Center for closure in 2010-11, freeing up over 400 acres of prime real estate for economic development.
- **Reconfiguring the Community Residential Continuum.** The budget recommends \$2 million, when fully annualized, to support innovative residential opportunities to focus on more person-centered services and provide individuals with additional service options.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

- **Targeted Family Support and Respite Services Enhancements.** The recommendation provides \$2.0 million in new resources — annualizing to \$5 million — to expand Family Support Services to as many as 3,000 families to help them care for their loved ones with disabilities at home. The need for additional funding to support respite and crisis services responds to the many service requests expressed by families; new or expanded services may include respite, mobile crisis teams, family training and intervention. In addition, as demands for services continue to increase, \$0.5 million in new resources — annualizing to \$2 million — will support new and enhanced services to approximately 1,300 individuals with autism or autism spectrum disorder. Lastly, in an effort to meet the demand for respite services, \$2.5 million in new resources — annualizing to \$5 million — are added to the HCBS Waiver Respite Program over a two year phase in.
- **Consumer Employment and Supports.** Competitive and Supported Employment work opportunities and At-Home Residential Rehabilitation Services will benefit by \$750,000 in new resources that will annualize to \$3.0 million in 2009-10. In the employment area, the monies will be used to improve job development and job coaching services as well as generate incentives for starting or expanding supported employment programs. In addition, OMRDD will expand a program that established a series of paid internships with a variety of employers for self-advocates to gain valuable work training and experience toward achieving a competitive employment position. Specifically, OMRDD will add 128 new internships in 2008-09 at an annual cost of \$3.0 million with a phase in amount of \$1.5 million in the first year.
- **Not-for-Profit Workforce Recruitment and Retention Issues.** The Executive Budget recommendation includes resources for a 3.52 percent Medicaid trend factor that, in addition to covering inflationary cost increases, can be used to support enhancements to the salaries and benefits of the direct support professionals that will assist in recruitment and retention efforts. The Budget also provides new funding for the final year of a three-year cost-of-living adjustment (COLA) to improve existing services for non-trended voluntary programs. The COLA will be used by OMRDD to enhance funding by over \$5 million for not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other critical inflationary pressures. The recommendations also extend the COLA for another three years through March 31, 2012, to continue efforts to address recruitment and retention issues and provide relief for escalating energy, pharmaceutical, insurance, and utility costs.

The 2008-09 recommendation also continues the State's commitment to several key ongoing initiatives, including the following:

- **The Third Phase of the New York State Creating Alternatives in Residential Environments and Services (NYS-CARES) Program** - the 2007-08 Budget added 1,000 residential opportunities, 2,500 at-home residential, and 200 day habilitation opportunities to meet residential request list needs over a five-year period. The Executive Budget includes funding for the first and second years of the third phase of NYS-CARES. By the end of 2012, 7,800 beds will have been developed under NYS-CARES which, when coupled with the more than 36,000 funded community beds already in the system, will provide significant opportunities for persons seeking an out-of-home residential service option.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

- **Community-Based Services to Special Populations** - OMRDD will develop 140 new residential options to accommodate consumers aging out of other human services or educational environments (\$7.7 million) as well as 186 new residential opportunities to either repatriate children placed out-of-State, or to mitigate such future placements (\$13 million).
- **Continued Transformation of the Service System** - The \$2.8 million Federal Systems Transformation Grant (FY 2006), awarded to New York State for its New York State Real Choice Systems Change (RCSC) initiative will permit OMRDD to increase delivery of services to individuals that are dually diagnosed, aging out, and residing in, or at risk of placement into, a nursing home. The RCSC grant also enables OMRDD to expand its infrastructure, especially to increase individualized services and supports to persons with developmental disabilities seeking flexible, person-centered approaches to meeting their needs. This grant will serve as the platform for system change in how services and supports are provided to individuals with developmental disabilities in New York State.
- **State and Not-for-Profit Capital Infrastructure Needs** - will be maintained through new capital appropriations of \$192.4 million and reappropriations of \$296.2 million. Capital appropriations for institutional projects continue to support the reconfiguration of the Bernard Fineson Developmental Center in Queens, as well as focus on the need to reinvest resources into preserving and maintaining long-term facilities, mostly for a core population of consumers who have severe behavioral treatment needs.

In total, these recommendations — through the combination of both new and existing services — will support more than 5,800 new day and residential opportunities in the community during 2008-09. This reflects more than 1,500 people placed in new residential opportunities and more than 4,300 into new non-residential opportunities. Community opportunities will be targeted for people in developmental centers and for mandated populations, as well as people living at home. Services to individuals and families have been expanded within Family Support Services.

PROGRAM HIGHLIGHTS

OMRDD serves more than 140,000 New Yorkers with developmental disabilities, which include primarily mental retardation, autism, epilepsy, cerebral palsy, and neurological impairments. In recent years, New York has made great strides in improving its methods of delivering services to this vulnerable population, moving more people from institutions to the community than any other state in the nation. In addition, OMRDD continues to place greater emphasis on consumer choice and satisfaction and has instituted a recurring survey designed by consumers, families and other stakeholders, which is used to evaluate individuals' satisfaction and the success of residential opportunities under the NYS-CARES program.

Under a 1991 Federal Medicaid waiver, individuals with developmental disabilities have the opportunity to receive individualized services in less restrictive settings. With the aid of trained service coordinators, consumers choose the services they need and receive them in appropriate settings. New York commits more resources to its HCBS Waiver program than any state in the nation, but has a lower cost per individual served than other comparable states. The HCBS Waiver also promotes smaller, more natural home

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environments. Home size has continued to decrease, thereby supporting individualized, quality services. Today, two-thirds of the homes in the community accommodate six people or less; of these, two-thirds accommodate four people or less.

Maintaining a statewide system of services, delivered through both the State and not-for-profit providers, OMRDD:

- Provides approximately 38,000 persons with certified residential services. Since 1998, nearly 15,000 persons have left the residential registration list for homes in the community;
- Provides about 55,000 persons with community day services; and
- Assists in the care of more than 20,000 persons with developmental disabilities who live alone and another 42,000 persons who live with their families.

An overview of these services is provided below.

RESIDENTIAL SERVICES

Residential services are offered through a continuum of programs in both community and institutional settings. The alternative that provides the most intensive services in a community setting is the Intermediate Care Facility for the Developmentally Disabled (ICF/DD). These facilities — some 6,300 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring intensive 24-hour care.

The most common residential opportunity for persons under the waiver is in Individual Residential Alternatives (IRAs) — homes, typically for four to eight consumers, operated by either the State or not-for-profit providers in the community. This budget supports more than 26,000 individuals with developmental disabilities living in this setting with accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve nearly 3,400 people.

In addition to these community-based residential programs, OMRDD operates 10 campuses across the State. Approximately 1,600 people will be served in these settings by the end of 2008-09, of which more than 70 percent will be receiving specialized services. OMRDD remains committed to providing community residential opportunities for all those in State institutions who can receive appropriate care in the community. Currently, New York serves more persons in community residential settings than any other state, with the exception of California.

DAY SERVICES

OMRDD supports an array of day services for persons with developmental disabilities, which also vary depending on the needs of the individuals. The major programs include:

- Day treatment which provides diagnostic, treatment and rehabilitative services;
- Day habilitation, a smaller more individualized service for persons under the Federal Medicaid waiver for home and community based services;
- Supported employment, which provides the opportunity for individuals to work in competitive positions, usually in integrated settings in the private sector;
- Sheltered workshops, which provide basic, non-competitive work opportunities; and
- Day training, which develops the knowledge and skills that enable persons with developmental disabilities to improve their personal, social, and vocational skills and to function independently.

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

SUPPORT FOR CONSUMERS LIVING IN THEIR OWN HOMES

OMRDD services also support families and individuals in their own homes. The Family Support Services program currently assists over 42,000 persons with developmental disabilities and their families, enabling these individuals to remain at home and receive nearly 66,000 individualized services. Services offered include respite, crisis intervention, case management, recreation, information and referral and home care.

The Individualized Support Services program provides services to 1,950 disabled individuals who live independently. In addition, approximately 8,000 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

The Care-at-Home program provides a third alternative, designed to preserve family settings for persons under 18 years of age with developmental disabilities, who are medically frail. This program allows the parents of young persons with severe disabilities to maintain the child at home, regardless of family income level, thereby preventing more costly out-of-home placements.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 993,055,000 | 1,976,645,000 | 983,590,000 | 3,266,000 |
| Aid To Localities | 2,072,258,500 | 2,261,268,000 | 189,009,500 | 3,192,000 |
| Capital Projects | 138,355,000 | 192,420,000 | 54,065,000 | 296,245,000 |
| Total | 3,203,668,500 | 4,430,333,000 | 1,226,664,500 | 302,703,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Central Coordination and Support | | | |
| Special Revenue Funds - Other | 860 | 875 | 15 |
| Community Services | | | |
| Special Revenue Funds - Other | 16,562 | 16,730 | 168 |
| Institutional Services | | | |
| Special Revenue Funds - Other | 5,913 | 5,913 | 0 |
| Research in Mental Retardation | | | |
| Special Revenue Funds - Other | 185 | 185 | 0 |
| Total | 23,520 | 23,703 | 183 |

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|--------------------|
| Special Revenue Funds - Federal | 3,495,000 | 630,000 | (2,865,000) |
| Special Revenue Funds - Other | 986,804,000 | 1,973,209,000 | 986,405,000 |
| Enterprise Funds | 2,406,000 | 2,456,000 | 50,000 |
| Internal Service Funds | 350,000 | 350,000 | 0 |
| Total | 993,055,000 | 1,976,645,000 | 983,590,000 |

Adjustments:

Transfer(s) From

Mental Retardation and Developmental

Disabilities, Office of

General Fund

(986,250,000)

Special Revenue Funds - Other

(986,250,000)

Special Pay Bill

General Fund

(4,118,000)

Transfer(s) To

Health, Department of

General Fund (Aid To Localities)

476,146,000

Mental Retardation and Developmental

Disabilities, Office of

General Fund

986,250,000

Special Revenue Funds - Other

986,250,000

Appropriated 2007-08

1,465,083,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------|------------------------------|--------------------------------|--------------------|
| Central Coordination and Support | | | |
| Special Revenue Funds - Federal | 3,495,000 | 630,000 | (2,865,000) |
| Special Revenue Funds - Other | 52,490,000 | 106,569,000 | 54,079,000 |
| Internal Service Funds | 350,000 | 350,000 | 0 |
| Community Services | | | |
| Special Revenue Funds - Other | 531,356,000 | 1,213,603,000 | 682,247,000 |
| Institutional Services | | | |
| Special Revenue Funds - Other | 387,533,000 | 628,618,000 | 241,085,000 |
| Enterprise Funds | 2,406,000 | 2,456,000 | 50,000 |
| Research in Mental Retardation | | | |
| Special Revenue Funds - Other | 15,425,000 | 24,419,000 | 8,994,000 |
| Total | 993,055,000 | 1,976,645,000 | 983,590,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|----------------------------------|----------------------|--------------------|-------------------------|--------------------|
| | Amount | Change | Amount | Change |
| Central Coordination and Support | 107,549,000 | 51,214,000 | 55,688,000 | 5,923,000 |
| Community Services | 1,213,603,000 | 682,247,000 | 735,711,000 | 213,639,000 |
| Institutional Services | 631,074,000 | 241,135,000 | 298,668,000 | 31,753,000 |
| Research in Mental Retardation | 24,419,000 | 8,994,000 | 15,144,000 | 1,614,000 |
| Total | 1,976,645,000 | 983,590,000 | 1,105,211,000 | 252,929,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|----------------------------------|----------------------------|--------------------|----------------------------------|--------------------|
| | Amount | Change | Amount | Change |
| Central Coordination and Support | 50,881,000 | 48,156,000 | 980,000 | (2,865,000) |
| Community Services | 469,634,000 | 469,634,000 | 8,258,000 | (1,026,000) |
| Institutional Services | 217,223,000 | 214,595,000 | 115,183,000 | (5,213,000) |
| Research in Mental Retardation | 9,275,000 | 7,380,000 | 0 | 0 |
| Total | 747,013,000 | 739,765,000 | 124,421,000 | (9,104,000) |

MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 1,380,877,500 | 1,425,927,000 | 45,049,500 |
| Special Revenue Funds - Other | 691,381,000 | 835,341,000 | 143,960,000 |
| Total | 2,072,258,500 | 2,261,268,000 | 189,009,500 |

Adjustments:

Transfer(s) From

Mental Retardation and Developmental

Disabilities, Office of

General Fund (386,043,000)

Special Revenue Funds - Other (1,100,000,000)

Transfer(s) To

Mental Retardation and Developmental

Disabilities, Office of

General Fund 1,100,000,000

Special Revenue Funds - Other 386,043,000

Appropriated 2007-08

2,072,258,500

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Community Services | | | |
| General Fund | 1,377,890,000 | 1,425,927,000 | 48,037,000 |
| Special Revenue Funds - Other | 691,381,000 | 835,341,000 | 143,960,000 |
| Community Projects | | | |
| General Fund | 2,987,500 | 0 | (2,987,500) |
| Total | 2,072,258,500 | 2,261,268,000 | 189,009,500 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Design and Construction Supervision | | | | |
| Capital Projects Fund | 5,000,000 | 7,180,000 | 2,180,000 | 0 |
| MH Capital Improvements - Authority Bonds | 4,000,000 | 7,280,000 | 3,280,000 | 1,000,000 |
| Voluntary-Operated Community Facilities | | | | |
| Capital Projects Fund | 21,245,000 | 23,400,000 | 2,155,000 | 17,620,000 |
| MH Capital Improvements - Authority Bonds | 6,350,000 | 6,400,000 | 50,000 | 12,270,000 |
| State-Operated Community Services Program | | | | |
| Capital Projects Fund | 19,465,000 | 22,985,000 | 3,520,000 | 15,690,000 |
| MH Capital Improvements - Authority Bonds | 23,200,000 | 25,575,000 | 2,375,000 | 46,340,000 |
| Institutional Services Program | | | | |
| Capital Projects Fund | 14,805,000 | 15,400,000 | 595,000 | 41,905,000 |
| MH Capital Improvements - Authority Bonds | 43,290,000 | 83,200,000 | 39,910,000 | 161,420,000 |
| Non-Bondable | | | | |
| Capital Projects Fund | 1,000,000 | 1,000,000 | 0 | 0 |
| Total | 138,355,000 | 192,420,000 | 54,065,000 | 296,245,000 |

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

MISSION

The mission of the Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) is to improve the quality of life for individuals with disabilities in New York State and to protect their rights and advocate for needed change by:

- Promoting the inclusion of persons with disabilities in all aspects of community life and ensuring that persons with disabilities are afforded the opportunity to exercise the full range of rights and responsibilities accorded to all New Yorkers;
- Ensuring programmatic and fiscal accountability and monitoring care and treatment of people with disabilities within the State's \$8 billion mental hygiene system, making recommendations for improvements, when warranted;
- Providing individual and systemic investigative and advocacy services;
- Advancing the availability and use of assistive technology for persons with disabilities; and
- Offering impartial and informed advice, training and recommendations on a broad range of disability issues.

A Commission priority has been to enhance advocacy services for all populations. The Commission's focus has been to increase its outreach efforts, provide a single point of access for disability information and expand disability rights and awareness training over the prior year. The Commission's Advocacy Council has expanded its membership to include individuals with a broader range of disabilities to better fulfill its mission in advising the Governor and Legislature regarding all New Yorkers with disabilities.

ORGANIZATION AND STAFFING

The Commission comprises a full-time chairman and two unsalaried members, each appointed by the Governor and confirmed by the Senate to serve staggered five-year terms. During 2008-09, the agency's workforce will consist of 124 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

The responsibilities of the Commission are carried out through four major programmatic divisions:

- The Division of Quality Assurance and Investigation;
- The Fiscal and Policy Bureaus, coordinated by the Office of Counsel, which also provides legal support for all Commission initiatives;
- The Division of Protection and Advocacy Program Administration; and
- The Division of Advocacy and Outreach for Persons with Physical Disabilities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$16.9 million All Funds (\$5.5 million General Fund; \$11.4 million Other funds)** for the Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD). This is an increase of **\$1.0 million All funds (\$872,000 General Fund; \$151,000 Other funds)** from the 2007-08 budget. This net

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

change primarily reflects Non-Personal Service inflationary adjustments, annual personal service increases relating to performance advance awards, longevities and merit payments, elimination of the one-time relocation costs associated with the Commission's merger, and costs associated with additional positions that will be used to administer the Interagency Coordinating Council for Services to Persons who are Deaf, Deaf-Blind or Hard of Hearing, and comply with other new statutory requirements outlined in Jonathan's Law and the Special Housing Unit (SHU) Legislation. The SHU Legislation, anticipated to pass in 2008-09, establishes alternatives to solitary confinement for mentally ill inmates and expanded residential capacity to improve the quality and availability of prison-based mental health services.

The Executive Budget recommends a staffing level of **124 FTEs** for the Commission on Quality of Care and Advocacy for Persons with Disabilities, an **increase of 18** from the 2007-08 Budget, primarily reflecting positions needed to fulfill the Commission's responsibilities under the aforementioned new statutory oversight requirements.

PROGRAM HIGHLIGHTS

STATEWIDE CLEARINGHOUSE

The Commission operates a statewide clearinghouse through which individuals can access information and obtain referrals to a variety of disability-related services. The system features a 24-hour statewide telephone hotline and a dynamic full-featured Web site (www.cqcapd.state.ny.us), which has attracted more than one million visitors.

TECHNOLOGY SERVICES TO PERSONS WITH DISABILITIES

The Commission's federally funded Technology-Related Assistance for Individuals with Disabilities (TRAID) Project supports a statewide system that helps New Yorkers with disabilities access technology devices and services to facilitate their full integration into the mainstream workplace and community. This program is coordinated through an Interagency Partnership on Assistive Technology and 12 Regional TRAID Centers at 15 sites. During 2007, the Regional TRAID Centers provided awareness training, device demonstrations, information, education, and referrals to over 35,000 persons with disabilities. In May 2008, the Commission will host their biannual NYS Assistive Technology Expo in Albany, which will provide an opportunity for individuals with disabilities to see demonstrations of newly available assistive technology.

The Commission's Disability and Business Technical Assistance Center grant funding will continue to be used to provide comprehensive education, public awareness, and technical assistance programs that promote increased voluntary compliance with the Americans with Disabilities Act (ADA).

OVERSIGHT OF SERVICE DELIVERY IN THE MENTAL HYGIENE AREA

The Commission provides independent oversight and review of State and voluntary programs serving individuals with mental illness, developmental disabilities, and chemical dependence. Most importantly, it investigates allegations of consumer abuse or mistreatment in facilities operated or licensed by these agencies. The Commission reviews approximately 13,600 reports of abuse, neglect, or death and conducts investigations on

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

nearly 900 cases annually. The Children's Oversight and Technical Assistance team continues to efficiently carry out children's oversight activities and enhance the Commission's capacity to provide technical assistance to other agencies, enabling them to better respond to emerging issues.

PROTECTION AND ADVOCACY

Through a combination of staff resources and contracts with non-profit agencies, Federal funding provides statewide protection and advocacy services for individuals with disabilities through the following programs: Protection and Advocacy for the Developmentally Disabled; Client Assistance; Protection and Advocacy for Individuals with Mental Illness; Protection and Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; Protection and Advocacy for Assistive Technology; Protection and Advocacy for Traumatic Brain Injury; and Protection and Advocacy for Voting Access. These programs assist the Commission in strengthening the non-profit contract network by providing individuals with severe disabilities with Federally-mandated protection and advocacy services. Every year, more than 75,000 individuals with disabilities are served through the Commission's protection and advocacy programs.

ADULT HOMES

The Commission contracts with local non-profit organizations to provide advocacy services to protect the rights of residents of adult homes who have been consumers in the mental hygiene system. The Commission's dedicated team will continue to work collaboratively with the Department of Health (DOH) and the Office of Mental Health (OMH) to conduct programmatic and fiscal investigations into the quality of care provided to individuals living in adult homes. The Commission's efforts have been expanded to assist in the implementation of new State initiatives already underway to improve the quality of life and safety of adult home residents. Last year, Commission staff conducted comprehensive reviews of 17 adult homes serving over 1,300 people and collaborated with DOH and OMH in on-site monitoring of the closure of five homes serving approximately 300 people.

SURROGATE DECISION MAKING COMMITTEE

The Surrogate Decision Making Committee (SDMC) program reviews recommendations for medical services on behalf of individuals receiving mental hygiene residential services who have neither a legal guardian nor the ability to make decisions for themselves. Volunteer teams comprising medical, legal and health care professionals and advocates work via local dispute resolution centers located throughout the State to represent these individuals. More than 900 SDMC cases are resolved, and no less than 400 volunteers and providers are trained to utilize these services annually.

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

ADVOCACY AND OUTREACH

The Division of Advocacy and Outreach coordinates the Commission's efforts to provide information, support and technical assistance to empower people with disabilities, family members, advocates, local government officials and others to identify and undertake the actions necessary to support people with disabilities in becoming fully participating members of their chosen communities. The main focus of this Division is improving inclusion, accommodations, and accessibility for individuals with disabilities. Recently, the Commission partnered with the State Board of Elections to conduct trainings statewide for local election officials to improve accessibility of the voting process.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 15,126,000 | 16,149,000 | 1,023,000 | 12,196,000 |
| Aid To Localities | 771,000 | 771,000 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 15,897,000 | 16,920,000 | 1,023,000 | 12,196,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 47 | 65 | 18 |
| Special Revenue Funds - Other | 33 | 33 | 0 |
| Client Assistance | | | |
| Special Revenue Funds - Federal | 2 | 2 | 0 |
| Protection and Advocacy for Beneficiaries of Social Security | | | |
| Special Revenue Funds - Federal | 1 | 1 | 0 |
| Protection and Advocacy for the Developmentally Disabled | | | |
| Special Revenue Funds - Federal | 8 | 8 | 0 |
| Protection and Advocacy for Individual Rights | | | |
| Special Revenue Funds - Federal | 2 | 2 | 0 |
| Protection and Advocacy for the Mentally Ill | | | |
| Special Revenue Funds - Federal | 10 | 10 | 0 |
| Technology Related Assistance for Individuals with Disabilities | | | |
| Special Revenue Funds - Federal | 2 | 2 | 0 |
| Technology Related Protection and Advocacy | | | |
| Special Revenue Funds - Federal | 1 | 1 | 0 |
| Total | 106 | 124 | 18 |

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 4,316,000 | 5,188,000 | 872,000 |
| Special Revenue Funds - Federal | 6,990,000 | 7,260,000 | 270,000 |
| Special Revenue Funds - Other | 3,775,000 | 3,656,000 | (119,000) |
| Enterprise Funds | 45,000 | 45,000 | 0 |
| Total | 15,126,000 | 16,149,000 | 1,023,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| General Fund | 4,316,000 | 5,188,000 | 872,000 |
| Special Revenue Funds - Federal | 300,000 | 300,000 | 0 |
| Special Revenue Funds - Other | 3,775,000 | 3,656,000 | (119,000) |
| Enterprise Funds | 45,000 | 45,000 | 0 |
| Client Assistance | | | |
| Special Revenue Funds - Federal | 651,000 | 677,000 | 26,000 |
| Protection and Advocacy for Beneficiaries of Social Security | | | |
| Special Revenue Funds - Federal | 344,000 | 333,000 | (11,000) |
| Protection and Advocacy for the Developmentally Disabled | | | |
| Special Revenue Funds - Federal | 2,010,000 | 2,062,000 | 52,000 |
| Protection and Advocacy Help America Vote Act | | | |
| Special Revenue Funds - Federal | 179,000 | 181,000 | 2,000 |
| Protection and Advocacy for Individual Rights | | | |
| Special Revenue Funds - Federal | 902,000 | 914,000 | 12,000 |
| Protection and Advocacy for the Mentally III | | | |
| Special Revenue Funds - Federal | 1,610,000 | 1,630,000 | 20,000 |
| Protection and Advocacy for Persons with Traumatic Brain Injury | | | |
| Special Revenue Funds - Federal | 85,000 | 89,000 | 4,000 |
| Technology Related Assistance for Individuals with Disabilities | | | |
| Special Revenue Funds - Federal | 679,000 | 845,000 | 166,000 |
| Technology Related Protection and Advocacy | | | |
| Special Revenue Funds - Federal | 230,000 | 229,000 | (1,000) |
| Total | 15,126,000 | 16,149,000 | 1,023,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|------------------|----------------|-------------------------------------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration | 3,982,000 | 832,000 | 3,964,000 | 814,000 |
| Total | 3,982,000 | 832,000 | 3,964,000 | 814,000 |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|----------------|---------------------------------------------------|---------------|
| | Amount | Change |
| Administration | 18,000 | 18,000 |
| Total | 18,000 | 18,000 |

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 1,206,000 | 40,000 | 63,000 | 9,200 |
| Total | 1,206,000 | 40,000 | 63,000 | 9,200 |

| Program | Travel | | Contractual Services | |
|----------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 213,000 | 74,400 | 856,000 | 53,100 |
| Total | 213,000 | 74,400 | 856,000 | 53,100 |

| Program | Equipment | |
|----------------|------------------|---------------|
| | Amount | Change |
| Administration | 74,000 | (96,700) |
| Total | 74,000 | (96,700) |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 4,001,000 | (119,000) | 2,086,000 | 27,000 |
| Client Assistance | 677,000 | 26,000 | 67,000 | 29,000 |
| Protection and Advocacy for Beneficiaries of Social Security | 333,000 | (11,000) | 63,000 | (3,000) |
| Protection and Advocacy for the Developmentally Disabled | 2,062,000 | 52,000 | 466,000 | 27,000 |
| Protection and Advocacy Help America Vote Act | 181,000 | 2,000 | 0 | 0 |
| Protection and Advocacy for Individual Rights | 914,000 | 12,000 | 137,000 | 6,000 |
| Protection and Advocacy for the Mentally Ill | 1,630,000 | 20,000 | 488,000 | (15,000) |
| Protection and Advocacy for Persons with Traumatic Brain Injury | 89,000 | 4,000 | 0 | 0 |
| Technology Related Assistance for Individuals with Disabilities | 845,000 | 166,000 | 0 | 0 |
| Technology Related Protection and Advocacy | 229,000 | (1,000) | 0 | 0 |
| Total | 10,961,000 | 151,000 | 3,307,000 | 71,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------------------------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 1,615,000 | 155,000 | 300,000 | (301,000) |
| Client Assistance | 610,000 | (3,000) | 0 | 0 |
| Protection and Advocacy for Beneficiaries of Social Security | 270,000 | (8,000) | 0 | 0 |
| Protection and Advocacy for the Developmentally Disabled | 1,596,000 | 25,000 | 0 | 0 |
| Protection and Advocacy Help America Vote Act | 181,000 | 2,000 | 0 | 0 |
| Protection and Advocacy for Individual Rights | 777,000 | 6,000 | 0 | 0 |
| Protection and Advocacy for the Mentally Ill | 1,142,000 | 35,000 | 0 | 0 |
| Protection and Advocacy for Persons with Traumatic Brain Injury | 89,000 | 4,000 | 0 | 0 |
| Technology Related Assistance for Individuals with Disabilities | 0 | 0 | 845,000 | 166,000 |
| Technology Related Protection and Advocacy | 0 | 0 | 229,000 | (1,000) |
| Total | 6,280,000 | 216,000 | 1,374,000 | (136,000) |

QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 293,000 | 293,000 | 0 |
| Special Revenue Funds - Other | 478,000 | 478,000 | 0 |
| Total | 771,000 | 771,000 | 0 |

Adjustments:

Transfer(s) From

Health, Department of

Special Revenue Funds - Other

Appropriated 2007-08

(60,000)

771,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Adult Homes | | | |
| General Fund | 170,000 | 170,000 | 0 |
| Special Revenue Funds - Other | 60,000 | 60,000 | 0 |
| Surrogate Decision Making | | | |
| General Fund | 123,000 | 123,000 | 0 |
| Special Revenue Funds - Other | 418,000 | 418,000 | 0 |
| Total | 771,000 | 771,000 | 0 |



***TRANSPORTATION,
ECONOMIC DEVELOPMENT AND
ENVIRONMENTAL CONSERVATION***

OVERVIEW AND PERFORMANCE MEASURES

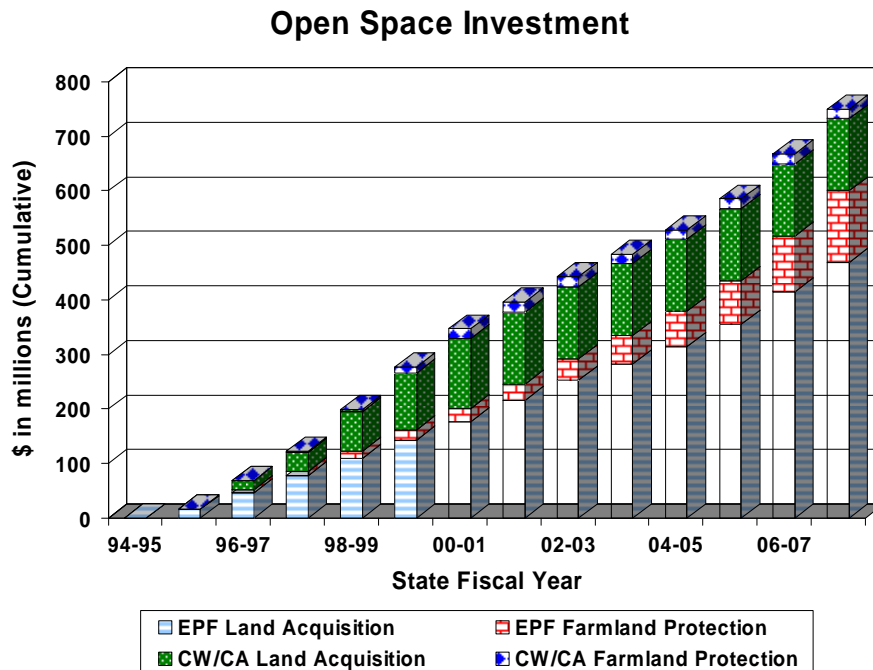
ENVIRONMENT AND RECREATION

The following charts provide information on performance and fiscal measures related to New York's environmental protection and recreation programs. Annual environmental funding will reach nearly \$1.8 billion in the proposed budget.

The information below is based on the most recent data available from the departments of Environmental Conservation and Agriculture and Markets, the Office of Parks, Recreation and Historic Preservation and the Environmental Facilities Corporation:

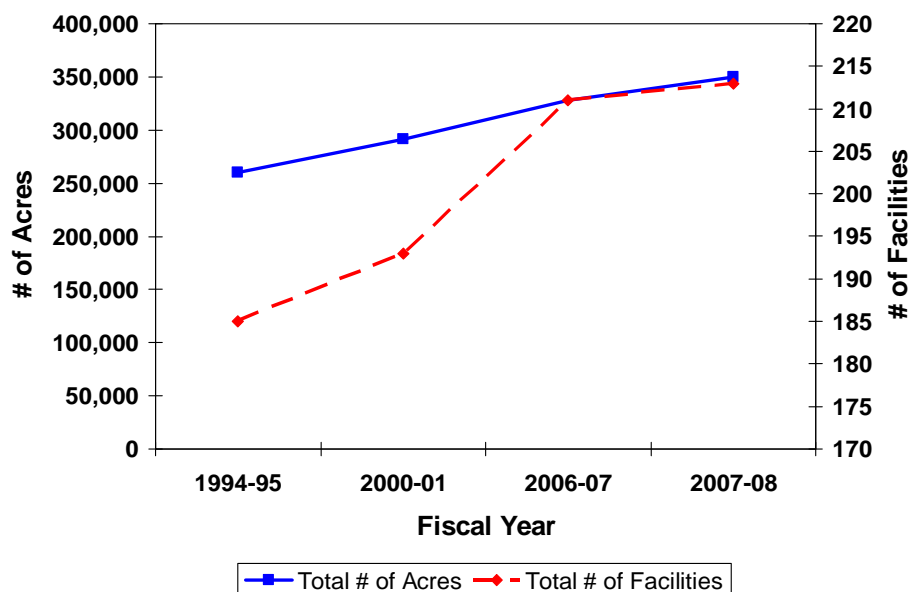
- The total amount of resources provided for open space protection and land acquisition in New York State. (see charts 1 and 2)
- State investments in water quality including improvements to Onondaga Lake, the Hudson River and Long Island Sound. (see charts 3 and 4)
- Acid rain improvements and other air quality improvements that directly impact public health and safety. (see chart 5)
- Superfund and Brownfield program accomplishments including increased program participation. (see chart 6)

The State has preserved valuable open space for recreational, habitat protection and water quality purposes. The two primary funding sources were the 1996 Clean Water/Clean Air Bond Act (CW/CA) and Environmental Protection Fund (EPF).



In addition to the thousands of acres of open space that have been preserved, this level of funding has also spurred the acquisition and creation of new State parks. Currently, the State park system has 178 parks and 35 State historic sites. Additionally, attendance at the State's parks has reached 55 million annually, making New York's park system one of the most diverse and popular in the nation.

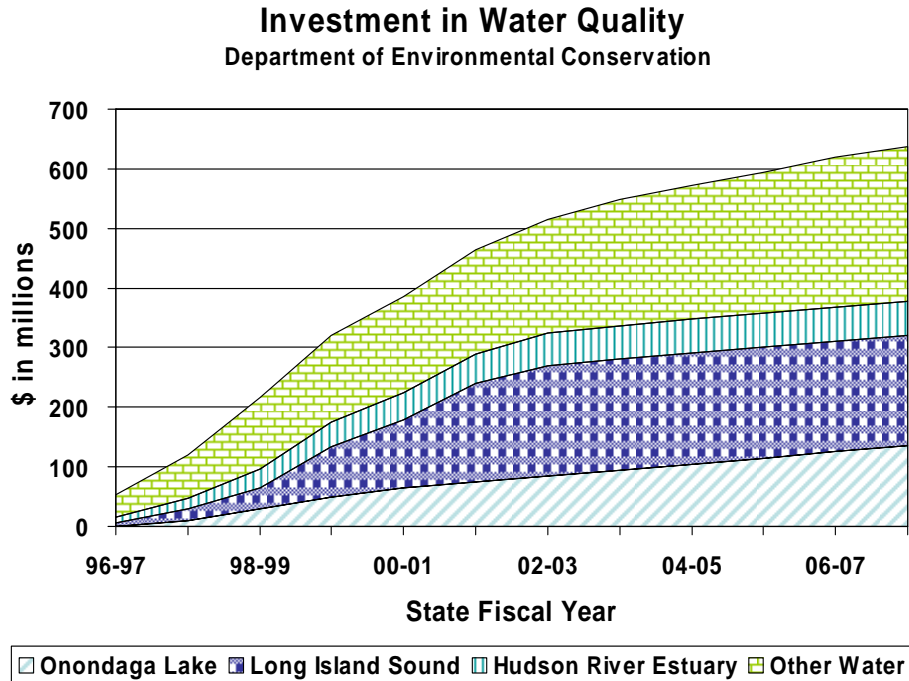
State Park System Expansion



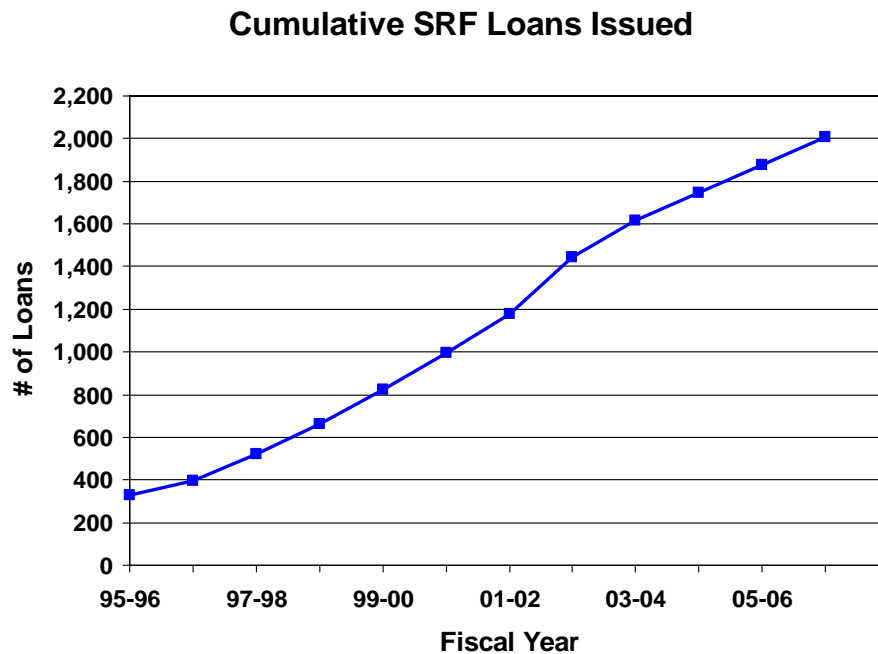
This Budget includes a \$110 million capital infusion in 2008-09, with portions of this historic investment being used to support the \$1 billion Upstate revitalization efforts. This project would provide funds for improvements in the state parks system (\$90.5 million) and the remainder to fund projects at DEC campground facilities (\$8 million), the State fairgrounds (\$3.5 million) and the Walkway over the Hudson River project (\$8 million). This initiative includes actions to:

- Maintain and restore historic sites;
- Rehabilitate park utility, sanitary and water systems;
- Improve selected roads and bridges;
- Upgrade public comfort stations and campground wash houses;
- Maintain and improve park buildings, cabins and pool facilities; and
- Develop newly acquired park lands.

Significant investments have been made in improving the quality of the State's water bodies. Over \$600 million has been invested in improving Onondaga Lake, Long Island Sound and the Hudson River. Achievements include significant reductions in ammonia levels, reduction in phosphorous discharges into Onondaga Lake, and nitrogen loadings to the Long Island Sound have been reduced.

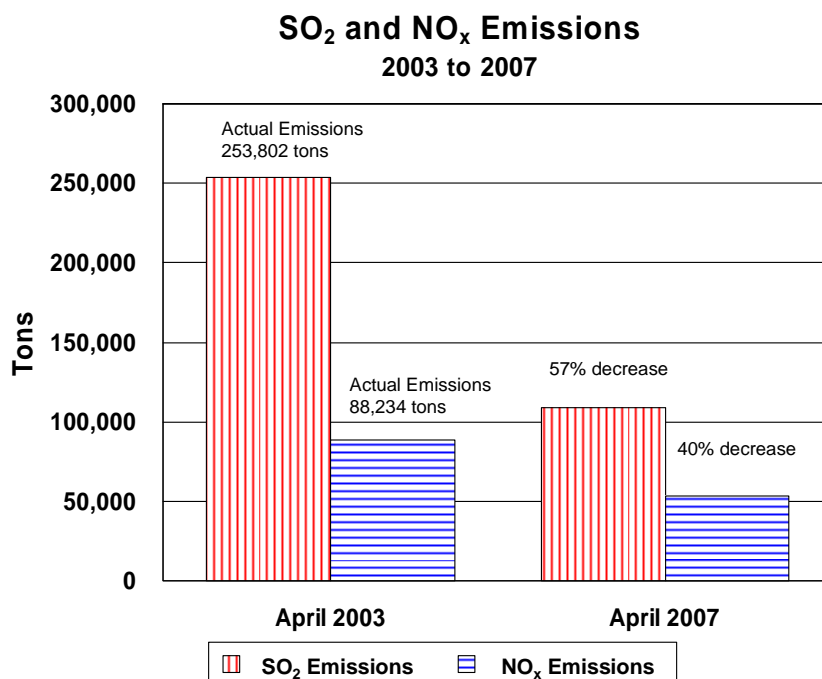


Additionally, the chart below shows the commitment to local communities and their water quality infrastructure needs. The Environmental Facilities Corporation has provided municipalities across the State with over 2,000 low interest and no interest loans from the Clean Water and Safe Drinking Water State Revolving Loan Funds (SRF). Loans from these sources have totaled approximately \$15 billion.



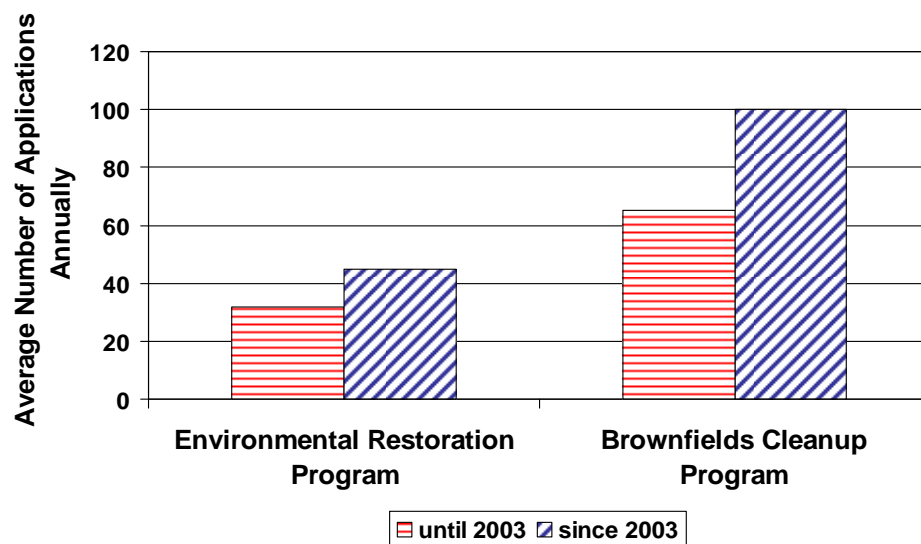
ENVIRONMENT AND RECREATION

Great strides have been made to date in reducing harmful air pollutants and programs like the Acid Deposition Reduction Program (ADRP) are in place to continue these successes. More specifically, sulfur dioxide (SO₂) and nitrogen oxides (NO_x), pollutants directly linked to human health as well as severe negative environmental effects, have been dramatically reduced.



The State Superfund and Brownfield programs provide \$135 million in annual funding, tax credits and other programmatic improvements including, reforming the State's remedial liability scheme and establishing the Brownfield Opportunity Area program. The following table illustrates increased participation in the Environmental Restoration and Brownfield Cleanup programs since these investments were made.

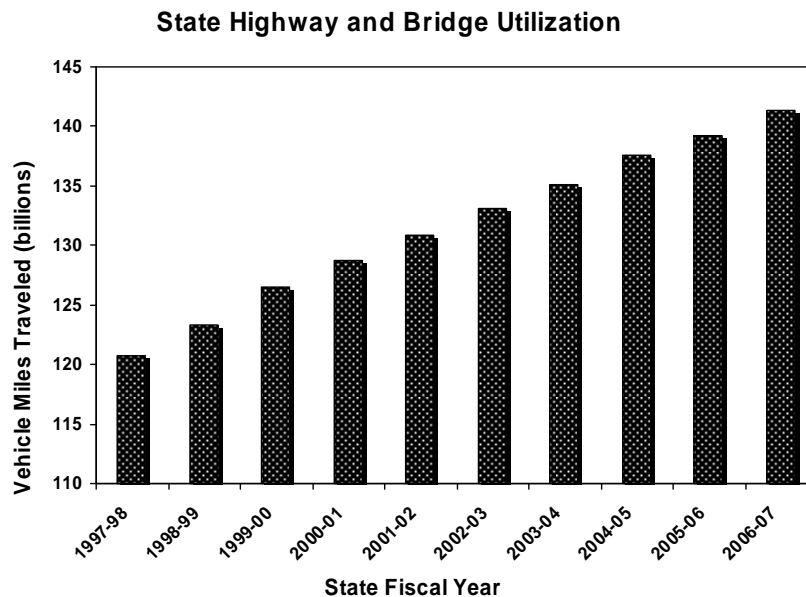
**Superfund and Brownfields Accomplishments
Since Passage of Superfund/Brownfields
Law in 2003**



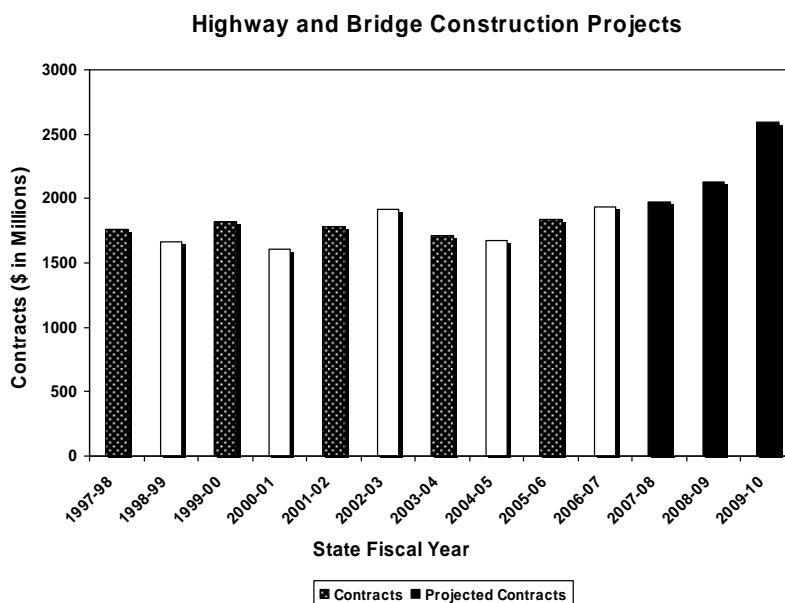
TRANSPORTATION

The following charts provide information on performance and fiscal measures related to New York's highway and bridge, and transit programs. Information depicted on the following charts is based on the most recent data available from the Department of Transportation (DOT), Department of Motor Vehicles and the Metropolitan Transportation Authority:

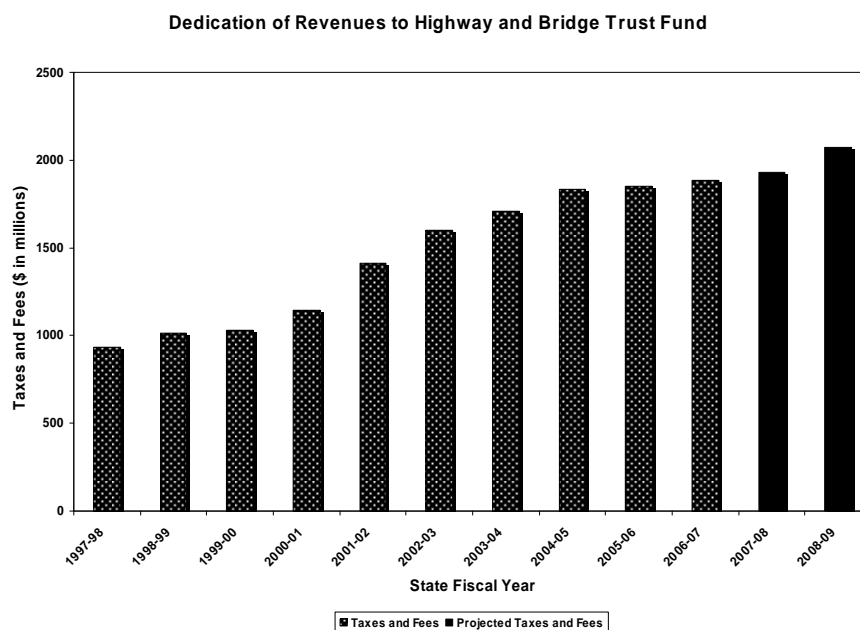
- Annual vehicle miles traveled on the State's highway and bridge system since 1997-98;
- Annual construction contract value on State and local highways and bridges since 1997-98 and throughout the current DOT five-year capital plan;
- Annual dedication of transportation revenues since 1997-98;
- State highway pavement condition ratings since 1998;
- State bridge condition ratings since 1998;
- Motor vehicle fatalities on State highways and bridges since 1997;
- Annual passenger trips on mass transit systems since 1997-98; and
- Annual State transit aid since 1997-98.



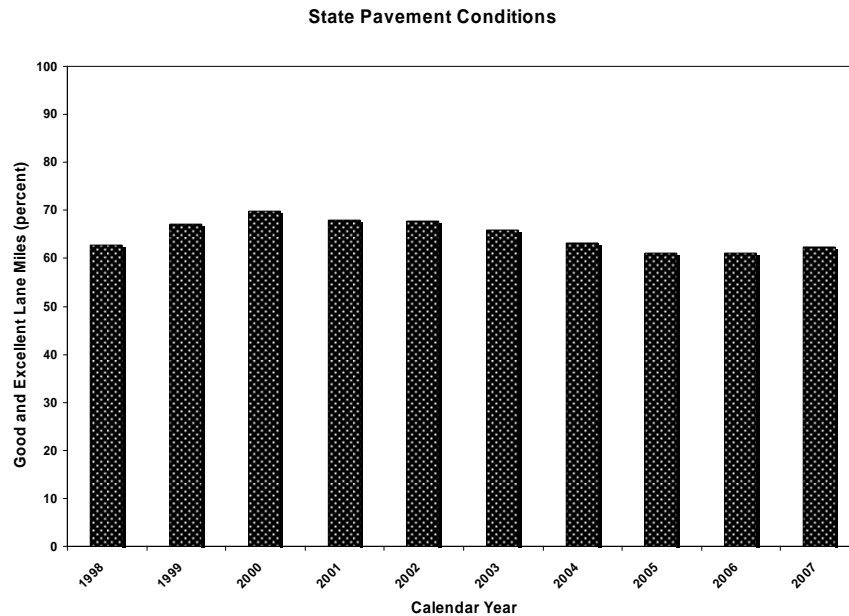
Utilization of New York's highway and bridge system has increased significantly, with the number of vehicle miles traveled on State highways and bridges up by 17 percent since 1997-98. Increased utilization, along with the regular freeze and thaw cycles experienced by northern states, increases wear and tear on roads and bridges leading to the need for increased capital investment.



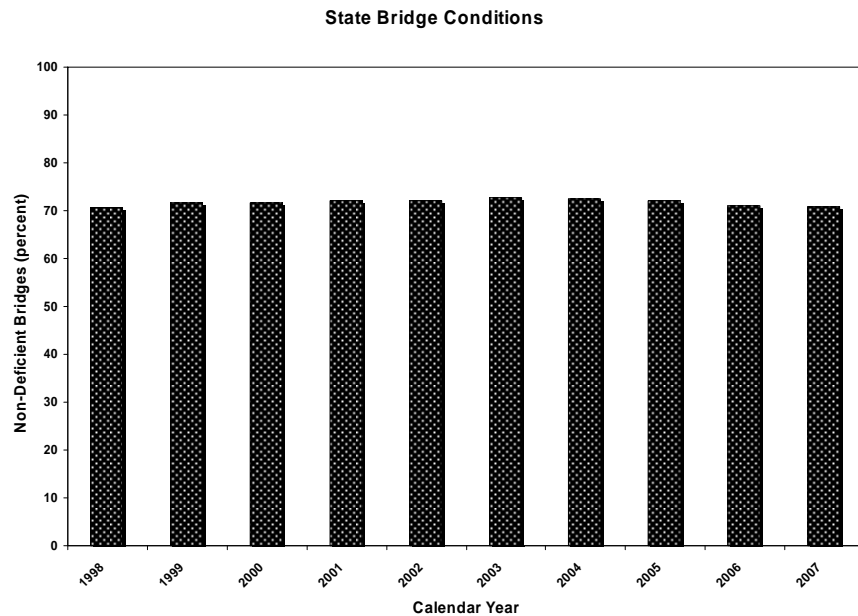
In order to maintain New York's transportation system in the face of increased utilization, the level of annual investment has also increased. Capital investment in highway and bridges authorized from 1997-98 through 2006-07 increased \$176 million, or 10 percent. By the end of the most recently authorized transportation capital plan in 2009-10, the annual investment will have increased by an additional \$656 million, or 34 percent.



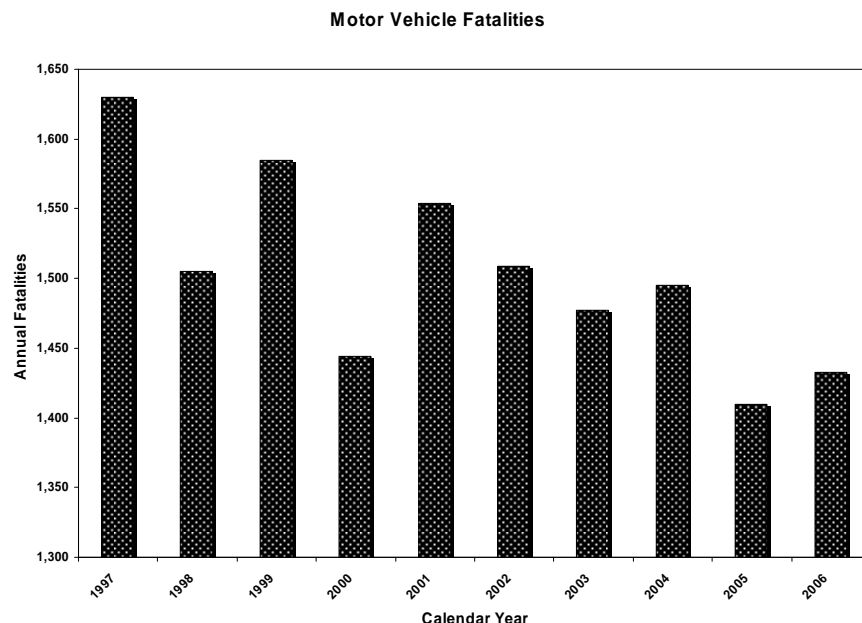
To finance this additional investment, New York has dedicated an increasing amount of transportation-related revenues to the State's Dedicated Highway and Bridge Trust Fund (DHBTF). This dedication has increased by 101 percent since 1997-98.



The condition of State pavements has remained relatively stable since 1998, with the percentage of pavement rated good and excellent decreasing slightly from 63 percent in 1998 to 62 percent in 2007. This decline is due primarily to an aging infrastructure that is nearing its useful life, the loss of resources from the defeat of the 2000 Bond Act, and the impact of commodities inflation (e.g., gasoline, diesel fuel, asphalt, steel). The Executive Budget again includes resources for DOT's federally-funded Maintenance First initiative for targeted investments to extend the life-cycle of existing assets and avert further system deterioration.

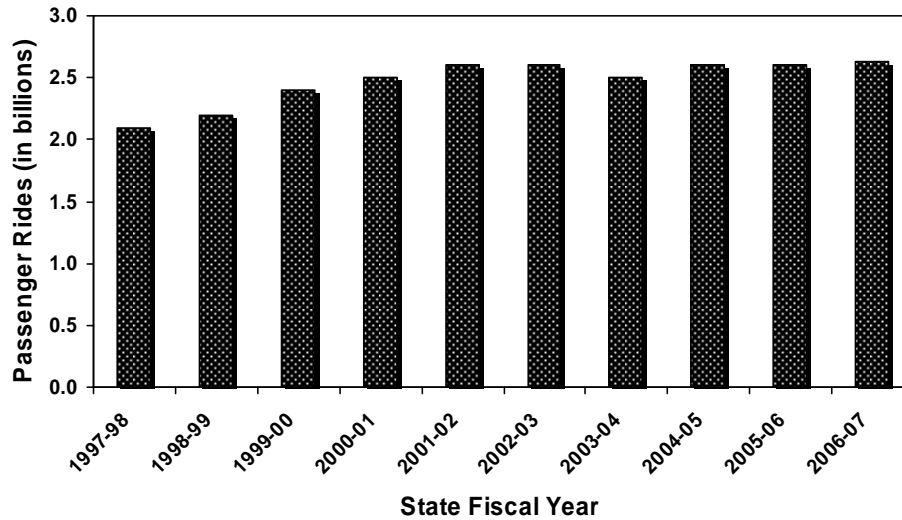


The condition of State bridges has also remained stable over a 9 year period, with the percentage rated non-deficient beginning and ending the period at 71 percent in 1998 and 2007. However, since 2003, the percentage of non-deficient bridges has declined. The Executive Budget again includes resources that will be available through DOT's federally-funded Maintenance First initiative for targeted preventive maintenance on State bridges. In addition, the Executive Budget introduces a new State and Local Bridge Preservation Program that includes \$140 million of new authorizations in 2008-09 that will be utilized entirely for State and local bridge maintenance, repair, and rehabilitation.



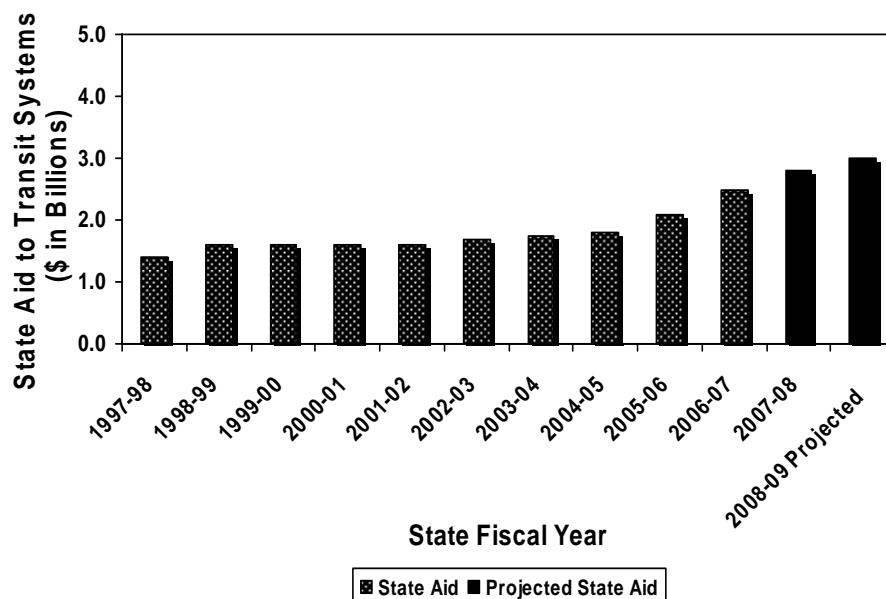
State highways and bridges have, nevertheless, improved in safety despite increased utilization. Motor vehicle fatalities have decreased by 197 annually since 1997, a reduction of 12 percent.

Public Transit Ridership in New York



The utilization of public transit systems has also increased since 1997-98. The annual number of passenger rides on all New York public transit systems has gone up by 528 million, an increase of 25 percent.

State Aid to Transit Systems



TRANSPORTATION

In the face of the increased demands on public transit systems, State operating assistance to eligible transit systems has more than doubled, with a \$1.6 billion increase in annual aid since 1997-98. The additional dedication of transportation-related and regional taxes has served to meet increased service demands, while addressing rising costs related to energy, labor and insurance incurred by systems.

ADIRONDACK PARK AGENCY

MISSION

The Adirondack Park Agency was established in 1971 to “insure the optimum overall conservation, protection, development and use of the unique scenic, aesthetic, wildlife, recreational, open space, ecological and natural resources of the Adirondack Park.” The Park itself was created in 1892, and contains six million acres of publicly and privately owned lands.

ORGANIZATION AND STAFFING

The Adirondack Park Agency is governed by an 11-member board, including the Commissioners of Environmental Conservation, Economic Development and the Secretary of State. The other members, five of whom must be Park residents, are nominated by the Governor and confirmed by the Senate. The principal functions of the Agency are:

- Reviewing and issuing permits for private and State land-use projects, consistent with the Adirondack Park State Land Master Plan and the Adirondack Park Private Land Use and Development Plan, and for certain activities on or near fresh water wetlands, pursuant to the 1975 Freshwater Wetlands Act;
- Helping local governments develop land use plans and providing technical expertise;
- Administering the State’s Wild, Scenic and Recreational River System; and
- Operating two Visitor Interpretive Centers: one near Paul Smith’s College in Franklin County, and one in Newcomb, Essex County, at which visitors can better understand and appreciate the Park’s resources.

The Adirondack Park Agency’s responsibilities are carried out by the following divisions: Planning, which handles local and regional land use policy issues; Counsel’s Office, which provides legal advice to all Agency functions and oversees jurisdictional determinations and enforcement functions; Regulatory, which performs the Agency’s permitting function; Interpretive, which operates the Visitor Centers; Resource Analysis, which conducts scientific research of the ecology of the Adirondacks; Economic Services, which assists project sponsors in the review process; and Local Government Services, which provides technical expertise and assistance to communities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$6.2 million All Funds (\$5.5 million General Fund; \$700,000 Federal funds)** for the Adirondack Park Agency. There is no change from the 2007-08 budget.

For 2008-09, the Adirondack Park Agency will have a **workforce of 72** positions, the same amount as in 2007-08. The budget will support the Agency’s core regulatory functions and the operation of the Visitor Interpretive Centers at Newcomb and Paul Smith’s. In addition, the Executive Budget funds the Adirondack Park Local Government Review Board. The Board advises and assists the Agency in carrying out its responsibilities and monitors the implementation of the Adirondack Park Land Use and Development Plan.

ADIRONDACK PARK

PROGRAM HIGHLIGHTS

Since its inception, the Agency has worked to achieve a balance between strong environmental protection and sustainable economic development opportunities for the residents of the Adirondack Park. The Agency's priorities for the future include continued updating of the Agency's rules and regulations, facilitating the development of land use plans by local governments, providing local governments with technical expertise and training, working toward completing Unit Management Plans for the State lands of the Adirondack Park and improving resource data base information to better protect the resources of the Adirondack Park.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 6,148,000 | 6,148,000 | 0 | 2,313,000 |
| Aid To Localities | 100,000 | 100,000 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 6,248,000 | 6,248,000 | 0 | 2,313,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 72 | 72 | 0 |
| Total | 72 | 72 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------|
| General Fund | 5,448,000 | 5,448,000 | 0 |
| Special Revenue Funds - Federal | 700,000 | 700,000 | 0 |
| Total | 6,148,000 | 6,148,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------|
| Administration | | | |
| General Fund | 5,448,000 | 5,448,000 | 0 |
| Special Revenue Funds - Federal | 700,000 | 700,000 | 0 |
| Total | 6,148,000 | 6,148,000 | 0 |

ADIRONDACK PARK

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 4,805,000 | 0 | 4,639,000 | 0 |
| Total | 4,805,000 | 0 | 4,639,000 | 0 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 160,000 | 0 | 6,000 | 0 |
| Total | 160,000 | 0 | 6,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 643,000 | 0 | 141,000 | 0 |
| Total | 643,000 | 0 | 141,000 | 0 |

| Program | Travel | | Contractual Services | |
|----------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 77,000 | 0 | 374,000 | 0 |
| Total | 77,000 | 0 | 374,000 | 0 |

| Program | Equipment | |
|----------------|------------------|---------------|
| | Amount | Change |
| Administration | 51,000 | 0 |
| Total | 51,000 | 0 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Nonpersonal Service | |
|----------------|---------------|---------------|----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 700,000 | 0 | 700,000 | 0 |
| Total | 700,000 | 0 | 700,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 100,000 | 100,000 | 0 |
| Total | 100,000 | 100,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|------------------------------|--------------------------------|---------------|
| Administration | | | |
| General Fund | 100,000 | 100,000 | 0 |
| Total | 100,000 | 100,000 | 0 |

DEPARTMENT OF AGRICULTURE AND MARKETS

MISSION

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York food and agricultural industry for the benefit of producers and consumers. Over the next year, the Department will continue to carry out its major responsibilities for encouraging the growth and economic health of the State's agricultural and food industry and conducting various inspections and testing programs to enforce laws on food safety, animal and plant health, and accuracy of labeling. Major Department initiatives will include the construction of a Pride of New York Wholesale Market in New York City, expanded funding for rehabilitation of the New York State Fair, and a new agricultural economic development program. The Department will also continue to act to preserve agricultural resources, improve soil and water quality and operate the annual State Fair in concert with the Industrial Exhibit Authority.

ORGANIZATION AND STAFFING

The Department will have a **workforce of 615** positions (including the Industrial Exhibit Authority) for fiscal year 2008-09. The Agency is headquartered in Albany and maintains four regional offices located in Buffalo, Syracuse, Rochester and Brooklyn. Approximately 26 percent of the Department of Agriculture and Markets' operating programs are funded by tax dollars from the General Fund and the remaining 74 percent are financed by fees, Federal grants and other funds.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$179.9 million All Funds (\$56.1 million General Fund; \$44.4 million Special Revenue Fund, \$79.4 Other Funds)** for the Department of Agriculture and Markets. This is a decrease of **\$2.1 million All Funds (\$4.8 million General Fund)** from the 2007-08 budget. This change primarily reflects continued personal service and non-personal service growth, offset by a reduction of 15 employees and a reduction in funding for local initiatives.

The Executive Budget recommends \$1.75 million for capital projects to maintain, repair and rehabilitate the State Fair's 20 major buildings and other structures and \$2 million for a capital special revenue fund to continue support for development of private partnerships at the State Fair. Funding from the Environmental Protection Fund (EPF) is also provided for Soil and Water Conservation Districts, non-point source pollution control, and farmland protection programs, and a new EPF farmland protection account is created as well.

As part of the Executive Budget's \$1 billion upstate revitalization effort, \$3.5 million will be provided for additional State Fair infrastructure projects, as well as funding for a new agricultural economic development program and a Pride of New York Wholesale Market in New York City designed to connect upstate farmers with downstate consumers.

The Executive Budget recommends \$21.6 million from the General Fund for local assistance to continue programs which provide valuable services to the State's agricultural community, including expanded funding for the Agribusiness Child Development program and the New York State Veterinary Diagnostic Laboratory. In addition, new funding of

AGRICULTURE AND MARKETS

\$450,000 is included to provide assistance and incentives for farmers to transition to organic farming methods. Continued Federal appropriation authority will allow the Department to apply for Federal grants to fund Federal nutrition programs for senior citizens, animal health initiatives and food safety programs, including essential funding for the State Food Laboratory.

PROGRAM HIGHLIGHTS

The Agricultural Business Services program promotes the agricultural economy of the State and fosters the responsible use of resources to preserve agricultural land and the environment. These purposes are carried out through six divisions which:

- Inspect and test livestock, poultry and plants to control and eradicate diseases which can both cause severe economic losses for farmers and present a public health hazard;
- Oversee the activities of county soil and water conservation districts, direct the agricultural non-point source pollution control and farmland preservation grant programs, establish agricultural districts, administer agricultural product market orders and the Federal Farmers Market Nutrition Program for low-income families and collect and disseminate statistical agricultural information; and
- Exercise a variety of statutorily required activities involving the pricing and marketing of milk and milk products, and the licensing and bonding of milk and farm products dealers.

The Consumer Food Services program ensures that wholesome food products are sold to the consumer and that the industry and the public are protected from fraud, adulteration or malpractice in the production, processing, transportation and retailing of food and gasoline, and in the use of measuring devices. In carrying out these purposes, the program:

- Licenses and inspects over 28,000 businesses that produce, process, manufacture, or distribute food products, registers food represented as kosher and grades farm products;
- Inspects and tests dairy products to enforce laws pertaining to milk and milk product sanitation and guards against harmful or misrepresented food; and
- Certifies and calibrates weighing and measuring devices and oversees the testing of motor fuels under the Motor Fuel Quality and Clean Air programs.

STATE FAIR

The Department and the Industrial Exhibit Authority together direct the New York State Fair and Fairgrounds, located in Syracuse. The Fairgrounds, a 365-acre complex, has 20 major exhibit buildings and 107 other structures. It is used for the annual 12-day State Fair, and its facilities are rented year round for various shows and activities. The operating costs of the Fair and Fairgrounds are fully funded from admission, rental and concession fees.

AGRICULTURE AND MARKETS

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 131,206,800 | 134,577,000 | 3,370,200 | 145,819,300 |
| Aid To Localities | 48,237,350 | 41,595,000 | (6,642,350) | 54,058,000 |
| Capital Projects | 3,750,000 | 3,750,000 | 0 | 44,831,000 |
| Total | 183,194,150 | 179,922,000 | (3,272,150) | 244,708,300 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 35 | 69 | 34 |
| Agricultural Business Services | | | |
| General Fund | 197 | 186 | (11) |
| Special Revenue Funds - Federal | 11 | 11 | 0 |
| Special Revenue Funds - Other | 48 | 48 | 0 |
| Fiduciary Funds | 5 | 5 | 0 |
| Consumer Food Services | | | |
| General Fund | 161 | 123 | (38) |
| Special Revenue Funds - Federal | 14 | 14 | 0 |
| Special Revenue Funds - Other | 110 | 110 | 0 |
| State Fair | | | |
| Enterprise Funds | 49 | 49 | 0 |
| Total | 630 | 615 | (15) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 33,834,700 | 34,502,000 | 667,300 |
| Special Revenue Funds - Federal | 29,644,000 | 29,644,000 | 0 |
| Special Revenue Funds - Other | 42,561,800 | 44,434,000 | 1,872,200 |
| Enterprise Funds | 23,360,200 | 24,161,000 | 800,800 |
| Fiduciary Funds | 1,806,100 | 1,836,000 | 29,900 |
| Total | 131,206,800 | 134,577,000 | 3,370,200 |

AGRICULTURE AND MARKETS

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| General Fund | 6,371,800 | 9,068,000 | 2,696,200 |
| Agricultural Business Services | | | |
| General Fund | 17,287,700 | 17,112,000 | (175,700) |
| Special Revenue Funds - Federal | 21,919,000 | 21,919,000 | 0 |
| Special Revenue Funds - Other | 26,370,200 | 26,818,000 | 447,800 |
| Fiduciary Funds | 1,806,100 | 1,836,000 | 29,900 |
| Consumer Food Services | | | |
| General Fund | 10,175,200 | 8,322,000 | (1,853,200) |
| Special Revenue Funds - Federal | 7,725,000 | 7,725,000 | 0 |
| Special Revenue Funds - Other | 16,191,600 | 17,616,000 | 1,424,400 |
| State Fair | | | |
| Enterprise Funds | 23,360,200 | 24,161,000 | 800,800 |
| Total | 131,206,800 | 134,577,000 | 3,370,200 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------|------------|-------------|-----------------------------------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 5,115,000 | 2,579,700 | 5,000,000 | 2,573,900 |
| Agricultural Business Services | 10,823,000 | (434,700) | 10,360,000 | (685,500) |
| Consumer Food Services | 7,628,000 | (1,565,900) | 7,149,000 | (1,565,800) |
| Total | 23,566,000 | 579,100 | 22,509,000 | 322,600 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------|-------------------------------------------|---------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 90,000 | 5,000 | 25,000 | 800 |
| Agricultural Business Services | 250,000 | 250,000 | 213,000 | 800 |
| Consumer Food Services | 106,000 | 0 | 373,000 | (100) |
| Total | 446,000 | 255,000 | 611,000 | 1,500 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|--------------------------------|------------|-----------|------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 3,953,000 | 116,500 | 337,000 | 300,800 |
| Agricultural Business Services | 6,289,000 | 259,000 | 816,000 | 455,500 |
| Consumer Food Services | 694,000 | (287,300) | 361,000 | 236,200 |
| Total | 10,936,000 | 88,200 | 1,514,000 | 992,500 |

| Program | Travel | | Contractual Services | |
|--------------------------------|-----------|-----------|----------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 250,000 | 212,800 | 2,900,000 | (821,700) |
| Agricultural Business Services | 746,000 | 106,300 | 4,278,000 | (253,200) |
| Consumer Food Services | 152,000 | (175,100) | 144,000 | (123,000) |
| Total | 1,148,000 | 144,000 | 7,322,000 | (1,197,900) |

| Program | Equipment | |
|--------------------------------|-----------|-----------|
| | Amount | Change |
| Administration | 466,000 | 424,600 |
| Agricultural Business Services | 449,000 | (49,600) |
| Consumer Food Services | 37,000 | (225,400) |
| Total | 952,000 | 149,600 |

AGRICULTURE AND MARKETS

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------|-------------|-----------|------------------|-------------|
| | Amount | Change | Amount | Change |
| Agricultural Business Services | 50,573,000 | 477,700 | 3,223,000 | (1,398,600) |
| Consumer Food Services | 25,341,000 | 1,424,400 | 7,675,000 | (308,500) |
| State Fair | 24,161,000 | 800,800 | 6,749,000 | 500 |
| Total | 100,075,000 | 2,702,900 | 17,647,000 | (1,706,600) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------------|---------------------|--------------|---------------------------|------------|
| | Amount | Change | Amount | Change |
| Agricultural Business Services | 25,431,000 | (20,042,700) | 21,919,000 | 21,919,000 |
| Consumer Food Services | 9,941,000 | (5,992,100) | 7,725,000 | 7,725,000 |
| State Fair | 17,412,000 | 800,300 | 0 | 0 |
| Total | 52,784,000 | (25,234,500) | 29,644,000 | 29,644,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 28,237,350 | 21,595,000 | (6,642,350) |
| Special Revenue Funds - Federal | 20,000,000 | 20,000,000 | 0 |
| Total | 48,237,350 | 41,595,000 | (6,642,350) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| Agricultural Business Services | | | |
| General Fund | 27,091,000 | 21,595,000 | (5,496,000) |
| Special Revenue Funds - Federal | 20,000,000 | 20,000,000 | 0 |
| Community Projects | | | |
| General Fund | 1,146,350 | 0 | (1,146,350) |
| Total | 48,237,350 | 41,595,000 | (6,642,350) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------|----------------------|------------------------|--------|-----------------------------|
| New Facilities | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 43,664,000 |
| State Fair | | | | |
| Capital Projects Fund | 1,750,000 | 1,750,000 | 0 | 1,167,000 |
| Misc. Capital Projects | 2,000,000 | 2,000,000 | 0 | 0 |
| Total | 3,750,000 | 3,750,000 | 0 | 44,831,000 |

BANKING DEPARTMENT

MISSION

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,600 State-chartered banking institutions and licensees with total assets of approximately \$1.8 trillion. In carrying out this responsibility, the Department approves acquisitions, branch expansions, mergers and other forms of consolidation. It also levies fines, orders cessation of unsound financial practices and replaces management as needed. In addition, the Department is authorized to take possession of failing institutions and to operate or liquidate them for the benefit of depositors and creditors. In exercising this oversight, the Banking Department maintains the highest standards to assure the continued safety and soundness of, and the full public confidence in, the institutions supervised. By dealing decisively with institutions that are not in compliance with banking laws and regulations, or cases of malfeasance, the Department promotes a desirable business climate for all financial institutions operating in New York State.

ORGANIZATION AND STAFFING

The Superintendent of Banks, appointed by the Governor, directs the Department. The Superintendent is also the Chair of the 17-member Banking Board, a quasi-legislative body which regulates the conduct of banking in the State. Members of the Board are appointed by the Governor with the consent of the Senate. They receive travel reimbursement but are not otherwise compensated. The Department maintains offices in Albany, New York City, and Syracuse.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$101.9 million All Funds (\$101.9 million Special Revenue Funds)** for the Banking Department. This is an increase of **\$3.7 million** from the 2007-08 budget. This net change primarily reflects a \$2 million increase for local assistance grants related to the Governor's Halt Abusive Lending Transactions Taskforce and continued growth in personal services costs.

The Executive Budget recommends a staffing level of **550 FTEs** for the Banking Department, representing no change from the 2007-08 budget.

The Banking Department's operations are primarily funded through assessments charged to regulated financial institutions and organizations. The remainder of the Department's operating budget is derived from fees such as investigation fees paid by entities applying for licensure or State charter. Of the recommended \$101.9 million, the Department's operating budget totals \$87.9 million and the remaining \$14 million is an appropriation to support the State Transmitter of Money Insurance Fund which protects moneys that New Yorkers electronically transfer via commercial third parties.

PROGRAM HIGHLIGHTS

To ensure the safety and soundness of banking institutions, the Department monitors these institutions to identify problems and works with management to promptly solve them.

BANKING

This responsibility is carried out through annual on-site examinations of most State-chartered institutions, the regular review of institutional financial reports and periodic site visits.

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees conduct consumer compliance examinations and resolve consumer complaints. Other staff monitors whether institutions are helping to meet the credit and banking needs of local communities as required by various State laws.

Additionally, the Department's investigation and prosecution of criminal banking activities protects the public and provides support to institutions that do abide by applicable laws and regulations. Lastly, the Department continues to review its internal programs, policies and procedures in order to respond to the changing financial services environment and to promote a strong and healthy financial services industry.

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that are held by banks, insurance companies and other institutions.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 96,642,000 | 98,383,000 | 1,741,000 | 4,500,000 |
| Aid To Localities | 1,500,000 | 3,500,000 | 2,000,000 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 98,142,000 | 101,883,000 | 3,741,000 | 4,500,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 63 | 63 | 0 |
| Analysis and Compliance | | | |
| Special Revenue Funds - Other | 35 | 35 | 0 |
| Regulation | | | |
| Special Revenue Funds - Other | 452 | 452 | 0 |
| Total | 550 | 550 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Other | 96,642,000 | 98,383,000 | 1,741,000 |
| Total | 96,642,000 | 98,383,000 | 1,741,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| Special Revenue Funds - Other | 22,086,000 | 22,764,000 | 678,000 |
| Analysis and Compliance | | | |
| Special Revenue Funds - Other | 4,287,000 | 4,154,000 | (133,000) |
| Regulation | | | |
| Special Revenue Funds - Other | 70,269,000 | 71,465,000 | 1,196,000 |
| Total | <u>96,642,000</u> | <u>98,383,000</u> | <u>1,741,000</u> |

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service | |
|-------------------------|-------------------|------------------|-------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration | 22,764,000 | 678,000 | 4,714,000 | 49,000 |
| Analysis and Compliance | 4,154,000 | (133,000) | 2,643,000 | (72,000) |
| Regulation | 71,465,000 | 1,196,000 | 36,733,000 | 1,661,000 |
| Total | <u>98,383,000</u> | <u>1,741,000</u> | <u>44,090,000</u> | <u>1,638,000</u> |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------|----------------------------|----------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 18,050,000 | 629,000 | 0 | 0 |
| Analysis and Compliance | 1,511,000 | (61,000) | 0 | 0 |
| Regulation | 33,567,000 | (465,000) | 1,165,000 | 0 |
| Total | <u>53,128,000</u> | <u>103,000</u> | <u>1,165,000</u> | <u>0</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|------------------|
| Special Revenue Funds - Other | 1,500,000 | 3,500,000 | 2,000,000 |
| Total | <u>1,500,000</u> | <u>3,500,000</u> | <u>2,000,000</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| Special Revenue Funds - Other | 1,500,000 | 3,500,000 | 2,000,000 |
| Total | <u>1,500,000</u> | <u>3,500,000</u> | <u>2,000,000</u> |

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. In addition, the Department and Corporation work closely with the Foundation for Science, Technology and Innovation to foster technology-related job creation.

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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$63.3 million All Funds (\$56.9 million General Fund; \$6.4 million other funds)** for the Department of Economic Development. This is an increase of **\$8.5 million All Funds (\$8.5 million General Fund, \$0.0 million other funds)** from the 2007-08 budget. This net change primarily reflects a \$7.5 million increase to the Marketing and Advertising program, and is in recognition of the need to capitalize on the State's existing economic development assets. State tax dollars from the General Fund will finance 90 percent, or \$56.9 million, of the Department of Economic Development's \$63.3 million Budget in 2008-09. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I ♥ NY" logo, 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 businesses comply with Clean Air Act mandates.

The Executive Budget recommends a staffing level of **230 FTEs** for the Department of Economic Development, an increase of 15 from the 2007-08 Budget. This primarily reflects actions to expand statewide economic development efforts, including additional staff for the regional office in Buffalo.

The 2008-09 Budget provides:

- **"I ♥ NY" Program:** \$20.0 million for "I ♥ NY" tourism advertising, an increase of \$4.0 million over the 2007-08 budget;

ECONOMIC DEVELOPMENT

- **Tourism Matching Grants:** \$5.3 million is provided to assist local tourism promotion agencies;
- **International Trade:** \$3.5 million, an increase of \$2.3 million over the 2007-08 budget, to attract the international investment to New York State, and increase export sales to foreign countries;
- **Business Marketing:** \$3.5 million for a new business marketing program for the promotion of Upstate business successes to increase awareness and encourage more businesses to stay and grow in New York State;
- **Explore NY:** \$1 million to support regional and theme-based tourism promotions; and
- **Visitor Centers:** \$400,000 to support visitor welcome centers in Beekmantown and Binghamton.

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. An additional \$7.5 million is being made available in 2008-09 to expand these activities, including an additional \$4 million for expanded and strategic marketing efforts through the “I ♥ NY” tourism advertising program, and \$3.5 million for a new business marketing program to encourage and stimulate business development and economic activity in the Upstate region.

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 maintaining a contractual presence in several other countries. 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. An additional \$2.3 million is being made available in 2008-09 to assist Upstate businesses with the export of goods and services to fast growing markets worldwide and to develop a direct foreign investment program to capture New York State’s fair share of cross border investment projects.

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. There are currently 85 Zones 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, Yonkers, Town of Tonawanda, Monroe County, Columbia County, Staten Island/West Shore, Sullivan County, Cortland County, the City of Hornell, Warren County, Saratoga County, Buffalo, Schuyler County, Mt. Vernon, Franklin County, Otsego County, Madison County, Washington County, Wayne County, Orleans County, Genesee County, Rensselaer County, Delaware, Greene, Livingston, Nassau, Rockland, Schoharie, Tompkins, Wyoming, Putnam, Yates, Hamilton and the Chinatown area of Manhattan.

Currently, each of New York's 62 counties has at least one Empire Zone. In addition, Empire Zone benefits are available to businesses outside a designated zone that offer a "regionally significant impact," by achieving considerable job creation in selected industries such as bio-technology or financial services.

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 businesses and also offers these enterprises training and technical assistance. In addition, the Department provides State and Federal procurement assistance to small businesses. The Division also operates the Clean Air Act Ombudsman Unit, which helps small businesses comply with these environmental regulations.

POLLUTION PREVENTION AND COMPLIANCE ASSISTANCE

Pollution Prevention and Compliance Assistance is a cooperative program between the Department of Economic Development, the Department of Environmental Conservation, and the Environmental Facilities Corporation. The Program coordinates existing funding opportunities and other services of the three agencies to assist businesses in developing environmentally benign operations.

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

ECONOMIC DEVELOPMENT

banks are compensated by deposits of State funds earning interest at comparably reduced rates. Due to overwhelming demand for the program from the business community, an additional \$50 million will be made available in 2008-09.

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. This past year, the Governor ordered the creation of two councils of experts, one of leaders from the private sector and one from the public, to critically review the State's procurement policies and make recommendations to reverse past trends and increase minority- and women-owned business enterprise participation in the procurement process. In addition, a disparity study will be completed to provide the data needed to more fully understand minority- and women-owned business enterprise procurement of state contracts in New York.

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 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 45,083,000 | 56,607,000 | 11,524,000 | 33,780,000 |
| Aid To Localities | 14,001,610 | 6,677,000 | (7,324,610) | 21,161,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 59,084,610 | 63,284,000 | 4,199,390 | 54,941,000 |

ECONOMIC DEVELOPMENT

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|----------------------------|----------------------------|------------|
| Program | 2007-08 | 2008-09 | FTE Change |
| | Estimated FTEs 03/31/08 | Estimated FTEs 03/31/09 | |
| Administration | | | |
| General Fund | 47 | 47 | 0 |
| Special Revenue Funds - Other | 5 | 5 | 0 |
| Clean Air | | | |
| Special Revenue Funds - Other | 3 | 3 | 0 |
| Economic Development | | | |
| General Fund | 125 | 140 | 15 |
| Marketing and Advertising Program | | | |
| General Fund | 34 | 34 | 0 |
| Special Revenue Funds - Other | 1 | 1 | 0 |
| Total | <u>215</u> | <u>230</u> | <u>15</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------------|
| General Fund | 38,668,000 | 50,217,000 | 11,549,000 |
| Special Revenue Funds - Federal | 1,000,000 | 1,000,000 | 0 |
| Special Revenue Funds - Other | 5,415,000 | 5,390,000 | (25,000) |
| Total | <u>45,083,000</u> | <u>56,607,000</u> | <u>11,524,000</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------|----------------------|------------------------|-------------------|
| Administration | | | |
| General Fund | 3,797,000 | 5,232,000 | 1,435,000 |
| Special Revenue Funds - Other | 1,740,000 | 1,720,000 | (20,000) |
| Clean Air | | | |
| Special Revenue Funds - Other | 500,000 | 500,000 | 0 |
| Economic Development | | | |
| General Fund | 15,821,000 | 18,497,000 | 2,676,000 |
| Special Revenue Funds - Federal | 1,000,000 | 1,000,000 | 0 |
| Special Revenue Funds - Other | 1,170,000 | 1,170,000 | 0 |
| Marketing and Advertising Program | | | |
| General Fund | 19,050,000 | 26,488,000 | 7,438,000 |
| Special Revenue Funds - Other | 2,005,000 | 2,000,000 | (5,000) |
| Total | <u>45,083,000</u> | <u>56,607,000</u> | <u>11,524,000</u> |

ECONOMIC DEVELOPMENT

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 2,444,000 | 117,000 | 2,400,000 | 100,000 |
| Economic Development | 9,236,000 | 0 | 9,230,000 | 0 |
| Marketing and Advertising Program | 2,321,000 | 111,000 | 2,252,000 | 100,000 |
| Total | 14,001,000 | 228,000 | 13,882,000 | 200,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 0 | 0 | 44,000 | 17,000 |
| Economic Development | 0 | 0 | 6,000 | 0 |
| Marketing and Advertising Program | 8,000 | 2,000 | 61,000 | 9,000 |
| Total | 8,000 | 2,000 | 111,000 | 26,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-----------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 2,788,000 | 1,318,000 | 70,000 | 10,000 |
| Economic Development | 9,261,000 | 2,676,000 | 103,000 | 0 |
| Marketing and Advertising Program | 24,167,000 | 7,327,000 | 20,000 | 15,000 |
| Total | 36,216,000 | 11,321,000 | 193,000 | 25,000 |

| Program | Travel | | Contractual Services | |
|-----------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 125,000 | 85,000 | 2,453,000 | 1,223,000 |
| Economic Development | 177,000 | 0 | 2,527,000 | (1,124,000) |
| Marketing and Advertising Program | 30,000 | 2,000 | 592,000 | (192,000) |
| Total | 332,000 | 87,000 | 5,572,000 | (93,000) |

| Program | Equipment | | Maintenance Undistributed | |
|-----------------------------------|------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 140,000 | 0 | 0 | 0 |
| Economic Development | 254,000 | 0 | 6,200,000 | 3,800,000 |
| Marketing and Advertising Program | 10,000 | 2,000 | 23,515,000 | 7,500,000 |
| Total | 404,000 | 2,000 | 29,715,000 | 11,300,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 1,720,000 | (20,000) | 487,000 | 0 |
| Clean Air | 500,000 | 0 | 195,000 | 0 |
| Economic Development | 2,170,000 | 0 | 0 | 0 |
| Marketing and Advertising Program | 2,000,000 | (5,000) | 90,000 | 12,000 |
| Total | 6,390,000 | (25,000) | 772,000 | 12,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 1,233,000 | (20,000) | 0 | 0 |
| Clean Air | 305,000 | 0 | 0 | 0 |
| Economic Development | 1,000,000 | 0 | 1,170,000 | 0 |
| Marketing and Advertising Program | 1,910,000 | (17,000) | 0 | 0 |
| Total | 4,448,000 | (37,000) | 1,170,000 | 0 |

ECONOMIC DEVELOPMENT

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 14,001,610 | 6,677,000 | (7,324,610) |
| Total | 14,001,610 | 6,677,000 | (7,324,610) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------|------------------------------|--------------------------------|---------------|
| Economic Development | | | |
| General Fund | 2,750,000 | 0 | (2,750,000) |
| Marketing and Advertising Program | | | |
| General Fund | 6,977,000 | 6,677,000 | (300,000) |
| Community Projects | | | |
| General Fund | 4,274,610 | 0 | (4,274,610) |
| Total | 14,001,610 | 6,677,000 | (7,324,610) |

EMPIRE STATE DEVELOPMENT CORPORATION

MISSION

Doing business as Empire State Development Corporation (ESDC), 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 in New York 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 State appropriations.

HOUSING PORTFOLIO MAINTENANCE

In the early 1970s, 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-1970s, 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. In addition, the Corporation and Department work closely with the Foundation for Science, Technology, and Innovation to foster technology-related job creation.

For 2008-09, ESDC will continue to be overseen by Downstate and Upstate co-chairpersons. The Downstate Chair operates out of the New York City office, while the Upstate Chair operates out of the Upstate headquarters in Buffalo.

EMPIRE STATE DEVELOPMENT

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 Downstate and Upstate co-chairs of the Empire State Development Corporation Board are selected by the Governor. 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 September 11; (2) formulate policies and initiatives to promote economic growth in Harlem; (3) redevelopment of Times Square; (4) plan and oversee a mixed-use development on 74.5 acres on the East River in Queens County; (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; (6) promote economic development and tourism, and leverage private investment in Niagara Falls; (7) oversee conversion of the 300-acre Harriman State Office Building Campus in Albany into a world-class research and development park; (8) coordinate the development of the former Buffalo Memorial Auditorium and additional projects along the waterfront and inner harbor in downtown Buffalo; and (9) redevelop Governor's Island to create new civic spaces enhanced with educational, historical, artistic and cultural uses that benefit the island's rich history and harbor setting.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$981.1 million** for Empire State Development Corporation in 2008-09, an increase of \$545.3 million from 2007-08. This net change primarily reflects the resources necessary to implement the \$1 billion Upstate Revitalization Fund.

In 2008-09, the Empire State Development Corporation's activities will be funded through a combination of state general fund appropriations and corporate revenues generated by corporation-owned residential and non-residential properties and by its financing programs. The Corporation will have a **workforce of 256** in 2008-09, an increase of 15 from the 2007-08 Budget. This primarily reflects actions to expand statewide economic development efforts, including additional staff for the Upstate headquarters in Buffalo.

Major budget actions include:

- **Economic Development Initiatives:** \$77.0 million in support for economic development initiatives, including: the Empire State Economic Development Fund; Minority - and Women-Owned Business Development and Lending programs; the Urban and Community Development Program; the Entrepreneurial Assistance Program; the retention of professional football in Western New York; military base retention; the operation and development of the Centers of Excellence or other high technology research centers; and a new Venture Capital Program to provide seed stage assistance to entrepreneurs and start-up firms in targeted industries;
- **Operations:** \$4.1 million to support the Empire State Development Corporation's administration and expansion of various State economic development programs;

- **Economic Development Capital:** \$400 million for various economic development and regional initiatives including a statewide competitive grant program administered by the Empire State Development Corporation, specific downstate regional initiatives and Upstate city by city projects. Portions of which shall be made available to support the \$1 billion Upstate Revitalization Fund;
- **Upstate Regional Blueprint Fund:** \$250 million to enable ESDC to work with Upstate municipalities to identify targeted investments that capitalize on each region's unique assets and potential to spur economic development. An additional \$100 million will be made available through the sale of surplus state property;
- **Downstate Revitalization Fund:** \$200 million to support investments in distressed communities in the Downstate region to encourage business and community development;
- **Upstate Agricultural Economic Development Fund:** \$50 million to support the continued growth of the food and agricultural industry by encouraging investments that promote the development of alternative fuels products, access to markets, and in farm and agricultural infrastructure; and
- **Continued support of specific projects:** Over \$2.5 billion for economic development, cultural facilities, university development, environmental, and energy projects administered by the Empire State Development Corporation and Dormitory Authority of the State of New York, including \$300 million for the development of an international computer chip research and development center; \$50 million to support capital improvement projects at Governor's and Roosevelt Islands in New York City, as well as redevelopment initiatives at the Harriman Research and Technology Park in Albany and in Niagara Falls; \$650 million for the development of a semiconductor manufacturing facility and \$300 million for the Restore New York Communities initiative.

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;
- 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.

EMPIRE STATE DEVELOPMENT

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 85,364,000 | 81,121,000 | (4,243,000) | 421,098,000 |
| Capital Projects | 350,450,000 | 900,000,000 | 549,550,000 | 3,061,783,000 |
| Total | 435,814,000 | 981,121,000 | 545,307,000 | 3,482,881,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|-------------|
| General Fund | 85,364,000 | 81,121,000 | (4,243,000) |
| Total | 85,364,000 | 81,121,000 | (4,243,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------|----------------------|------------------------|-------------|
| Economic Development | | | |
| General Fund | 84,948,000 | 81,121,000 | (3,827,000) |
| Community Projects | | | |
| General Fund | 416,000 | 0 | (416,000) |
| Total | 85,364,000 | 81,121,000 | (4,243,000) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------|----------------------|------------------------|-------------|-----------------------------|
| Regional Development | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 1,175,543,000 |
| Cap Proj Fund - CEFAP (Direct Auth Bonds) | 0 | 0 | 0 | 425,000,000 |
| AMD Direct (Direct Auth Bonds) | 0 | 0 | 0 | 150,000,000 |
| Economic Development | | | | |
| Capital Projects Fund - Authority Bonds | 350,450,000 | 900,000,000 | 549,550,000 | 650,390,000 |
| Cap Proj Fund - Stadium (Auth Bonds) | 0 | 0 | 0 | 119,400,000 |
| Cap Proj Fund - Downtown Buffalo (Auth Bonds) | 0 | 0 | 0 | 41,450,000 |
| AMD Direct (Direct Auth Bonds) | 0 | 0 | 0 | 500,000,000 |
| Total | 350,450,000 | 900,000,000 | 549,550,000 | 3,061,783,000 |

ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

MISSION

The New York State Energy Research and Development Authority (NYSERDA) 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. Projects are selected on a competitive basis to promote applied research on State energy problems.

The Authority administers Federal grant programs which help businesses, schools and hospitals implement energy efficiency measures, and 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 low-income consumers, energy efficiency, energy research and development, and environmental protection. In addition, the Authority administers the Renewable Portfolio Standard program, designed to increase the percentage of electricity used by retail customers in the State which is derived from renewable resources.

The Authority also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park (STEP) in Saratoga County. Currently, NYSERDA has several clean-energy technology companies located at STEP, and is continuing to work toward bringing in other clean-energy technology companies.

ORGANIZATION AND STAFFING

The Energy Research and Development Authority is headed by a 13-member board, consisting of nine members nominated by the Governor with the consent of the Senate and four 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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$32 million All Funds (\$18.5 million Special Revenue Funds; \$13.5 million Capital)** for the Energy Research and Development Authority. This is an increase of **\$2.4 million (\$2.4 million Special Revenue Funds)** from the 2007-08 budget. This net change primarily reflects an increase in funding to update the State energy plan, which was last done in 2002.

The Energy Research and Development Authority is partially funded by assessments on State public utility gross intrastate operating receipts. The 2008-09 Budget recommends approximately \$18.5 million in appropriations for the Authority's energy, research and development programs and \$13.5 million for ongoing work at West Valley. The authority has a **workforce of 257**.

ENERGY RESEARCH AND DEVELOPMENT

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 5,914,000 | 7,945,000 | 2,031,000 | 0 |
| Aid To Localities | 10,142,000 | 10,511,000 | 369,000 | 3,900,000 |
| Capital Projects | 13,500,000 | 13,500,000 | 0 | 0 |
| Total | 29,556,000 | 31,956,000 | 2,400,000 | 3,900,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Other | 5,914,000 | 7,945,000 | 2,031,000 |
| Total | 5,914,000 | 7,945,000 | 2,031,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------|----------------------|------------------------|-----------|
| Research, Development and Demonstration | | | |
| Special Revenue Funds - Other | 5,914,000 | 7,945,000 | 2,031,000 |
| Total | 5,914,000 | 7,945,000 | 2,031,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------------------------|-----------|-----------|------------------|---------|
| | Amount | Change | Amount | Change |
| Research, Development and Demonstration | 7,945,000 | 2,031,000 | 3,785,000 | 546,000 |
| Total | 7,945,000 | 2,031,000 | 3,785,000 | 546,000 |

| Program | Nonpersonal Service | |
|-----------------------------------------|---------------------|-----------|
| | Amount | Change |
| Research, Development and Demonstration | 4,160,000 | 1,485,000 |
| Total | 4,160,000 | 1,485,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Special Revenue Funds - Other | 10,142,000 | 10,511,000 | 369,000 |
| Total | 10,142,000 | 10,511,000 | 369,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------|----------------------|------------------------|---------|
| Research, Development and Demonstration | | | |
| Special Revenue Funds - Other | 10,142,000 | 10,511,000 | 369,000 |
| Total | 10,142,000 | 10,511,000 | 369,000 |

ENERGY RESEARCH AND DEVELOPMENT

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Western New York Nuclear Service Center Program | | | | |
| Capital Projects Fund - Authority Bonds | 13,500,000 | 13,500,000 | 0 | 0 |
| Total | 13,500,000 | 13,500,000 | 0 | 0 |

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

MISSION

The Department of Environmental Conservation is responsible for conserving, improving and protecting the State's natural resources and environment. The Department also works to control water, land and air pollution in order to enhance the health, safety and welfare of all New Yorkers. In addition, the Department plays a major role in implementing the Environmental Protection Fund, the State's dedicated environmental fund.

ORGANIZATION AND STAFFING

The Department is headed by a commissioner appointed by the Governor. The Department's Central Office is in Albany, with regional offices in Avon, Buffalo, Long Island City, New Paltz, Ray Brook, Schenectady, Stony Brook, Syracuse and Watertown. These regional offices are the operational arms of the Department. Staff in the regional offices review and issue environmental permits for activities regulated by the Department such as the operation of landfills and sewage treatment plants. In addition, these offices ensure compliance with State and Federal environmental statutes, consistent with policy and management direction from program divisions in the Central Office.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.1 billion All Funds (\$143.2 million General Fund; \$64.2 million Federal funds)** for the Department of Environmental Conservation. This is a decrease of **\$31.3 million** from the 2007-08 budget. This change primarily reflects the decrease of Federal funding (\$15 million) and the elimination of local and regional initiatives (\$6 million). This Budget also recommends \$8 million for capital projects at DEC parks and recreational facilities as part of Upstate revitalization efforts.

The Department will have a workforce of **3,752 positions** in fiscal year 2008-09. This increase of **4 positions** from 2007-08 levels is due to the impact of enacted legislation which increased the Department's responsibilities. Approximately 38 percent of these positions are paid by State tax dollars, 53 percent are supported by State fees, capital and other revenues and the remaining 9 percent are financed by Federal grants.

General Fund appropriations will finance 28.8 percent of the Department of Environmental Conservation's operations in 2008-09. Fees and license revenues will support 58.3 percent, including the major permitting functions, the hazardous substances bulk storage and oil spill programs and the hazardous waste remedial and enforcement programs. An increase in the Title V operating permit program fee is proposed to support ongoing regulatory efforts. Federal funds will support the remaining 12.9 percent of the Department's budget.

The Environmental Protection Fund (EPF) will provide appropriations of \$250 million to support environmental programs, including open space protection, farmland preservation, recycling programs, non-point source pollution control projects and municipal park and waterfront revitalization projects. Three new categories are added with this Budget for air quality enforcement, renewable solar energy and farmland protection. The EPF has been supported primarily by revenues from the real estate transfer tax as well as by

ENVIRONMENTAL CONSERVATION

the sale or lease of State property and by Fund interest earnings. To provide an ongoing revenue source for growing environmental needs, the Budget proposes expanding the “Bottle Bill” and redirecting all unclaimed deposits to the EPF.

The 1982 “Bottle Bill” is one of the most effective environmental laws in the State leading to reduced litter and increased recycling. The 2008-09 Executive Budget builds on these successes by expanding the “Bottle Bill” to non-carbonated beverages and directing \$25 million in unclaimed funds to the EPF. When the changes to the “Bottle Bill” are fully effective, annual revenue to the EPF is projected to increase to \$100 million.

The voter-approved Clean Water/Clean Air Bond Act authorizes \$1.75 billion for critical environmental programs in the following categories: Safe Drinking Water Program (\$355 million); Clean Water Program (\$790 million); Solid Waste Projects (\$175 million); Air Quality Projects (\$230 million); and Environmental Restoration Projects (\$200 million).

The Clean Air Fund will continue to provide the resources needed to meet the State’s obligations under the Federal Clean Air Act to control stationary and mobile sources of air pollution. The Fund is supported by vehicle emission inspection fees and fees on regulated pollutants emitted by factories, power plants and other stationary source facilities.

General Fund appropriations will support the preservation and maintenance of the State’s trails, regional facilities, campgrounds and the 20 percent match required for Federal grants provided through the Clean Water State Revolving Fund. Since 1992-93, the cost of the State match has been reimbursed by proceeds from the sale of bonds issued by the Environmental Facilities Corporation. Principal and interest on the bonds are paid from State taxes.

The 2008-09 Executive Budget provides more than \$1 billion to support the Department’s critical environmental, resource management and recreation programs, including:

- \$135 million to support the refinanced Superfund program to continue the clean up of inactive hazardous waste sites and to address hazardous substance sites. Recommendations also include \$102.4 million in reappropriated funds from the 1986 Environmental Quality Bond Act to continue work already underway for existing Superfund sites. Staffing for the Brownfield and voluntary cleanup programs will be increased to help reinvigorate the Brownfield program as a tool for Upstate’s economic resurgence;
- \$250 million in funding from the Environmental Protection Fund to provide resources to address such high priority programs as open space preservation, continued implementation of the Hudson River Estuary Management Plan, State lands access and stewardship projects. Other projects funded by the EPF in 2008-09 will include: the Pollution Prevention Institute; local solid waste reduction/recycling and marketing of recycled materials; landfill closure/gas management projects; natural resource damages; local parks and historic preservation grants; local waterfront revitalization projects; non-point source water pollution control projects; farmland protection; funding for Zoos, Botanical Gardens and Aquaria; funding for soil and water conservation districts; Land Trust Alliance; urban forestry projects; invasive species grants; solar energy; and air quality enforcement;
- The total 1996 Clean Water/Clean Air Bond Act authorization of \$1.75 billion has been appropriated. However, the Executive Budget includes \$75 million in continued Bond Act disbursements in 2008-09 for critical Water Quality, Air, Solid Waste, Brownfield and Safe Drinking Water Projects;

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- \$27.5 million in appropriations to support the abatement of illegal waste tire piles and the development of new markets for waste tires under the Waste Tire Management and Recycling Act of 2003;
- \$5.4 million from taxpayer moneys to implement the New York City Watershed Agreement. These funds will support State enforcement and monitoring efforts in the Watershed and the provision of technical assistance to participating Watershed communities;
- \$177.6 million in new State and Federal funds for the Clean Water State Revolving Fund low-interest loan program to build and rehabilitate municipal sewage treatment facilities;
- \$10 million for the remediation of Onondaga Lake;
- \$56.3 million to support the programs of the Conservation Fund;
- \$31.6 million in new funding for basic capital infrastructure projects to ensure health, safety and compliance with State and Federal laws and environmental requirements, including \$11 million for rehabilitation and improvement of State owned facilities;
- \$31.7 million in non-General Fund support for the State's Clean Air programs. New programs began in 1997-98 to control pollution from automobiles and to establish new consolidated permits for major stationary sources of air pollution and in 1999-2000, to control air pollution from heavy-duty vehicles; and
- \$496.4 million to support the operations of the Department, including a workforce of 3,752 positions.

PROGRAM HIGHLIGHTS

Under both State and Federal law, the Department carries out a wide range of environmental, regulatory, remedial, resource management, outdoor recreation and education programs. These include the protection and management of the State's air, water, mineral and energy resources, as well as the management of both solid and hazardous waste. In this regard, the Department has undertaken expanded responsibilities as part of the State's Homeland Security effort including air and water toxic assessments, hazardous materials monitoring, water infrastructure monitoring and security and other activities to protect public health and safety.

The Department has restructured its operations to eliminate redundant management layers and refocused its attention on the core mission of the Department. Additionally, the regulatory process for issuing environmental permits has been streamlined to simplify requirements while still ensuring that environmental standards are maintained and the State's natural resources are protected.

The Department's functions can be divided into the following categories: Natural Resources, Environmental Quality/Remediation and Environmental Enforcement and Regulation.

NATURAL RESOURCES

In addition to its responsibility to protect the State's fish, wildlife and marine resources and habitats, the Fish, Wildlife and Marine program also manages 200,000 acres of Wildlife Management Area Lands, the operation of 12 fish hatcheries, one game farm and

ENVIRONMENTAL CONSERVATION

over 300 boat launching and fishing access sites. The primary source of funding for this program is sporting license fees (over \$39 million annually) deposited to the Conservation Fund.

The Lands and Forests program manages more than four million acres of State land under the Department's jurisdiction, including nearly three million acres of State-owned land within the Adirondack and Catskill parks and will manage over 690,000 acres of conservation easements. Revenues from the sale of forest products from State lands help offset program costs. The State Forest Ranger force is charged with firefighting, search and rescue and enforcing rules, regulations and laws on State land.

The Mineral Resources program regulates more than 12,500 active oil and gas wells and oversees the mined land reclamation program. This program is focused on returning land used for mining to a productive use and also performs technical and environmental review of new and 2,250 existing active mines.

The Water program protects and conserves the State's water resources which include 52,337 miles of rivers, 7,849 lakes, 2.4 million acres of fresh water wetlands and 25,000 acres of tidal wetlands.

The Department also operates 52 campgrounds and seven day-use areas within the Adirondack and Catskill parks, as well as the Belleayre Mountain Ski Center. These recreational facilities serve approximately 1.7 million visits annually, generating over \$12 million in revenue and greatly increasing tourist trade to their host communities. Camping and skiing user fees are intended to fully support facility operations.

ENVIRONMENTAL QUALITY/REMEDIATION

A new "Climate Change Office" was established at DEC in 2007-08, with a staff of 12. This office implements the Regional Greenhouse Gas Initiative (100 percent auction of carbon dioxide allowances), collaborates with other states, and identifies carbon reduction programs beyond the power plant sector.

The 1988 Solid Waste Management Act established the State's policies for the management of solid waste, identifying reduction and recycling as the preferred options. The Act required municipalities to implement source separation programs and to prepare Local Solid Waste Management Plans. Also in 1988, the Department of Environmental Conservation established requirements for the construction and operation of solid waste management facilities, such as landfills. Local governments must meet those requirements before the Department will grant an operating permit.

The 1990 amendments to the Federal Clean Air Act imposed new mandates on the State designed to improve air quality. While the cost of complying with the Act is significant, the cost of non-compliance would be more severe. If the Federal Environmental Protection Agency determines that there is a deficiency in New York's clean air programs, then it must apply sanctions if the deficiency is not corrected within 18 months. Sanctions include the withholding of Federal highway funds and the requirement of a two-for-one air pollution emissions offset for new or modified sources of emissions in areas that do not meet Federal air quality standards. The sanction would result in a virtual ban on industrial expansion and would place New York at a severe economic disadvantage with other states.

New York has taken steps to implement a comprehensive stationary source air permit program, a small business assistance program and programs to reduce vehicular emissions and inspect vehicle emission systems. In 1997-98, the State began implementing a decentralized vehicle emission testing system mandated by the Federal Clean Air Act.

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New York's system is more convenient and less costly to motorists than other federally-approved testing systems, while still reducing air pollution. This decentralized and simpler testing program allows motorists to visit their local automotive service stations to have emissions inspections performed. In addition, the Heavy Duty Inspection and Maintenance Program, which is supported by registration fees, inspects on-road heavy duty diesel vehicles for conformance with emission requirements.

The Department has also established regulations implementing the most aggressive Acid Rain controls on emissions of sulfur dioxide and nitrogen oxide in the country.

In addition, the Department will initiate or complete other actions to address serious air pollution problems. New York will adopt additional regulations to further control vehicle emissions as a result of changes in the low emission vehicle program. Equipment used in the reconstruction of lower Manhattan will use low sulfur diesel fuel and will be equipped with emission controls. The Metropolitan Transportation Authority's (MTA) bus fleet is now the largest fleet as well as one of the cleanest in the world, with the retrofit of more than 2,940 diesel buses, and the purchase of approximately 1,060 more with clean diesel technology. MTA also runs more than 780 buses on clean compressed natural gas, and has the largest hybrid-electric fleet in North America with 825 buses in 2007 and an order for 850 more hybrid buses.

The 1986 Environmental Quality Bond Act — commonly known as the State Superfund — made \$1.1 billion available for inactive hazardous waste cleanups, allowing the Department to embark on one of the most ambitious remedial programs in the nation. In response to New York's actions, responsible parties have committed more than \$4.51 billion for the investigation and remediation of identified inactive hazardous waste sites. This is in addition to the \$1.1 billion in Bond Act funds committed to investigate and remediate 990 hazardous waste sites.

Comprehensive Superfund refinance and reform legislation was enacted in 2003. This legislation refinanced and reformed the State's Superfund Program and created a new State Brownfields Cleanup Program to encourage private investment and job creation through liability reform, tax incentives, and a predictable process for cleaning up and redeveloping brownfields. A total of 373 sites have applied to the Brownfield Cleanup Program, and 41 have been completely cleaned at the end of 2007. The legislation also improves the municipal Environmental Restoration Program funded through the 1996 Clean Water/Clean Air Bond Act to encourage even more municipal participation, while providing liability reform for the State Superfund Program, Oil Spill Program, and Brownfield Cleanup Program. In addition, the legislation established a Brownfield Opportunity Area Grant Program to assist municipalities and community-based organizations in strategically planning the redevelopment of brownfields within targeted urban areas.

The Department has also undertaken significant new initiatives including the most aggressive program in the nation to address the emerging problem of soil vapor intrusion from contaminated sites.

ENVIRONMENTAL ENFORCEMENT AND REGULATION

An additional responsibility the Department of Environmental Conservation undertakes is to enforce and regulate a myriad of activities carried out by businesses, local governments and individuals that can have an impact on the environment and the State's natural resources.

ENVIRONMENTAL CONSERVATION

The Department carries out this responsibility through a variety of regulatory and permitting processes and through ongoing communication with those subject to environmental laws and regulations to ensure that such requirements are understood. In addition, the Department's Environmental Conservation Officers work closely with other staff to ensure that environmental laws and regulations are enforced.

The Department has enhanced and improved its overall regulatory and enforcement capabilities, including the coordination of enforcement and inspection programs at each of its regional offices. The Department will continue to review its regulatory practices to streamline procedures and eliminate unnecessary requirements, while still ensuring that strict environmental standards are maintained.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 505,117,850 | 494,685,300 | (10,432,550) | 440,036,700 |
| Aid To Localities | 8,246,445 | 1,791,400 | (6,455,045) | 10,778,800 |
| Capital Projects | 673,070,000 | 658,604,000 | (14,466,000) | 3,312,649,000 |
| Total | 1,186,434,295 | 1,155,080,700 | (31,353,595) | 3,763,464,500 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 137 | 155 | 18 |
| Special Revenue Funds - Other | 134 | 177 | 43 |
| Air and Water Quality Management | | | |
| General Fund | 274 | 167 | (107) |
| Special Revenue Funds - Federal | 185 | 172 | (13) |
| Special Revenue Funds - Other | 369 | 417 | 48 |
| Environmental Enforcement | | | |
| General Fund | 286 | 306 | 20 |
| Special Revenue Funds - Other | 250 | 193 | (57) |
| Fish, Wildlife and Marine Resources | | | |
| General Fund | 67 | 65 | (2) |
| Special Revenue Funds - Federal | 72 | 93 | 21 |
| Special Revenue Funds - Other | 283 | 283 | 0 |
| Forest and Land Resources | | | |
| General Fund | 244 | 256 | 12 |
| Special Revenue Funds - Federal | 11 | 11 | 0 |
| Special Revenue Funds - Other | 207 | 203 | (4) |
| Operations | | | |
| General Fund | 304 | 352 | 48 |
| Special Revenue Funds - Other | 71 | 63 | (8) |
| Rehabilitation and Improvement | | | |
| Capital Projects Funds - Other | 161 | 178 | 17 |
| Solid and Hazardous Waste Management | | | |
| General Fund | 134 | 139 | 5 |
| Special Revenue Funds - Federal | 60 | 52 | (8) |
| Special Revenue Funds - Other | 163 | 141 | (22) |
| Capital Projects Funds - Federal | 7 | 7 | 0 |
| Capital Projects Funds - Other | 329 | 322 | (7) |
| Total | 3,748 | 3,752 | 4 |

ENVIRONMENTAL CONSERVATION

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 141,666,850 | 141,466,300 | (200,550) |
| Special Revenue Funds - Federal | 79,240,000 | 64,252,000 | (14,988,000) |
| Special Revenue Funds - Other | 284,151,000 | 288,907,000 | 4,756,000 |
| Internal Service Funds | 60,000 | 60,000 | 0 |
| Total | 505,117,850 | 494,685,300 | (10,432,550) |

Adjustments:

Prior Year Deficiency

Environmental Conservation,

Department of

Special Revenue Funds - Other

10,000,000

Transfer(s) From

Special Pay Bill

General Fund

(5,405,000)

Special Revenue Funds - Federal

(125,000)

Special Revenue Funds - Other

(459,000)

Appropriated 2007-08

509,128,850

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|--------------------------------------|------------------------------|--------------------------------|---------------|
| Administration | | | |
| General Fund | 16,819,000 | 12,137,000 | (4,682,000) |
| Special Revenue Funds - Federal | 13,000,000 | 0 | (13,000,000) |
| Special Revenue Funds - Other | 2,889,000 | 16,083,000 | 13,194,000 |
| Internal Service Funds | 60,000 | 60,000 | 0 |
| Air and Water Quality Management | | | |
| General Fund | 20,803,000 | 15,553,000 | (5,250,000) |
| Special Revenue Funds - Federal | 19,240,000 | 19,252,000 | 12,000 |
| Special Revenue Funds - Other | 94,849,000 | 90,521,000 | (4,328,000) |
| Air Resources | | | |
| Special Revenue Funds - Federal | 10,000,000 | 8,000,000 | (2,000,000) |
| Construction Management | | | |
| Special Revenue Funds - Federal | 3,600,000 | 3,600,000 | 0 |
| Environmental Enforcement | | | |
| General Fund | 29,730,850 | 36,450,000 | 6,719,150 |
| Special Revenue Funds - Other | 39,655,000 | 32,914,000 | (6,741,000) |
| Fish, Wildlife and Marine Resources | | | |
| General Fund | 10,524,000 | 11,134,300 | 610,300 |
| Special Revenue Funds - Federal | 22,000,000 | 22,000,000 | 0 |
| Special Revenue Funds - Other | 39,100,000 | 40,268,000 | 1,168,000 |
| Forest and Land Resources | | | |
| General Fund | 19,050,000 | 20,728,000 | 1,678,000 |
| Special Revenue Funds - Federal | 5,000,000 | 5,000,000 | 0 |
| Special Revenue Funds - Other | 27,953,000 | 29,595,000 | 1,642,000 |
| Operations | | | |
| General Fund | 34,170,000 | 35,517,000 | 1,347,000 |
| Special Revenue Funds - Other | 16,341,000 | 16,262,000 | (79,000) |
| Solid and Hazardous Waste Management | | | |
| General Fund | 10,570,000 | 9,947,000 | (623,000) |
| Special Revenue Funds - Federal | 6,400,000 | 6,400,000 | 0 |
| Special Revenue Funds - Other | 63,364,000 | 63,264,000 | (100,000) |
| Total | 505,117,850 | 494,685,300 | (10,432,550) |

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------------|-------------|-------------|-----------------------------------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 9,806,000 | (4,783,000) | 9,229,000 | (4,632,000) |
| Air and Water Quality Management | 13,977,000 | (5,294,000) | 13,870,000 | (5,269,000) |
| Environmental Enforcement | 29,637,000 | 6,572,000 | 26,568,000 | 6,385,000 |
| Fish, Wildlife and Marine Resources | 8,617,000 | 327,000 | 8,481,000 | 435,000 |
| Forest and Land Resources | 18,659,000 | 1,622,000 | 17,181,000 | 1,577,000 |
| Operations | 18,935,000 | 662,000 | 18,228,000 | 1,400,000 |
| Solid and Hazardous Waste Management | 9,650,000 | (630,000) | 9,406,000 | (632,000) |
| Total | 109,281,000 | (1,524,000) | 102,963,000 | (736,000) |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------------|-------------------------------------------|-------------|-------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 532,000 | (153,000) | 45,000 | 2,000 |
| Air and Water Quality Management | 63,000 | (26,000) | 44,000 | 1,000 |
| Environmental Enforcement | 0 | 0 | 3,069,000 | 187,000 |
| Fish, Wildlife and Marine Resources | 98,000 | (110,000) | 38,000 | 2,000 |
| Forest and Land Resources | 277,000 | (111,000) | 1,201,000 | 156,000 |
| Operations | 584,000 | (741,000) | 123,000 | 3,000 |
| Solid and Hazardous Waste Management | 124,000 | 0 | 120,000 | 2,000 |
| Total | 1,678,000 | (1,141,000) | 4,640,000 | 353,000 |

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|--------------------------------------|------------|-----------|------------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 2,331,000 | 101,000 | 291,000 | (77,000) |
| Air and Water Quality Management | 1,576,000 | 44,000 | 444,000 | (73,000) |
| Environmental Enforcement | 6,813,000 | 147,150 | 353,000 | (452,000) |
| Fish, Wildlife and Marine Resources | 2,517,300 | 283,300 | 840,000 | (63,000) |
| Forest and Land Resources | 2,069,000 | 56,000 | 1,293,000 | (115,000) |
| Operations | 16,582,000 | 685,000 | 2,324,000 | (811,000) |
| Solid and Hazardous Waste Management | 297,000 | 7,000 | 134,000 | 65,000 |
| Total | 32,185,300 | 1,323,450 | 5,679,000 | (1,526,000) |

| Program | Travel | | Contractual Services | |
|--------------------------------------|-----------|-------------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 220,000 | 180,000 | 1,704,000 | (61,000) |
| Air and Water Quality Management | 111,000 | 23,000 | 947,000 | 179,000 |
| Environmental Enforcement | 19,000 | (35,000) | 1,016,000 | 564,000 |
| Fish, Wildlife and Marine Resources | 167,000 | 149,000 | 1,119,000 | 164,000 |
| Forest and Land Resources | 93,000 | 20,000 | 596,000 | 166,000 |
| Operations | 605,000 | (1,685,000) | 10,704,000 | 901,000 |
| Solid and Hazardous Waste Management | 40,000 | 19,000 | 121,000 | (77,000) |
| Total | 1,255,000 | (1,329,000) | 16,207,000 | 1,836,000 |

| Program | Equipment | | General State Charges | |
|--------------------------------------|-----------|-----------|-----------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 116,000 | 98,000 | 0 | (39,000) |
| Air and Water Quality Management | 74,000 | (85,000) | 0 | 0 |
| Environmental Enforcement | 12,000 | (18,000) | 0 | 0 |
| Fish, Wildlife and Marine Resources | 72,000 | 30,000 | 0 | 0 |
| Forest and Land Resources | 87,000 | (15,000) | 0 | 0 |
| Operations | 2,949,000 | 2,280,000 | 0 | 0 |
| Solid and Hazardous Waste Management | 2,000 | 0 | 0 | 0 |
| Total | 3,312,000 | 2,290,000 | 0 | (39,000) |

| Program | Maintenance Undistributed | |
|--------------------------------------|---------------------------|--------|
| | Amount | Change |
| Administration | 0 | 0 |
| Air and Water Quality Management | 0 | 0 |
| Environmental Enforcement | 5,413,000 | 88,150 |
| Fish, Wildlife and Marine Resources | 319,300 | 3,300 |
| Forest and Land Resources | 0 | 0 |
| Operations | 0 | 0 |
| Solid and Hazardous Waste Management | 0 | 0 |
| Total | 5,732,300 | 91,450 |

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------------|-------------|--------------|------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 16,143,000 | 194,000 | 9,158,000 | (56,000) |
| Air and Water Quality Management | 109,773,000 | (4,316,000) | 36,462,000 | (2,956,000) |
| Air Resources | 8,000,000 | (2,000,000) | 3,646,000 | (344,000) |
| Construction Management | 3,600,000 | 0 | 1,710,000 | 10,000 |
| Environmental Enforcement | 32,914,000 | (6,741,000) | 17,458,000 | (4,432,000) |
| Fish, Wildlife and Marine Resources | 62,268,000 | 1,168,000 | 25,611,000 | (866,000) |
| Forest and Land Resources | 34,595,000 | 1,642,000 | 17,256,000 | 447,000 |
| Operations | 16,262,000 | (79,000) | 3,490,000 | 21,000 |
| Solid and Hazardous Waste Management | 69,664,000 | (100,000) | 17,951,000 | (64,000) |
| Total | 353,219,000 | (10,232,000) | 132,742,000 | (8,240,000) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------------------|---------------------|-------------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 6,985,000 | 250,000 | 0 | 0 |
| Air and Water Quality Management | 71,311,000 | (1,360,000) | 2,000,000 | 0 |
| Air Resources | 4,354,000 | (1,656,000) | 0 | 0 |
| Construction Management | 1,890,000 | (10,000) | 0 | 0 |
| Environmental Enforcement | 15,456,000 | (2,309,000) | 0 | 0 |
| Fish, Wildlife and Marine Resources | 32,477,000 | 654,000 | 4,180,000 | 1,380,000 |
| Forest and Land Resources | 17,339,000 | 1,195,000 | 0 | 0 |
| Operations | 12,772,000 | (100,000) | 0 | 0 |
| Solid and Hazardous Waste Management | 51,713,000 | (36,000) | 0 | 0 |
| Total | 214,297,000 | (3,372,000) | 6,180,000 | 1,380,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|-------------|
| General Fund | 8,246,445 | 1,791,400 | (6,455,045) |
| Total | 8,246,445 | 1,791,400 | (6,455,045) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| General Fund | 3,383,350 | 29,600 | (3,353,750) |
| Air and Water Quality Management | | | |
| General Fund | 1,506,280 | 811,800 | (694,480) |
| Solid and Hazardous Waste Management | | | |
| General Fund | 950,000 | 950,000 | 0 |
| Community Projects | | | |
| General Fund | 2,406,815 | 0 | (2,406,815) |
| Total | 8,246,445 | 1,791,400 | (6,455,045) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|------------------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Marine Resources | | | | |
| Federal Capital Projects Fund | 0 | 4,000,000 | 4,000,000 | 9,470,000 |
| Air Resources - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | 0 | 0 | 0 | 10,299,000 |
| Environmental Quality Bond Act Fund | | | | |
| Environmental Quality Bond Act Fund - 1986 | 0 | 0 | 0 | 104,178,000 |
| Water Resources - PWBA | | | | |
| Capital Projects Fund - PWBA (Bondable) | 14,468,000 | 14,468,000 | 0 | 13,664,000 |
| Solid Waste Management | | | | |
| Capital Projects Fund | 750,000 | 50,000 | (700,000) | 3,029,000 |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 1,271,000 |
| Federal Capital Projects Fund | 0 | 0 | 0 | 34,217,000 |
| Environmental Protection and Enhancements | | | | |
| Environmental Protection Fund | 0 | 0 | 0 | 28,321,000 |
| Environment and Recreation | | | | |
| Environmental Protection Fund | 250,000,000 | 250,000,000 | 0 | 697,522,000 |
| Fish and Wildlife | | | | |
| Capital Projects Fund | 1,000,000 | 1,000,000 | 0 | 3,476,000 |
| Federal Capital Projects Fund | 600,000 | 0 | (600,000) | 3,494,000 |
| Hudson River Habitat Restor. Fund | 0 | 0 | 0 | 351,000 |
| Lands and Forests | | | | |
| Capital Projects Fund | 5,450,000 | 1,700,000 | (3,750,000) | 21,597,000 |
| Federal Capital Projects Fund | 2,000,000 | 2,000,000 | 0 | 5,000,000 |
| Forest Preserve Expansion Fund | 0 | 0 | 0 | 110,000 |
| Water Resources - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | 327,000 | 327,000 | 0 | 6,894,000 |
| Air Resources | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 55,000 |
| Clean Air Fund | 0 | 0 | 0 | 4,620,000 |
| Administration | | | | |
| Capital Projects Fund | 2,600,000 | 4,100,000 | 1,500,000 | 8,359,000 |
| Federal Capital Projects Fund | 0 | 0 | 0 | 175,000 |
| Enterprise Fund | 0 | 0 | 0 | 175,000 |
| Lands and Forests - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | 0 | 0 | 0 | 349,000 |
| Environmental Quality Protection Bond Fund | | | | |
| Environmental Quality Protection Bond Fund | 0 | 0 | 0 | 33,794,000 |
| Clean Water/Clean Air Bond Fund | | | | |
| Clean Water - Clean Air Bond Fund | 0 | 0 | 0 | 454,744,000 |
| Pure Waters Bond Fund | | | | |
| Pure Waters Bond Fund | 0 | 0 | 0 | 28,727,000 |
| Recreation | | | | |
| Capital Projects Fund | 1,500,000 | 1,500,000 | 0 | 2,817,000 |
| Cap Proj Fund - DEC Regular (Auth Bonds) | 0 | 0 | 0 | 5,427,000 |
| Solid Waste Management - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | 0 | 0 | 0 | 10,669,000 |
| Operations | | | | |
| Capital Projects Fund | 21,166,000 | 21,350,000 | 184,000 | 40,668,000 |
| Cap Proj Fund - DEC Regular (Auth Bonds) | 12,000,000 | 12,000,000 | 0 | 56,729,000 |
| Natural Resource Damages Fund | 26,000,000 | 0 | (26,000,000) | 31,056,000 |
| Financial Security Fund | 0 | 0 | 0 | 1,221,000 |
| Water Resources | | | | |
| Capital Projects Fund | 1,834,000 | 2,184,000 | 350,000 | 38,594,000 |
| Capital Projects Fund - Advances | 350,000 | 0 | (350,000) | 16,072,000 |
| Cap Proj Fund - State Revolving Fund (Auth Bonds) | 29,600,000 | 29,600,000 | 0 | 76,143,000 |
| Cap Proj Fund - Onondaga Lake (Auth Bonds) | 10,000,000 | 10,000,000 | 0 | 31,917,000 |
| Cap Proj Fund - DEC Regular (Auth Bonds) | 0 | 0 | 0 | 1,200,000 |
| Federal Capital Projects Fund | 148,000,000 | 148,000,000 | 0 | 380,715,000 |
| Air Quality - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 0 | 0 | 0 | 41,145,000 |
| Clean Water - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 0 | 0 | 0 | 231,955,000 |
| Solid Waste - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 0 | 0 | 0 | 14,699,000 |
| Environmental Restoration - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 0 | 0 | 0 | 144,416,000 |

ENVIRONMENTAL CONSERVATION

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------------|------------------------------|--------------------------------|---------------------|-------------------------------------|
| Clean Water - Clean Air Implementation | | | | |
| Clean Water Clean Air Implementation Fund | 1,050,000 | 1,050,000 | 0 | 5,039,000 |
| Solid and Hazardous Waste Management - EQBA 86 | | | | |
| Capital Projects Fund - EQBA 86 (Bondable) | 0 | 0 | 0 | 94,411,000 |
| Solid and Hazardous Waste Management | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 1,501,000 |
| Capital Projects Fund - Advances | 0 | 10,000,000 | 10,000,000 | 49,097,000 |
| Cap Proj Fund - DEC Regular (Auth Bonds) | 0 | 0 | 0 | 25,000,000 |
| Hazardous Waste Remedial Fund - Oversight & Assessment | 24,375,000 | 25,275,000 | 900,000 | 88,287,000 |
| Hazardous Waste Remedial Fund - Cleanup | 120,000,000 | 120,000,000 | 0 | 449,980,000 |
| Total | <u>673,070,000</u> | <u>658,604,000</u> | <u>(14,466,000)</u> | <u>3,312,649,000</u> |

ENVIRONMENTAL FACILITIES CORPORATION

MISSION

The Environmental Facilities Corporation (EFC) is a public benefit corporation whose mission is to promote environmental quality by providing low cost financing and technical assistance to municipalities, businesses and State agencies for environmental and public health projects in New York State.

The Environmental Facilities Corporation's largest program is the Clean Water State Revolving Fund. This program, administered jointly with the Department of Environmental Conservation, provides reduced interest rate financing to municipalities for infrastructure projects that control water pollution. EFC, in conjunction with the New York State Department of Health, also administers the Drinking Water State Revolving Fund, which provides reduced interest rate financing and grants to community and private water systems for safe drinking water projects. A Federal grant and corresponding State match provide funding for these programs. The Clean Water/Clean Air Bond Act provides a State match for the Drinking Water State Revolving Fund. Administration of these programs is also supported with a portion of the Federal Capitalization Grant and fees charged on financings.

The Environmental Facilities Corporation also administers other funding programs including the Financial Assistance to Business, Industrial Finance, Pipeline for Jobs, Beginning Farmer, and the Clean Vessel Assistance Program (in conjunction with the Department of Environmental Conservation). It also provides technical assistance through its New York City Watershed Programs and Small Business Environmental Assistance Program.

ORGANIZATION AND STAFFING

A seven-member Board of Directors governs the Corporation. Ex-Officio board members include the Commissioner of the Department of Environmental Conservation, who serves as the Board Chair, the Commissioner of the Department of Health, and the Secretary of State. The four remaining board members serve six-year terms and require nomination by the Governor and confirmation by the State Senate. The Board of Directors appoints the Corporation President and Corporate Officers.

BUDGET HIGHLIGHTS

The Executive Budget recommends more than **\$14 million** for the Environmental Facilities Corporation (EFC). This is a decrease of just over **\$4 million** from the 2007-08 budget resulting from a one-time deficiency appropriation for the Environmental Farm and Resource Management (EFARM) program. In addition, State funds are included in the Department of Environmental Conservation and Department of Health's capital budgets for the required match to Federal funding for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs.

The Environmental Facilities Corporation will have a 2008-09 **workforce of 100**, an increase of eight from 2007-08 levels, while also continuing to support approximately \$1.5 million in staffing at the Department of Environmental Conservation who are assigned administratively to the Corporation.

ENVIRONMENTAL FACILITIES

Corporate operations are funded by:

- Financing fees and annual fees charged to recipients that receive Revolving Fund loans and a portion of State and Federal grants made for the Clean Water and Drinking Water programs; and
- User fees paid by businesses, municipalities, and industrial clients for the Corporation's technical and financial services.

PROGRAM HIGHLIGHTS

The Environmental Facilities Corporation currently administers seven major programs: the two State Revolving Funds, the Industrial Finance Program, Technical Advisory Services, the Clean Water/Clean Air Bond Act's business environmental compliance assistance programs, the Pipeline for Jobs Program and New York Beginning Farmer Loan Program.

CLEAN WATER STATE REVOLVING FUND PROGRAM

This program was established in 1989 to help municipalities comply with the Federal Clean Water Act by providing low-interest rate financings to build or upgrade water pollution control facilities. Since 1989, the program has received Federal and State appropriations totaling \$2.8 billion and \$558 million, respectively. The State Revolving Fund has made financings totaling \$13 billion to 477 recipients across the State. Interest rates range from as low as zero percent to no more than two-thirds of the market rate. These low-interest rate financings substantially reduce the cost of water pollution control projects for borrowers, making environmental compliance and protection more attainable.

In July 2007, the Governor signed legislation creating a Water Pollution Control Linked Deposit Program (LDP) that requires EFC to invest CWSRF monies with participating lending institutions for agricultural non-point source projects and for residential and small business on-site wastewater treatment system projects. The legislation is limited to \$10 million per intended use plan period and is effective January 14, 2008.

DRINKING WATER STATE REVOLVING FUND PROGRAM

In 1996, Congress enacted Federal legislation authorizing the Drinking Water State Revolving Fund program. This program, modeled after the Clean Water State Revolving Fund program, provides reduced interest rate financings to community and private water systems to finance safe drinking water projects. In cases of financial hardship, funds are also available from the Clean Water/Clean Air Bond Act to make grants for the construction of drinking water facilities. The Drinking Water Program has made loans and grants totaling \$2.0 billion to 315 recipients across the State. Federal funding provided for the Drinking Water State Revolving Fund requires a 20 percent State match. Since 1996, the program has received Federal and State appropriations totaling \$540 million and \$265 million, respectively. The State's share of the Drinking Water State Revolving Fund is provided from the Clean Water/Clean Air Bond Act.

INDUSTRIAL FINANCE PROGRAM

Since 1976, the Industrial Finance Program has provided more than \$2.2 billion in low-interest rate loans to businesses and State agencies for environmental improvement projects. Projects eligible for loans include solid waste management facilities, hazardous waste management facilities, and water supply and wastewater management facilities. Loans under the program are financed from the proceeds of special obligation revenue bonds issued by the Corporation.

TECHNICAL ADVISORY SERVICES

The Technical Advisory Services Program advises businesses, industrial clients, State agencies, and municipalities on pollution prevention, waste management, and compliance with environmental laws and regulations. The Corporation also provides fund management and loan and grant servicing to its clients. The Environmental Facilities Corporation addresses such issues as air pollution control and compliance, multi-media waste management, inactive hazardous waste site remediation, water and wastewater management, and solid waste management and landfill closure. This program is funded by fees paid by Corporation clients who contract for these services.

FINANCIAL ASSISTANCE TO BUSINESS

The 1996 Clean Water/Clean Air Bond Act provides \$60 million to assist businesses in achieving compliance with environmental laws and regulations pertaining to air and water quality. The air and water quality programs are funded at \$30 million each and are used to assist businesses in targeted sectors to achieve environmental compliance including procurement of new capital equipment. The Corporation works with village, town, and city governments to identify businesses in need of assistance.

PIPELINE FOR JOBS

The Pipeline for Jobs Program was created in 1999 to provide low-cost loans and financial assistance to municipalities, public utilities, public benefit corporations, and businesses. The purpose of the program is to encourage and support water supply and cold water supply improvement projects which provide an economic development benefit to the State. The recommendation for this program includes \$5 million in reappropriations.

NEW YORK BEGINNING FARMER LOAN PROGRAM

The New York Beginning Farmer Loan Program provides low interest loans of up to \$250,000 to individuals for the purchase of agricultural property and equipment. The purpose of this program is to attract and support New York's next generation of farmers.

ENVIRONMENTAL FACILITIES

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 13,552,000 | 13,828,000 | 276,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 4,743,000 | 343,000 | (4,400,000) | 5,686,000 |
| Total | 18,295,000 | 14,171,000 | (4,124,000) | 5,686,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 88 | 98 | 10 |
| Clean Water/Clean Air Administration Program | | | |
| Capital Projects Funds - Other | 4 | 2 | (2) |
| Total | 92 | 100 | 8 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Special Revenue Funds - Other | 13,552,000 | 13,828,000 | 276,000 |
| Total | 13,552,000 | 13,828,000 | 276,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Administration | | | |
| Special Revenue Funds - Other | 13,552,000 | 13,828,000 | 276,000 |
| Total | 13,552,000 | 13,828,000 | 276,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|----------------|------------|---------|------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 13,828,000 | 276,000 | 8,276,000 | 118,000 |
| Total | 13,828,000 | 276,000 | 8,276,000 | 118,000 |

| Program | Nonpersonal Service | |
|----------------|---------------------|---------|
| | Amount | Change |
| Administration | 5,552,000 | 158,000 |
| Total | 5,552,000 | 158,000 |

ENVIRONMENTAL FACILITIES

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Air Resources | | | | |
| Capital Projects Fund | 4,400,000 | 0 | (4,400,000) | 0 |
| Pipeline for Jobs Program | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 5,000,000 |
| Clean Water - Clean Air Implementation | | | | |
| Clean Water Clean Air Implementation Fund | 343,000 | 343,000 | 0 | 686,000 |
| Total | 4,743,000 | 343,000 | (4,400,000) | 5,686,000 |
| Adjustments: | | | | |
| Recommended Deficiency | | | | |
| Air Resources | (4,400,000) | | | |
| Appropriated 2007-08 | 343,000 | | | |

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

The Division of Housing and Community Renewal (DHCR) 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 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's Rent Administration program is administered through the main office in Queens and local offices in rent regulated communities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$330.3 million (\$86 million General Fund; \$244.3 million Other Funds)** for the Division of Housing and Community Renewal. This is a decrease of **\$9.2 million All Funds (\$13.2 million decrease for General Fund; \$4 million increase for General Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in lease costs and other adjustments. The Executive Budget recommendation includes \$103.1 million of Federal funds, no change from the 2007-08 budget. The Executive Budget recommends a staffing level of **950 FTEs** for the Division of Housing and Community Renewal, no change from the 2007-08 budget.

Major budget actions include:

- **Housing Opportunity Fund**: For 2008-09, a total of \$400 million will be used for a new "Housing Opportunity Fund". These resources will be targeted to the development of affordable, supportive and workforce housing initiatives across the state. The new Fund will be financed by the release of reserves held by the State of New York Mortgage Agency (SONYMA) Mortgage Insurance Fund, and the sale of property at the Jacob K. Javits Convention Center site, and will provide \$300 million for Downstate housing efforts and \$100 million for Upstate housing efforts. The program would be directly administered by SONYMA, with the benefit of an advisory panel consisting of the Division of Housing and Community Renewal (DHCR), the Office of Temporary Disability Assistance (OTDA), the Office of Alcoholism and Substance Abuse Services (OASAS), the Office of Mental Health (OMH) and the Office of Mental Retardation and Developmental Disabilities (OMRDD).

HOUSING AND COMMUNITY RENEWAL

- **State Low Income Housing Tax Credit:** The 2008-09 budget recommends \$4 million for the State Low-Income Housing Tax Credit Program which will result in nearly \$40 million in new funding for affordable housing over the next ten years.

The Division'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.

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 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 Small Cities Community Development Block Grant Program administers approximately \$58 million in annual funding from the U.S. Department of Housing and Urban Development (HUD). 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:

- 192 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 80,000 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 more than 20,000 apartments for low-income families; and
- Approximately 1,000 low-income apartment projects partially financed by State or Federal capital funds.

HOUSING AND COMMUNITY RENEWAL

In addition to its regulatory functions, the Housing Program is responsible for the administration of over 35,000 HUD Housing Choice vouchers in New York State. These vouchers provide rental assistance to low-income families in 50 local program areas in New York State.

RENT ADMINISTRATION

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation under the DHCR in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants. The Office of Rent Administration has been recognized for its outstanding efforts to make the program more responsive to its customers. Since 1995, over 90 percent of the backlog of rent regulated cases subject to adjudication have been eliminated. By streamlining the administrative process, the amount of time necessary to close a rent overcharge case has been reduced significantly.

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 \$125.9 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 \$85.5 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$35,000 per unit or \$40,000 per unit in designated high cost areas.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$65.2 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, the 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 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 98,638,000 | 102,638,000 | 4,000,000 | 66,881,000 |
| Aid To Localities | 166,772,762 | 153,505,000 | (13,267,762) | 129,403,000 |
| Capital Projects | 74,200,000 | 74,200,000 | 0 | 380,206,000 |
| Total | 339,610,762 | 330,343,000 | (9,267,762) | 576,490,000 |

HOUSING AND COMMUNITY RENEWAL

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|---------------------------------------|---------------------------------------|------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| General Fund | 59 | 59 | 0 |
| Community Development | | | |
| General Fund | 62 | 62 | 0 |
| Special Revenue Funds - Federal | 43 | 43 | 0 |
| Special Revenue Funds - Other | 12 | 12 | 0 |
| Housing | | | |
| General Fund | 24 | 24 | 0 |
| Special Revenue Funds - Federal | 56 | 56 | 0 |
| Special Revenue Funds - Other | 78 | 78 | 0 |
| Housing Information Systems | | | |
| General Fund | 71 | 71 | 0 |
| HUD Section 8 New Construction | | | |
| Special Revenue Funds - Federal | 10 | 10 | 0 |
| New Facilities | | | |
| Capital Projects Funds - Federal | 34 | 34 | 0 |
| Rent Administration | | | |
| General Fund | 159 | 159 | 0 |
| Special Revenue Funds - Other | 342 | 342 | 0 |
| Total | 950 | 950 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 30,994,000 | 34,994,000 | 4,000,000 |
| Special Revenue Funds - Federal | 10,651,000 | 10,651,000 | 0 |
| Special Revenue Funds - Other | 56,993,000 | 56,993,000 | 0 |
| Total | 98,638,000 | 102,638,000 | 4,000,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| General Fund | 13,373,000 | 15,373,000 | 2,000,000 |
| Special Revenue Funds - Other | 2,911,000 | 2,911,000 | 0 |
| Community Development | | | |
| General Fund | 3,484,000 | 3,484,000 | 0 |
| Special Revenue Funds - Federal | 3,254,000 | 3,254,000 | 0 |
| Special Revenue Funds - Other | 1,646,000 | 1,646,000 | 0 |
| Housing | | | |
| General Fund | 2,339,000 | 2,339,000 | 0 |
| Special Revenue Funds - Federal | 7,397,000 | 7,397,000 | 0 |
| Special Revenue Funds - Other | 9,045,000 | 9,045,000 | 0 |
| Housing Information Systems | | | |
| General Fund | 8,452,000 | 10,452,000 | 2,000,000 |
| Rent Administration | | | |
| General Fund | 3,346,000 | 3,346,000 | 0 |
| Special Revenue Funds - Other | 43,391,000 | 43,391,000 | 0 |
| Total | 98,638,000 | 102,638,000 | 4,000,000 |

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------------|------------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 4,676,000 | 0 | 4,651,000 | 0 |
| Community Development | 3,315,000 | 0 | 3,290,000 | 0 |
| Housing | 2,272,000 | 0 | 2,267,000 | 0 |
| Housing Information Systems | 4,772,000 | 0 | 4,752,000 | 0 |
| Rent Administration | 2,796,000 | 0 | 2,791,000 | 0 |
| Total | 17,831,000 | 0 | 17,751,000 | 0 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 25,000 | 0 | 0 | 0 |
| Community Development | 0 | 0 | 25,000 | 0 |
| Housing | 0 | 0 | 5,000 | 0 |
| Housing Information Systems | 0 | 0 | 20,000 | 0 |
| Rent Administration | 0 | 0 | 5,000 | 0 |
| Total | 25,000 | 0 | 55,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-----------------------------|------------|-----------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 10,697,000 | 2,000,000 | 350,000 | 0 |
| Community Development | 169,000 | 0 | 17,000 | 0 |
| Housing | 67,000 | 0 | 2,000 | 0 |
| Housing Information Systems | 5,680,000 | 2,000,000 | 30,000 | 0 |
| Rent Administration | 550,000 | 0 | 45,000 | 0 |
| Total | 17,163,000 | 4,000,000 | 444,000 | 0 |

| Program | Travel | | Contractual Services | |
|-----------------------------|---------|--------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 300,000 | 0 | 9,397,000 | 2,000,000 |
| Community Development | 85,000 | 0 | 42,000 | 0 |
| Housing | 45,000 | 0 | 15,000 | 0 |
| Housing Information Systems | 50,000 | 0 | 4,369,000 | 2,000,000 |
| Rent Administration | 5,000 | 0 | 400,000 | 0 |
| Total | 485,000 | 0 | 14,223,000 | 4,000,000 |

| Program | Equipment | |
|-----------------------------|-----------|--------|
| | Amount | Change |
| Administration | 650,000 | 0 |
| Community Development | 25,000 | 0 |
| Housing | 5,000 | 0 |
| Housing Information Systems | 1,231,000 | 0 |
| Rent Administration | 100,000 | 0 |
| Total | 2,011,000 | 0 |

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 2,911,000 | 0 | 660,000 | 0 |
| Community Development | 4,900,000 | 0 | 2,915,000 | 0 |
| Housing | 16,442,000 | 0 | 9,494,000 | 0 |
| Rent Administration | 43,391,000 | 0 | 26,145,000 | 0 |
| Total | 67,644,000 | 0 | 39,214,000 | 0 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 2,251,000 | 0 | 0 | 0 |
| Community Development | 1,985,000 | 0 | 0 | 0 |
| Housing | 5,447,000 | 0 | 1,501,000 | 0 |
| Rent Administration | 17,246,000 | 0 | 0 | 0 |
| Total | 26,929,000 | 0 | 1,501,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 64,322,762 | 51,055,000 | (13,267,762) |
| Special Revenue Funds - Federal | 92,450,000 | 92,450,000 | 0 |
| Special Revenue Funds - Other | 10,000,000 | 10,000,000 | 0 |
| Total | 166,772,762 | 153,505,000 | (13,267,762) |

HOUSING AND COMMUNITY RENEWAL

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------------|------------------------------|--------------------------------|---------------------|
| Home Ownership Economic Stabilization | | | |
| Loan Program for Long Island | | | |
| General Fund | 390,000 | 0 | (390,000) |
| Housing Development Fund Program | | | |
| Special Revenue Funds - Other | 10,000,000 | 10,000,000 | 0 |
| HUD Section 8 New Construction | | | |
| Special Revenue Funds - Federal | 13,100,000 | 13,100,000 | 0 |
| Lead Poisoning Prevention Program | | | |
| General Fund | 400,000 | 0 | (400,000) |
| Low Income Weatherization | | | |
| Special Revenue Funds - Federal | 21,350,000 | 21,350,000 | 0 |
| Neighborhood Preservation | | | |
| General Fund | 13,906,500 | 10,634,000 | (3,272,500) |
| New York City Housing Authority Tenant | | | |
| Pilot Program | | | |
| General Fund | 1,200,000 | 0 | (1,200,000) |
| Periodic Subsidies - Local Areas | | | |
| General Fund | 20,220,000 | 16,220,000 | (4,000,000) |
| Rural Community Revitalization Program | | | |
| General Fund | 400,000 | 0 | (400,000) |
| Rural Preservation | | | |
| General Fund | 6,225,000 | 4,597,000 | (1,628,000) |
| Rural Rental Assistance | | | |
| General Fund | 19,604,000 | 19,604,000 | 0 |
| Small Cities Community Development | | | |
| Block Grant | | | |
| Special Revenue Funds - Federal | 58,000,000 | 58,000,000 | 0 |
| Urban Homeownership Assistance Program | | | |
| General Fund | 388,000 | 0 | (388,000) |
| Community Projects | | | |
| General Fund | 1,589,262 | 0 | (1,589,262) |
| Total | <u>166,772,762</u> | <u>153,505,000</u> | <u>(13,267,762)</u> |

HOUSING AND COMMUNITY RENEWAL

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Affordable Housing Corporation | | | | |
| Housing Program Fund | 25,000,000 | 25,000,000 | 0 | 85,513,000 |
| Housing Assistance Fund | | | | |
| Housing Assistance Fund | 0 | 0 | 0 | 13,086,000 |
| Low Income Housing Trust Fund | | | | |
| Housing Program Fund | 29,000,000 | 29,000,000 | 0 | 125,851,000 |
| Maintenance and Improvements of Existing Facilities | | | | |
| Housing Program Fund | 0 | 0 | 0 | 4,025,000 |
| Housing Opportunity Program For Elderly | | | | |
| Housing Program Fund | 400,000 | 400,000 | 0 | 0 |
| 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 | 122,000 |
| Federal Capital Projects Fund | 0 | 0 | 0 | 28,434,000 |
| Public Housing Modernization Program | | | | |
| Housing Program Fund | 12,800,000 | 12,800,000 | 0 | 65,186,000 |
| Rural Revitalization Program | | | | |
| Housing Program Fund | 0 | 0 | 0 | 2,750,000 |
| Urban Initiatives Program | | | | |
| Housing Program Fund | 0 | 0 | 0 | 2,375,000 |
| Homes for Working Families Program | | | | |
| Housing Program Fund | 7,000,000 | 7,000,000 | 0 | 25,800,000 |
| Total | <u>74,200,000</u> | <u>74,200,000</u> | <u>0</u> | <u>380,206,000</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 tax-exempt and taxable bonds to provide mortgage loans for the construction and rehabilitation of both low income and mixed income multi-family rental housing.

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 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. The Agency has regional offices in Albany and Buffalo. 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. The New York State Affordable Housing Corporation is a subsidiary of the Agency.

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.

For 2008-09, a total of \$400 million will be used for a new "Housing Opportunity Fund". These resources will be targeted to the development of affordable, supportive and workforce housing initiatives across the state. The new Fund will be financed by the release of reserves held by the SONYMA Mortgage Insurance Fund, and the sale of property at the Jacob K. Javits Convention Center site, and will provide \$300 million for Downstate housing efforts and \$100 million for Upstate housing efforts. The program would be directly administered by the State of New York Mortgage Agency (SONYMA), with the benefit of an advisory panel consisting of the Division of Housing and Community Renewal (DHCR), the Office of Temporary Disability Assistance (OTDA), the Office of Alcoholism and Substance Abuse Services (OASAS), the Office of Mental Health (OMH) and the Office of Mental Retardation and Developmental Disabilities (OMRDD).

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of more than \$9 billion for more than 108,000 units of multi-family housing. During the Agency's fiscal year ending October 31, 2006, more than 1,700 units were financed with mortgage loans totaling more than \$495 million, and in the fiscal year ending October 31, 2007, more than 3,800 units were financed with mortgage loans totaling more than \$1.2 billion.

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency (SONYMA) 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 Board of Directors comprised of the State Comptroller or his or appointee, the Director of the Budget, the Commissioner of Housing and Community Renewal and four 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 (HFA) 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 Programs and Financing 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 Fund Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. In addition, in December 2004, the Mortgage Insurance Fund was authorized to enter into agreements to provide credit support for bonds and ancillary bond facilities issued by the Convention Center Development Corporation, a subsidiary of the New York State Urban Development Corporation. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax. In 2008, the Mortgage Insurance Fund powers will be expanded to include a Housing Opportunity Fund.

BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee payments made by the Agency to the State in prior years. The Executive Budget recommends more than \$331 million in appropriations in 2008-09 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. SONYMA has an staffing level of 101 FTEs for 2008-09 and increase of 8 FTEs from 2007-08 levels.

- **Housing Opportunity Fund:** As part of a 2008-09 infrastructure and economic development plan, a total of \$400 million will be used for a new "Housing Opportunity Fund". These resources will be targeted to the development of

MORTGAGE AGENCY

affordable, supportive and workforce housing initiatives across the state. The new Fund will be financed by the release of reserves held by the SONYMA Mortgage Insurance Fund, and the sale of property at the Jacob K. Javits Convention Center site, and will be allocated with \$300 million for the Downstate region and \$100 million for the Upstate region.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$10 billion of affordable financing for over 145,000 homes in New York. During the Agency's 2006-07 fiscal year, 2,558 loans were financed in the amount of \$302 million.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$4.9 billion. In 2006-07, mortgage insurance provided by the Agency totaled more than \$717.5 million.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 76,800,000 | 76,800,000 | 0 | 0 |
| Aid To Localities | 293,718,000 | 255,009,000 | (38,709,000) | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 370,518,000 | 331,809,000 | (38,709,000) | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | 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 2007-08 | Recommended 2008-09 | 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 |

MORTGAGE AGENCY

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 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 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------------|
| General Fund | 293,718,000 | 255,009,000 | (38,709,000) |
| Total | 293,718,000 | 255,009,000 | (38,709,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------------|----------------------|------------------------|--------------|
| SONYMA Mortgage Insurance Fund Restoration | | | |
| General Fund | 293,718,000 | 255,009,000 | (38,709,000) |
| Total | 293,718,000 | 255,009,000 | (38,709,000) |

HUDSON RIVER PARK TRUST

MISSION

The Hudson River Park Trust (the Trust) is a public benefit corporation established in 1998 to design, develop, and maintain the 550-acre Hudson River Park in Manhattan, which extends five miles along the Hudson River waterfront from Battery Park to 59th Street. The Trust is governed by a 13-member board: 5 members appointed by the Governor, 5 by the Mayor of New York City, and 3 by the Manhattan Borough President.

ORGANIZATION AND STAFFING

The Trust is headed by a President and Chief Executive Officer who is appointed by the Board.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$45 million (\$25 million capital advance appropriation; \$20 million for funding of new obligations)** for the Trust. Appropriations are \$40 million higher than included in the 2007-08 budget.

Specifically, the 2008-09 Budget recommendations provide a capital advance appropriation of \$25 million for New York City's share of the project. The Budget also proposes funding for new obligations of \$20 million for capital projects to aid in the completion of the remaining segments of the Park. All Trust administrative activities, including operating costs, are paid directly from a portion of the commercial lease payments and other revenues generated by businesses and activities conducted on the Park property. These receipts are deposited directly to the Trust. Additionally, the Trust has a **workforce of 53** full time employees.

PROGRAM HIGHLIGHTS

During 2008-09, the Trust will continue the design and construction of the remaining segments of the Park, develop detailed cost estimates, explore alternative sources of funding and continue to oversee capital projects to build the Park.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|---------------------------------------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 25,000,000 | 25,000,000 | 32,124,000 |
| Total | 0 | 25,000,000 | 25,000,000 | 32,124,000 |

HUDSON RIVER PARK

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Regional Development | | | | |
| Capital Projects Fund - Advances | 0 | 25,000,000 | 25,000,000 | 32,124,000 |
| Total | 0 | 25,000,000 | 25,000,000 | 32,124,000 |

INSURANCE DEPARTMENT

MISSION

The Insurance Department, which was established in 1860, is charged with regulating the insurance industry and with balancing the interests of insurance consumers, companies and producers. Specific statutory responsibilities include: approving the formation, consolidation or merger of insurance organizations and all new insurance products, monitoring the financial stability of insurers, overseeing the testing and licensing of agents, adjusters, consultants and insurance intermediaries and disciplining licensees who violate the Insurance Law or regulations.

ORGANIZATION AND STAFFING

The Insurance Department is headed by a Superintendent who is appointed by the Governor. The Department maintains offices in Albany, New York City and local offices in Mineola, Rochester, Syracuse, Oneonta, Brooklyn and Buffalo. The Department's activities are carried out through three programs: Administration, Regulation and Consumer Services.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$317.4 million All Funds (\$100 million General Fund; \$217.4 million Other Funds)** for the Insurance Department. This is an increase of **\$18.2 million All Funds** (\$18 million Special Revenue Other Funds, \$150,000 Federal Funds) from the 2007-08 budget. This net change primarily reflects an initiative to fund the Department of Health's Enhanced Newborn Screening program, growth in personal services costs, and additional lease costs for office space.

The Executive Budget recommends a staffing level of **968 FTEs** for the Insurance Department, an increase of **24 FTEs** from the 2007-08 budget. The additional staff comprises new hires for administration of Timothy's Law, the Governor's "Partnership for Coverage" Initiative, and the Commission to Modernize the Regulation of Financial Services.

Major budget actions include:

- **Newborn Screening:** This program at the Department of Health performs more than 11 million tests annually for more than 40 congenital diseases and the human immunodeficiency virus (HIV) which causes Acquired Immune Deficiency Syndrome (AIDS). The tests are conducted on the quarter of a million babies born each year in the State and allow for early medical intervention to improve the health of infants born with such conditions.
- **Governor's "Partnership for Coverage":** This initiative is based on a building-block approach that ensures access to affordable, high quality medical care for New Yorkers by streamlining access and increasing enrollment in public health insurance programs like Medicaid, Child Health Plus, Family Health Plus and Healthy NY.
- **Commission to Modernize the Regulation of Financial Services:** The Commission is charged with identifying ways in which State financial regulations could be integrated, rationalized, and modified to promote economic innovation, protect consumers, and enhance New York's stature as a world financial capital.

INSURANCE

The Insurance Department is funded by State tax dollars from the General Fund; assessments on New York State based insurance carriers, and company examination fees. These monies fully support the operations of the Department as well as insurance-related operations in other agencies.

The Executive Budget also includes a \$100 million General Fund appropriation for the Department to finance provisions of “Timothy’s Law” which was enacted in late 2006. Under this statute’s provisions, the State is required to fully reimburse employers with 50 or fewer employees for the costs associated with providing broad-based mental health insurance coverage.

PROGRAM HIGHLIGHTS

The Department ensures that insurance companies meet statutory requirements regarding their finances and corporate conduct by monitoring the financial condition of companies and conducting periodic field examinations of insurers. It strives for the fair treatment of policyholders, claimants and the public through the regulation of company claim payments and sales practices, responses to consumer complaints, and the timely review of insurance company denials of coverage. Risk-focused examinations are being incorporated by state insurance regulators, replacing the traditional full scope financial statement verification examinations. The Department has devoted resources to areas of higher risk, where effective and efficient uses of resources are realized.

The Department promotes high standards of conduct and competence through testing, oversight, and pre-licensing and continuing education of insurers and agents. It maintains a registry of all licensees, collects fees and imposes fines related to the revocation of licenses and irregular activities.

With the passage of the Workers’ Compensation Reform Act of 2007, the Department is responsible for developing reforms to streamline and speed up claims processes, reviewing and reporting on the effectiveness and benefits of the Compensation Insurance Rating Board, developing medical treatment and disability guidelines for injured workers, and evaluating the cost, economic efficiency, and fairness of the workers’ compensation system.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 300,182,000 | 316,337,000 | 16,155,000 | 0 |
| Aid To Localities | 0 | 1,036,000 | 1,036,000 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 300,182,000 | 317,373,000 | 17,191,000 | 0 |

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| Special Revenue Funds - Other | 131 | 131 | 0 |
| Consumer Services | | | |
| Special Revenue Funds - Other | 153 | 153 | 0 |
| Regulation | | | |
| General Fund | 9 | 12 | 3 |
| Special Revenue Funds - Other | 651 | 672 | 21 |
| Total | 944 | 968 | 24 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 101,000,000 | 100,000,000 | (1,000,000) |
| Special Revenue Funds - Federal | 0 | 150,000 | 150,000 |
| Special Revenue Funds - Other | 199,182,000 | 216,187,000 | 17,005,000 |
| Total | 300,182,000 | 316,337,000 | 16,155,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Administration | | | |
| Special Revenue Funds - Other | 14,864,000 | 14,796,000 | (68,000) |
| Consumer Services | | | |
| Special Revenue Funds - Other | 12,691,000 | 12,699,000 | 8,000 |
| Regulation | | | |
| General Fund | 101,000,000 | 100,000,000 | (1,000,000) |
| Special Revenue Funds - Federal | 0 | 150,000 | 150,000 |
| Special Revenue Funds - Other | 171,627,000 | 188,692,000 | 17,065,000 |
| Total | 300,182,000 | 316,337,000 | 16,155,000 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Regulation | 800,000 | 300,000 | 800,000 | 300,000 |
| Total | 800,000 | 300,000 | 800,000 | 300,000 |

INSURANCE

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|------------|------------|-------------|------------------------|-----------|
| | Amount | Change | Amount | Change |
| Regulation | 99,200,000 | (1,300,000) | 0 | (125,000) |
| Total | 99,200,000 | (1,300,000) | 0 | (125,000) |

| Program | Travel | | Contractual Services | |
|------------|--------|-----------|----------------------|------------|
| | Amount | Change | Amount | Change |
| Regulation | 0 | (125,000) | 99,200,000 | 99,075,000 |
| Total | 0 | (125,000) | 99,200,000 | 99,075,000 |

| Program | Equipment | | Maintenance Undistributed | |
|------------|-----------|-----------|---------------------------|---------------|
| | Amount | Change | Amount | Change |
| Regulation | 0 | (125,000) | 0 | (100,000,000) |
| Total | 0 | (125,000) | 0 | (100,000,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------|-------------|------------|------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 14,796,000 | (68,000) | 9,158,000 | 13,000 |
| Consumer Services | 12,699,000 | 8,000 | 8,115,000 | 58,000 |
| Regulation | 188,842,000 | 17,215,000 | 52,982,000 | 2,135,000 |
| Total | 216,337,000 | 17,155,000 | 70,255,000 | 2,206,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------|---------------------|-----------|---------------------------|------------|
| | Amount | Change | Amount | Change |
| Administration | 5,638,000 | (81,000) | 0 | 0 |
| Consumer Services | 4,584,000 | (50,000) | 0 | 0 |
| Regulation | 50,377,000 | 4,216,000 | 85,483,000 | 10,864,000 |
| Total | 60,599,000 | 4,085,000 | 85,483,000 | 10,864,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Other | 0 | 1,036,000 | 1,036,000 |
| Total | 0 | 1,036,000 | 1,036,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Regulation | | | |
| Special Revenue Funds - Other | 0 | 1,036,000 | 1,036,000 |
| Total | 0 | 1,036,000 | 1,036,000 |

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, Syracuse, New York City and Long Island, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. Marketing sales representatives are assigned to the regional offices around the State, and recruit and support point-of-sale retailers, which include convenience stores, newsstands, supermarkets, restaurants and bowling centers.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$120 million All Funds (\$120 million Other Funds)** for the Division of the Lottery. This is a decrease of **\$3 million** in All Funds (\$3 million Other Funds) from the 2007-08 budget, reflecting anticipated savings in non personal services expenditures associated with the Administration of the Lottery Program.

The Executive Budget recommends a staffing level of **361 FTE's** for the Division of the Lottery, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

Lottery games sold on the Division's on-line computer system include Numbers, Win 4, Take 5 and other Lottery games. These games can be played from approximately 16,000 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place twice daily, 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 approximately 40 new Instant games during 2008-09, with ticket prices starting at \$1.

Quick Draw, first introduced in 1995, is an electronically drawn game with winning numbers drawn by a central computer every four minutes. Quick Draw is displayed at approximately 3,200 authorized establishments statewide, such as restaurants and bowling centers.

In 2001, legislation was enacted to broaden the Lottery gaming opportunities in New York State, authorizing New York's involvement in a multi-state Lottery game and permitting the installation of Video Lottery Terminals (VLTs) at horse racing facilities across the State. Pursuant to this legislation, the Division of the Lottery entered into an agreement with nine other states to create a new multi-state Lottery game, "Mega Millions". Currently, 12 states including New York participate. Mega Millions' first drawing occurred on May 17, 2002.

LOTTERY

The 2008-09 Executive Budget provides funds necessary to market and operate traditional Lottery games for the coming fiscal year. In addition, Lottery has continued efforts to implement the VLT program at various horse racing facilities across the State with eight VLT gaming facilities currently operational. The 2008-09 Executive Budget also provides the necessary funding for the video lottery program's continued operation and implementation.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 132,357,300 | 120,314,100 | (12,043,200) | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 132,357,300 | 120,314,100 | (12,043,200) | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration of the Lottery Program | | | |
| Special Revenue Funds - Other | 314 | 314 | 0 |
| Administration of the VLT Program | | | |
| Special Revenue Funds - Other | 47 | 47 | 0 |
| Total | 361 | 361 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------------|
| Special Revenue Funds - Other | 132,357,300 | 120,314,100 | (12,043,200) |
| Total | 132,357,300 | 120,314,100 | (12,043,200) |

Adjustments:

| | |
|-------------------------------|-------------|
| Prior Year Deficiency | |
| Lottery, Division of the | |
| Special Revenue Funds - Other | 18,000,000 |
| Appropriated 2007-08 | 150,357,300 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------------|----------------------|------------------------|--------------|
| Administration of the Lottery Program | | | |
| Special Revenue Funds - Other | 116,012,300 | 103,992,800 | (12,019,500) |
| Administration of the VLT Program | | | |
| Special Revenue Funds - Other | 16,345,000 | 16,321,300 | (23,700) |
| Total | 132,357,300 | 120,314,100 | (12,043,200) |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|---------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration of the Lottery Program | 103,992,800 | (12,019,500) | 17,661,800 | (304,400) |
| Administration of the VLT Program | 16,321,300 | (23,700) | 2,958,500 | (63,500) |
| Total | 120,314,100 | (12,043,200) | 20,620,300 | (367,900) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---------------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration of the Lottery Program | 86,331,000 | (2,715,100) | 0 | (9,000,000) |
| Administration of the VLT Program | 13,362,800 | 39,800 | 0 | 0 |
| Total | 99,693,800 | (2,675,300) | 0 | (9,000,000) |

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 and financing of the 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 six subsidiaries: MTA Staten Island Rapid Transit, MTA Long Island Rail Road, MTA Long Island Bus, MTA Metro North Railroad, MTA Bus and MTA Capital Construction. 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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.3 billion All Funds (\$1.3 billion from the General Fund)** for the Metropolitan Transportation Authority (MTA) from the Rebuild and Renew New York Bond Act of 2005. Funds appropriated directly to the MTA include new appropriations and reappropriations from the Bond Act, approved by voters in November 2005, which provided \$1.45 billion of capital aid from SFYs 2005-06 through 2009-10. The \$1.3 billion includes approximately \$800 million in reappropriations of capital aid and approximately \$500 million in new capital aid for 2008-09. The appropriations made directly to the MTA are in addition to the approximately \$2.56 billion subsidy (an increase of approximately \$138 million over the prior year level) provided by the State to the Metropolitan Transportation Authority that is appropriated in the Department of Transportation's Aid to Localities budget.

METROPOLITAN TRANSPORTATION

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 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 two and a half 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 serving 300 million vehicles annually, 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

In July 2003, the MTA created MTA Capital Construction Company, which has the ability to manage, design and effectuate the system expansion projects of all the MTA agencies. 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 a feeder service to the subway. In September 2004, the MTA Board created the MTA Bus Company. Pursuant to an agreement with the City of New York, the MTA has assumed operation of bus service in the areas previously serviced by the City-franchised private bus lines. Specifically, the MTA is now responsible for all aspects of service delivery; the City of New York will pay to the MTA the difference between the actual cost of operations and all revenues. MTA Bus now operates the 11th largest bus fleet in North America.

MTA Long Island Bus provides bus service to Nassau County, western Suffolk County and eastern Queens County, connecting these areas to MTA Long Island Rail Road's stations and 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.

METROPOLITAN TRANSPORTATION

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 660,100,000 | 636,000,000 | (24,100,000) | 0 |
| Capital Projects | 352,000,000 | 487,000,000 | 135,000,000 | 878,923,000 |
| Total | 1,012,100,000 | 1,123,000,000 | 110,900,000 | 878,923,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------------|
| Special Revenue Funds - Other | 660,100,000 | 636,000,000 | (24,100,000) |
| Total | 660,100,000 | 636,000,000 | (24,100,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------------|
| Dedicated Tax | | | |
| Special Revenue Funds - Other | 660,100,000 | 636,000,000 | (24,100,000) |
| Total | 660,100,000 | 636,000,000 | (24,100,000) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------------|----------------------|------------------------|-------------|-----------------------------|
| Mass Transportation and Rail Freight | | | | |
| Metropolitan Transportation Authority | | | | |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 36,000,000 |
| Urban and Commuter Mass Transportation Bondable | | | | |
| Capital Projects Fund - Rebuild Renew NY 2005 | | | | |
| (Bondable) | 352,000,000 | 487,000,000 | 135,000,000 | 842,923,000 |
| Total | 352,000,000 | 487,000,000 | 135,000,000 | 878,923,000 |

DEPARTMENT OF MOTOR VEHICLES

MISSION

The NYS Department of Motor Vehicles is a customer-oriented agency whose employees and partners work together to promote traffic safety, protect consumers, provide information services and collect revenues for the benefit of the people of this state.

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 28 district and branch offices, which issue licenses and registrations. In addition, County Clerk offices act as DMV agents at 101 locations throughout the State.

Dedicated funds and fees, including a portion of traffic violation fines in certain localities, support approximately 99 percent of the Department's positions. The remaining one percent is funded with Federal grants.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$363.2 million All Funds (\$0 General Fund, \$363.2 million Other Funds)** for the Department of Motor Vehicles. This is an increase of **\$24.8 million All Funds (\$0 General Fund, \$24.8 million Other Funds)** from the 2007-08 budget. This net change primarily reflects the addition of capital spending to accommodate the Western Hemisphere Travel Initiative (WHTI), funding to implement the Internet Point Insurance Reduction Program (IPIRP), and other minor increases, net of some savings in non-personal services spending. The Executive Budget recommendation includes \$32.1 million of Federal funds, a decrease of \$1.2 million from the 2007-08 budget due to a projected decrease in grants to the Governor's Traffic Safety Commission.

The Dedicated Highway and Bridge Trust Fund, supported primarily by revenues from motor vehicle fees, highway use and motor fuel taxes, will fund \$221.5 million, or 61 percent of DMV's budget. The balance is financed by Federal funds and special revenue funds supported by various fees and fines.

The Executive Budget recommends a staffing level of **2,943 FTEs** for the Department of Motor Vehicles; an increase of 114 from the 2007-08 budget. This primarily reflects increased staffing needs for implementing WHTI.

Major Budget Actions Include:

- **Western Hemisphere Travel Initiative:** In 2008, the Federal Government's Western Hemisphere Travel Initiative (WHTI) will require all travelers to present a secure document, such as a passport or other document, or a combination of documents, that denote citizenship and identity when entering or departing the United States. DMV is planning to provide optional enhanced drivers licenses and non-driver photo identification cards to be designated by the U.S. Department of Homeland Security (DHS) as WHTI-compliant documents for land and sea travel border crossings. These enhanced documents will expedite border crossing by the inclusion of technology to facilitate scanning as well as include physical security features to guard against tampering. WHTI-complaint drivers licenses and non-driver photo identification cards will provide an efficient and convenient identification alternative to a passport or other documents for travelers to meet these

MOTOR VEHICLES

new requirements. The additional cost for a WHTI-compliant license or non-driver ID card will be \$20 per document. DMV plans to enhance customer service by hiring 110 FTE's to accommodate the additional WHTI customers, and it plans to enhance its anti-fraud initiative through the expanded use of photo comparison technology and through the purchase of additional identification authentication equipment. Costs for WHTI, including technology procurements, are projected to total \$15.9 million in SFY 2008-09; DMV estimates the collection of \$52.5 million in revenues in the program's first year of implementation, declining significantly thereafter as the initial wave of WHTI customers are processed for the optional license.

- **Internet Point Insurance Reduction Program:** DMV will establish a pilot program to study the use of the internet and other technologies as an effective tool in the delivery of the accident prevention course program. IPIRP will allow drivers to reduce the points on their licenses through successful completion of an Internet driver safety course. Program expenditures are projected to be \$1.4 million in SFY 2008-09 and will be supported by dedicated revenues generated from course provider and course participant fees.

PROGRAM HIGHLIGHTS

CUSTOMER SERVICE

DMV issues drivers licenses and vehicle registrations, collects more than \$1.35 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 continues to enhance its Internet website to provide customers an alternative means for transacting Department business. Through the convenience of personal computers, more than two million transactions per year are processed via the DMV website. Through the Internet, customers can renew registrations and drivers licenses, order personalized and custom plates, order duplicate titles, registrations and licenses, plead and pay Traffic Violations Bureau (TVB) tickets, obtain an accident report, and if requested, post insurance proof. A new project, the Internet Point Insurance Reduction Program (IPIRP), will establish a pilot program to study the use of the internet and other technologies as an effective tool in the delivery of the accident prevention course program. Customers can also check the status of their plate or title orders, schedule their road tests, pay certain fines, and obtain information and instructions from DMV's Right Now Web knowledge base. Businesses with secure access can order supplies of inspection stickers and post lien information.

VEHICLE AND DRIVER SAFETY

Highway safety policies have resulted in reductions in fatalities and serious injuries on our roads. Contributing to this success have been new 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 Click It or Ticket enforcement campaign, which has increased seatbelt usage to over 83 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.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 121,430,000 | 124,480,000 | 3,050,000 | 31,660,000 |
| Aid To Localities | 17,240,000 | 17,264,000 | 24,000 | 32,240,000 |
| Capital Projects | 200,378,000 | 221,453,000 | 21,075,000 | 2,500,000 |
| Total | 339,048,000 | 363,197,000 | 24,149,000 | 66,400,000 |

MOTOR VEHICLES

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

| Program | Full-Time Equivalent Positions (FTE) | | |
|-------------------------------------|---------------------------------------|---------------------------------------|------------|
| | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administrative Adjudication | | | |
| Special Revenue Funds - Other | 450 | 450 | 0 |
| Clean Air | | | |
| Special Revenue Funds - Other | 271 | 271 | 0 |
| Compulsory Insurance | | | |
| Special Revenue Funds - Other | 212 | 212 | 0 |
| Governor's Traffic Safety Committee | | | |
| Special Revenue Funds - Federal | 27 | 27 | 0 |
| Transportation Safety | | | |
| Special Revenue Funds - Other | 1 | 5 | 4 |
| Transportation Support | | | |
| Capital Projects Funds - Other | 1,868 | 1,978 | 110 |
| Total | 2,829 | 2,943 | 114 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| Special Revenue Funds - Federal | 15,960,000 | 14,841,000 | (1,119,000) |
| Special Revenue Funds - Other | 95,970,000 | 99,139,000 | 3,169,000 |
| Internal Service Funds | 9,500,000 | 10,500,000 | 1,000,000 |
| Total | 121,430,000 | 124,480,000 | 3,050,000 |

| | |
|-------------------------------|-------------|
| Adjustments: | |
| Transfer(s) From | |
| Special Pay Bill | |
| Special Revenue Funds - Other | (63,000) |
| Appropriated 2007-08 | 121,367,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| Special Revenue Funds - Other | 4,063,000 | 5,000,000 | 937,000 |
| Internal Service Funds | 9,500,000 | 10,500,000 | 1,000,000 |
| Administrative Adjudication | | | |
| Special Revenue Funds - Other | 44,443,000 | 44,899,000 | 456,000 |
| Clean Air | | | |
| Special Revenue Funds - Other | 25,769,000 | 25,952,000 | 183,000 |
| Compulsory Insurance | | | |
| Special Revenue Funds - Other | 20,015,000 | 20,183,000 | 168,000 |
| Governor's Traffic Safety Committee | | | |
| Special Revenue Funds - Federal | 15,960,000 | 14,841,000 | (1,119,000) |
| Transportation Safety | | | |
| Special Revenue Funds - Other | 1,680,000 | 3,105,000 | 1,425,000 |
| Total | 121,430,000 | 124,480,000 | 3,050,000 |

MOTOR VEHICLES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------|-------------|-------------|------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 15,500,000 | 1,937,000 | 0 | (43,000) |
| Administrative Adjudication | 44,899,000 | 456,000 | 22,669,000 | 269,000 |
| Clean Air | 25,952,000 | 183,000 | 14,599,000 | 173,000 |
| Compulsory Insurance | 20,183,000 | 168,000 | 9,735,000 | 115,000 |
| Governor's Traffic Safety Committee | 14,841,000 | (1,119,000) | 504,000 | 8,000 |
| Transportation Safety | 3,105,000 | 1,425,000 | 446,000 | 326,000 |
| Total | 124,480,000 | 3,050,000 | 47,953,000 | 848,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------------------|---------------------|-----------|---------------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 15,500,000 | 1,980,000 | 0 | 0 |
| Administrative Adjudication | 22,230,000 | 187,000 | 0 | 0 |
| Clean Air | 11,353,000 | 10,000 | 0 | 0 |
| Compulsory Insurance | 10,448,000 | 53,000 | 0 | 0 |
| Governor's Traffic Safety Committee | 333,000 | 15,400 | 14,004,000 | (1,142,400) |
| Transportation Safety | 2,659,000 | 1,099,000 | 0 | 0 |
| Total | 62,523,000 | 3,344,400 | 14,004,000 | (1,142,400) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------|
| Special Revenue Funds - Federal | 17,240,000 | 17,264,000 | 24,000 |
| Total | 17,240,000 | 17,264,000 | 24,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|----------------------|------------------------|--------|
| Governor's Traffic Safety Committee | | | |
| Special Revenue Funds - Federal | 17,240,000 | 17,264,000 | 24,000 |
| Total | 17,240,000 | 17,264,000 | 24,000 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------|----------------------|------------------------|------------|-----------------------------|
| Transportation Support | | | | |
| Dedicated Highway and Bridge Trust Fund | 200,378,000 | 221,453,000 | 21,075,000 | 2,500,000 |
| Total | 200,378,000 | 221,453,000 | 21,075,000 | 2,500,000 |

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 member as Chair. Board members serve without compensation.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$8.6 million** for the Olympic Regional Development Authority, which is approximately 26 percent of its \$32.7 million operating budget. This is an increase of **\$400,000** from the 2007-08 budget. This net change primarily reflects increases in health care and retirement costs. State funding supplements \$22.8 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$876,354 from the Town of North Elba; \$200,000 from the Winter Sports Education Trust Fund; and \$200,000 from the Olympic Training Center Account.

The Authority has a **workforce of 203**, an increase of **3** from the 2007-08 budget, and employs up to 1,115 full- and part-time hourly workers, depending on the season.

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 2006-07, the Olympic facilities at Lake Placid received more than 800,000 visitors. The Authority hosts numerous national and international athletic and entertainment events. In 2006-07, major events included: the 75th Anniversary of 1932 Winter Olympic Games; International Skating Institute Figure Skating Competition; World Cup Gymnastics; Lake Placid Synchronized Skating, Figure Skating and Ice Dance Championships; World Cup Snowboarding; Disney on Ice; NCAA Women's Hockey;

OLYMPIC REGIONAL DEVELOPMENT

Smucker's Stars on Ice; International Bobsled and Skeleton Sliding School; The Barnum and Bailey Circus; Chevrolet Geoff Bodine Bobsled Challenge; Empire State Winter Games; and several festivals and shows. In addition, the Authority has been the home of the Stars on Ice figure skating rehearsal and preview show since 1992.

SKI FACILITIES

The Authority also manages the Gore and Whiteface Mountain ski centers, two major downhill ski facilities that received more than 400,000 visitors in the 2006-07 ski season; and over 191,000 visitors for off-season activities such as mountain biking and sightseeing tours.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 8,626,000 | 9,026,000 | 400,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 5,500,000 |
| Total | 8,626,000 | 9,026,000 | 400,000 | 5,500,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| General Fund | 8,226,000 | 8,626,000 | 400,000 |
| Special Revenue Funds - Other | 400,000 | 400,000 | 0 |
| Total | 8,626,000 | 9,026,000 | 400,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Operations | | | |
| General Fund | 8,226,000 | 8,626,000 | 400,000 |
| Special Revenue Funds - Other | 400,000 | 400,000 | 0 |
| Total | 8,626,000 | 9,026,000 | 400,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|------------|-----------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Operations | 4,641,000 | 215,000 | 4,641,000 | 215,000 |
| Total | 4,641,000 | 215,000 | 4,641,000 | 215,000 |

OLYMPIC REGIONAL DEVELOPMENT

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|------------|-----------|---------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 3,985,000 | 185,000 | 2,097,000 | 97,000 |
| Total | 3,985,000 | 185,000 | 2,097,000 | 97,000 |

| Program | General State Charges | |
|------------|-----------------------|--------|
| | Amount | Change |
| Operations | 1,888,000 | 88,000 |
| Total | 1,888,000 | 88,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|------------|---------|--------|------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 400,000 | 0 | 170,000 | 0 |
| Total | 400,000 | 0 | 170,000 | 0 |

| Program | Nonpersonal Service | |
|------------|---------------------|--------|
| | Amount | Change |
| Operations | 230,000 | 0 |
| Total | 230,000 | 0 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|------------------------------------|----------------------|------------------------|--------|-----------------------------|
| Recreation | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 5,500,000 |
| Total | 0 | 0 | 0 | 5,500,000 |

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

MISSION

The Office of Parks, Recreation and Historic Preservation's mission is to provide safe and enjoyable recreational and interpretive opportunities for all New York State residents and visitors, and to be responsible stewards of our valuable natural, historic, and cultural resources. The Office operates and maintains 178 parks and 35 historic sites, hosts a multitude of cultural and educational programs and offers diverse recreational opportunities, ranging from secluded campsites to the internationally renowned Niagara Falls State Park. Approximately 55 million people visit the State's parks and historic sites annually.

New York's park system and its unparalleled recreational opportunities are an important factor in the State's tourism industry and economy. Services open to the public at State parks include beaches, golf courses, performing arts centers, swimming pools, marinas, cabins, campgrounds and many significant bird conservation, wildlife habitat, historic properties and natural areas.

ORGANIZATION AND STAFFING

The Office is headed by a Commissioner appointed by the Governor. Operations are administered through a network of 11 regional offices: Allegany, Central, Finger Lakes, Genesee, Long Island, New York City, Niagara, Palisades, Saratoga/Capital District, Taconic and Thousand Islands. The central office, which includes executive staff and other administrative support functions, is located in Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends more than **\$396 million All Funds (\$146 million General Fund; \$10.3 million Federal funds)** for the Office of Parks, Recreation and Historic Preservation (OPRHP). This is an increase of nearly **\$97 million All Funds** with a decrease of \$13 million on a General Fund basis from the 2007-08 Budget. This change primarily reflects the infusion of \$110 million in new capital funding to aid in the support of Upstate revitalization efforts offset by the removal of more than \$16 million in local and regional initiatives. These funds will support the operation of all existing park facilities and the development of parklands acquired with funding from the Environmental Protection Fund (EPF) and 1996 Clean Water/Clean Air Bond Act. In addition, \$8.5 million in funding for the Zoos, Botanical Gardens and Aquaria program will be provided from the EPF.

For fiscal year 2008-09, the Office will have a **workforce of 2,276**. This is an increase of 32 positions from 2007-08 levels to fund staff at new facilities and at Camp Cass which will house the Parks enforcement training academy. Approximately 5,000 temporary and seasonal employees supplement the permanent staff in the peak summer season.

The General Fund continues to be the Office's primary source of support for its operating and local assistance budgets by providing 65 percent of its funding. The remaining 35 percent is provided by a variety of sources, including:

PARKS, RECREATION AND HISTORIC PRESERVATION

- User fees at the parks (31.9 percent);
- Federal grants for activities related to the use of recreational vehicles and land and water conservation (2.4 percent); and
- Other miscellaneous funds, including moneys earmarked for historic sites, arboretums and the Empire State Games (0.7 percent).

The primary focus of the Office's capital program is the health and safety of park visitors and the maintenance and rehabilitation of existing facilities. Park facilities include more than 5,000 buildings, 29 golf courses, 53 swimming pools, 76 beaches, 27 marinas, 40 vacation rentals, 18 nature centers, 817 cabins and 8,355 campsites. The Office also maintains hundreds of miles of roads and over 1,350 miles of trails, expansive utility systems, 106 dams and 604 bridges.

For 2008-09, appropriations of \$144.2 million are recommended for capital projects from the State Park Infrastructure Fund, a dedicated fund consisting of revenues generated from day use and camping fees at the parks, as well as concession revenues and other miscellaneous revenues. Budget recommendations also include \$4 million in Federal appropriations for Federal Land and Water Conservation funding, \$10 million in fiduciary appropriations for other potential gifts to improve various parks and \$3.8 million for miscellaneous capital projects.

Funding from the State Park Infrastructure Fund will be supplemented with resources for State parks capital projects from the Federal Land and Water Conservation Fund, the EPF and the Parks Capital Initiative proposed with this Budget. In 2008-09, the EPF will provide \$5 million for infrastructure and stewardship projects at State parks and lands operated by the OPRHP and the Department of Environmental Conservation.

PROGRAM HIGHLIGHTS

The Office's mission is carried out through the operations of its 213 parks and historic sites, providing safe and attractive facilities, accessible and affordable services and quality visitor experiences. State parks and historic sites serve as models for sound natural, historic and cultural resource protection policies and effective sustainability practices. The Office also plays a key leadership role in these areas both nationally and with local governments and the non-profit community. The Office has reorganized functions and consolidated management operations and continues to achieve efficiencies through the streamlining of administrative oversight, redeployment of staff, and consolidation of functions. The Office has also fostered public-private partnerships to enhance park facilities and events, including corporate sponsorships for fireworks displays, playground construction and the Empire State Games. With private sector support and expertise, the Black Course at Bethpage State Park was the first public course ever to host the U.S. Open national golf championship in the summer of 2002, and has been selected to host the tournament again in 2009.

The responsibilities of the Office are carried out through five major programs:

- Administration provides executive direction, fiscal, personnel and audit services, public communications, and management of the Office's capital program;
- Park Operations operates the State's 178 parks. Seasonal and full-time personnel are assigned to specific facilities in one of the Office's 11 regions. Staff includes a statewide police force, security and field operations staff, as well as skilled and semi-skilled maintenance personnel. Day use, golf course and other user fees directly offset the cost of facility operations;

PARKS, RECREATION AND HISTORIC PRESERVATION

- Empire State Games plans and implements the Games for the Physically Challenged, Senior Games, Summer Games and Winter Games;
- Historic Preservation oversees preservation activities at 35 historic sites, develops a statewide Comprehensive Historic Preservation Plan and maintains the State Register of Historic Places; and
- Natural Heritage Trust receives and administers funds, including private gifts and bequests, to advance conservation, outdoor recreation and historic preservation purposes. Created under the Public Authorities Law in 1968, the Natural Heritage Trust is a public benefit corporation.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 215,313,900 | 218,767,900 | 3,454,000 | 20,107,900 |
| Aid To Localities | 32,025,646 | 14,870,000 | (17,155,646) | 40,948,275 |
| Capital Projects | 51,500,000 | 162,000,000 | 110,500,000 | 157,178,000 |
| Total | 298,839,546 | 395,637,900 | 96,798,354 | 218,234,175 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 81 | 81 | 0 |
| Historic Preservation | | | |
| General Fund | 196 | 199 | 3 |
| Special Revenue Funds - Federal | 12 | 12 | 0 |
| Special Revenue Funds - Other | 1 | 1 | 0 |
| Park Operations | | | |
| General Fund | 1,425 | 1,454 | 29 |
| Special Revenue Funds - Federal | 9 | 9 | 0 |
| Special Revenue Funds - Other | 386 | 386 | 0 |
| Capital Projects Funds - Other | 120 | 120 | 0 |
| Recreation Services | | | |
| General Fund | 14 | 14 | 0 |
| Total | 2,244 | 2,276 | 32 |

PARKS, RECREATION AND HISTORIC PRESERVATION

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 138,584,100 | 142,230,100 | 3,646,000 |
| Special Revenue Funds - Federal | 4,735,900 | 5,200,900 | 465,000 |
| Special Revenue Funds - Other | 69,493,900 | 69,836,900 | 343,000 |
| Enterprise Funds | 2,500,000 | 1,500,000 | (1,000,000) |
| Total | 215,313,900 | 218,767,900 | 3,454,000 |

Adjustments:

Transfer(s) From

Special Pay Bill

General Fund

(3,847,000)

Special Revenue Funds - Federal

(35,000)

Special Revenue Funds - Other

(89,000)

Transfer(s) To

Military and Naval Affairs, Division of

General Fund

390,000

Appropriated 2007-08

211,732,900

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| General Fund | 8,318,900 | 8,553,900 | 235,000 |
| Special Revenue Funds - Federal | 1,000,000 | 1,000,000 | 0 |
| Historic Preservation | | | |
| General Fund | 11,314,300 | 11,734,300 | 420,000 |
| Special Revenue Funds - Federal | 1,200,900 | 1,200,900 | 0 |
| Special Revenue Funds - Other | 131,000 | 131,000 | 0 |
| Park Operations | | | |
| General Fund | 116,238,500 | 119,097,500 | 2,859,000 |
| Special Revenue Funds - Federal | 2,535,000 | 3,000,000 | 465,000 |
| Special Revenue Funds - Other | 69,362,900 | 69,705,900 | 343,000 |
| Recreation Services | | | |
| General Fund | 2,712,400 | 2,844,400 | 132,000 |
| Enterprise Funds | 2,500,000 | 1,500,000 | (1,000,000) |
| Total | 215,313,900 | 218,767,900 | 3,454,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------|--------------------|----------------|-------------------------------------------------------|--------------------|
| | Amount | Change | Amount | Change |
| Administration | 5,053,800 | 75,000 | 4,878,200 | 75,000 |
| Historic Preservation | 9,944,700 | 345,000 | 7,758,000 | 300,000 |
| Park Operations | 97,724,200 | (429,000) | 63,056,000 | (1,978,000) |
| Recreation Services | 927,900 | 0 | 688,000 | 0 |
| Total | 113,650,600 | (9,000) | 76,380,200 | (1,603,000) |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------------|---------------------------------------------------|------------------|---------------------------------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration | 131,100 | 0 | 44,500 | 0 |
| Historic Preservation | 2,090,000 | 45,000 | 96,700 | 0 |
| Park Operations | 29,445,000 | 1,341,000 | 5,223,200 | 208,000 |
| Recreation Services | 225,000 | 0 | 14,900 | 0 |
| Total | 31,891,100 | 1,386,000 | 5,379,300 | 208,000 |

PARKS, RECREATION AND HISTORIC PRESERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-----------------------|------------|-----------|------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 3,500,100 | 160,000 | 105,200 | 0 |
| Historic Preservation | 1,789,600 | 75,000 | 403,800 | 45,000 |
| Park Operations | 21,373,300 | 3,288,000 | 7,662,000 | 1,172,000 |
| Recreation Services | 1,916,500 | 132,000 | 463,000 | 32,000 |
| Total | 28,579,500 | 3,655,000 | 8,634,000 | 1,249,000 |

| Program | Travel | | Contractual Services | |
|-----------------------|---------|---------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 100,400 | 0 | 3,144,500 | 160,000 |
| Historic Preservation | 140,700 | 0 | 1,048,500 | 30,000 |
| Park Operations | 472,000 | 127,000 | 11,884,300 | 1,439,000 |
| Recreation Services | 21,000 | 0 | 1,343,000 | 100,000 |
| Total | 734,100 | 127,000 | 17,420,300 | 1,729,000 |

| Program | Equipment | |
|-----------------------|-----------|---------|
| | Amount | Change |
| Administration | 150,000 | 0 |
| Historic Preservation | 196,600 | 0 |
| Park Operations | 1,355,000 | 550,000 |
| Recreation Services | 89,500 | 0 |
| Total | 1,791,100 | 550,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------|------------|-------------|------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 1,000,000 | 0 | 0 | 0 |
| Historic Preservation | 1,331,900 | 0 | 559,500 | (110,000) |
| Park Operations | 72,705,900 | 808,000 | 27,198,100 | 214,000 |
| Recreation Services | 1,500,000 | (1,000,000) | 0 | 0 |
| Total | 76,537,800 | (192,000) | 27,757,600 | 104,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------|---------------------|-------------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 1,000,000 | 0 | 0 | 0 |
| Historic Preservation | 772,400 | 110,000 | 0 | 0 |
| Park Operations | 43,606,800 | 594,000 | 1,901,000 | 0 |
| Recreation Services | 1,500,000 | (1,000,000) | 0 | 0 |
| Total | 46,879,200 | (296,000) | 1,901,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| General Fund | 20,655,646 | 4,000,000 | (16,655,646) |
| Special Revenue Funds - Federal | 5,620,000 | 5,120,000 | (500,000) |
| Special Revenue Funds - Other | 5,750,000 | 5,750,000 | 0 |
| Total | 32,025,646 | 14,870,000 | (17,155,646) |

PARKS, RECREATION AND HISTORIC PRESERVATION

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------------|
| Administration | | | |
| General Fund | 4,000,000 | 4,000,000 | 0 |
| Historic Preservation | | | |
| Special Revenue Funds - Federal | 120,000 | 120,000 | 0 |
| Natural Heritage Trust | | | |
| General Fund | 1,658,075 | 0 | (1,658,075) |
| Park Operations | | | |
| Special Revenue Funds - Federal | 3,500,000 | 3,000,000 | (500,000) |
| Special Revenue Funds - Other | 5,750,000 | 5,750,000 | 0 |
| Recreation Services | | | |
| Special Revenue Funds - Federal | 2,000,000 | 2,000,000 | 0 |
| Community Projects | | | |
| General Fund | 14,997,571 | 0 | (14,997,571) |
| Total | <u>32,025,646</u> | <u>14,870,000</u> | <u>(17,155,646)</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------|------------------------------|--------------------------------|--------------------|-------------------------------------|
| Parks EQBA 86 | | | | |
| Capital Projects Fund - EQBA 86 (Bondable) | 0 | 0 | 0 | 3,737,000 |
| Natural Heritage Trust | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 300,000 |
| Federal Capital Projects Fund | | | | |
| Federal Capital Projects Fund | 4,000,000 | 4,000,000 | 0 | 14,842,000 |
| Maintenance and Improvements of Existing Facilities | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 47,000 |
| Fiduciary Funds - Misc. Combined Expendable Trust | | | | |
| Fund | 10,000,000 | 10,000,000 | 0 | 47,917,000 |
| State Parks Infrastructure Fund | 34,200,000 | 144,200,000 | 110,000,000 | 79,483,000 |
| Misc. Capital Projects | 3,300,000 | 3,800,000 | 500,000 | 9,839,000 |
| Outdoor Recreation Development Bond Fund | | | | |
| Outdoor Recreation Development Bond Fund | 0 | 0 | 0 | 230,000 |
| Parks and Recreation Land Acquisition Bond Fund | | | | |
| Parks and Recreation Land Acquisition Bond Fund | 0 | 0 | 0 | 783,000 |
| Total | <u>51,500,000</u> | <u>162,000,000</u> | <u>110,500,000</u> | <u>157,178,000</u> |

NEW YORK STATE PUBLIC AUTHORITIES

Public authorities are statutorily created agents of State and local government, established primarily to finance, build, manage or improve specific capital facilities and serve public purposes. Enacted into law as independent and autonomous public benefit corporations, public authorities are governed by boards of directors whose members serve by virtue of their public positions or are appointed by the Governor, the Legislature or local officials of involved municipalities. With their statutorily granted management and operating flexibility, public authorities are an effective means to address public needs, which may not otherwise be met within the limitations imposed on traditional government agencies. Public authorities derive their powers and responsibilities from the legislation by which they are established.

The Public Authorities Accountability Act of 2005 opened the operations and financial dealings of public authorities to enhanced public scrutiny. State and local public authorities now must adhere to accepted corporate governance standards, disclose their budgets, indebtedness, independent audit reports, financial statements and activities, and follow prescribed procedures for the custody, control and disposition of real property.

It is the responsibility of the Authority Budget Office to monitor and assess compliance with these governance and reporting requirements. By law, the Authority Budget Office reviews and reports on the operations, practices and finances of public authorities and provides guidance to public authorities on ways to improve their practices for disclosing information to the public. The Authority Budget Office is also authorized to make recommendations to the Governor and the Legislature concerning the performance, structure, formation and oversight of public authorities, and to ensure that directors receive training on the fiduciary, legal and ethical obligations of board members. These actions are intended to strengthen public confidence in the integrity and accountability of public authorities, their boards of directors and executive management.

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

Thruway Authority

ECONOMIC DEVELOPMENT

Development Authority of the North Country
Empire State Development Corporation
Job Development Authority

ENERGY AND ENVIRONMENT

Energy Research and Development Authority
Environmental Facilities Corporation

PUBLIC AUTHORITIES

HOUSING 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 is a bi-national entity which owns and operates the “Peace Bridge,” crossing the Niagara River between Buffalo and Fort Erie, Ontario. The Authority is mainly financed through toll revenue and property lease revenue.

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 lower Hudson River. The Authority is mainly financed through toll revenue.

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 facilities. The Authority is mainly financed through toll revenue and service fees.

ECONOMIC DEVELOPMENT AUTHORITIES

Battery Park City Authority

The Battery Park City Authority (BPCA) is a public benefit corporation charged with the management and development of Battery Park City, a 92-acre mixed-use community located on the southwest tip of Manhattan, across from the World Trade Center site. The Authority generates revenues by leasing individual plots of land to private developers through a public bid process. It collects rents and real estate tax equivalency payments to support its operations.

The Authority’s adoption of environmental building guidelines in early 2000 resulted in the construction of the nation’s first sustainable residential high-rise. When Battery Park City is completed, it will contain nearly five million square feet of sustainable construction — the largest concentration of “green” buildings in the world.

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, 11 small natural gas powered generating plants and more than 1,400 circuit miles of transmission lines. The Authority supplies economical electric power to New York State's municipal electric systems and rural electric cooperatives, private sector businesses and not-for-profit institutions throughout the State, municipalities and public corporations in the New York City metropolitan area, and investor-owned utilities for resale to their customers. 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 (LIPA) has the broad authority and responsibility to ensure adequate, dependable and affordable electric service within its service area, including Nassau and Suffolk counties and the Rockaway Peninsula in Queens. LIPA serves approximately 1.1 million residential and commercial electricity customers. No State tax dollars are used to fund the Authority.

HOUSING AND FINANCE AUTHORITIES***Dormitory Authority***

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

Municipal Assistance Corporation (MAC) for the City of New York

The Municipal Assistance Corporation (MAC) 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 financial affairs. As of November 2004, the Sales Tax Asset Receivable Corporation (STAR-C), a local development corporation organized by the City of New York, has issued bonds and funded an escrow account in order to "economically defease" MAC's remaining bondholder obligations. MAC will complete its remaining activities no later than September 30, 2008, and the Corporation shall terminate as required by law on September 30, 2009.

PUBLIC AUTHORITIES

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 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.

Nassau County Interim Finance Authority

The Nassau County Interim Finance Authority was established in 2000 to restore fiscal stability to Nassau County by overseeing its finances and issuing debt on its behalf. Authority debt service and operating expenses are funded with County sales tax revenues, on which the Authority has first lien.

Buffalo Fiscal Stability Authority

The Buffalo Fiscal Stability Authority was established in 2003 to restore fiscal health to the City of Buffalo by overseeing its finances and issuing debt on its behalf. Authority debt service and operating expenses are funded with City sales tax revenues and aid to municipalities on which the Authority has first lien.

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.

Tobacco Settlement Financing Corporation

The Tobacco Settlement Financing Corporation (TSFC) is a subsidiary of the Municipal Bond Bank Agency, established by statute in June 2003 to securitize amounts to be received by the State of New York under the Master Settlement Agreement (MSA) entered into in 1998 by the State, the other "settling jurisdictions" and certain participating cigarette manufacturers. In June 2003, TSFC issued \$2.3 billion of bonds backed by 50 percent of the anticipated MSA funds. In December 2003, TSFC issued an additional \$2.2 billion of bonds backed by the remaining 50 percent of the anticipated MSA funds.

PORT DEVELOPMENT AUTHORITIES

Albany Port District Commission

The Albany Port District Commission develops and operates port facilities in the cities of Albany and Rensselaer. Lease revenues account for the majority of the Port's annual revenue, with maritime traffic making up the remainder. No State tax dollars are used to fund the Commission.

Ogdensburg Bridge and Port Authority

The Ogdensburg Bridge and Port Authority operates an international bridge between Ogdensburg, New York and Prescott, Ontario, Canada, as well as a marine port, an airport, two industrial parks and a short-line railroad. The Authority has become increasingly involved in developing port and industrial park properties in the North Country region. The Authority's industrial parks currently have 15 buildings with over 600,000 square feet of space. The industrial parks are home to over 25 businesses that employ over 550 residents of Northern New York. The Authority's marine terminal provides the North Country's mining industries with economically priced export capabilities and provides road salt to the New York State Department of Transportation and municipalities throughout Northern New York State. The Authority has received State support in the past, but no additional support is anticipated in SFY 2008-09.

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 is continuing to work with the Lower Manhattan Development Corporation, the Federal government and other agencies on the redevelopment of the World Trade Center site and the adjacent portion of lower Manhattan.

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 commercial shipping terminal and storage facilities and supports recreational boating activities at three marinas.

REGIONAL TRANSPORTATION AUTHORITIES***Capital District Transportation Authority***

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

PUBLIC AUTHORITIES

Central New York Regional Transportation Authority

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

Niagara Frontier Transportation Authority

The Niagara Frontier Transportation Authority (NFTA) oversees the operations of a public transportation system providing bus, rail and paratransit services in Niagara and Erie counties. The Authority also operates the Buffalo Niagara International Airport, a primary commercial airport and the Niagara Falls International Airport, a joint-use military/general aviation airport that serves as a reliever airport. Additionally, the NFTA operates 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 NFTA is provided through appropriations to the New York State Department of Transportation.

Rochester-Genesee Regional Transportation Authority

The Rochester-Genesee Regional Transportation Authority (RGRTA) provides public transportation service in the counties of Genesee, Livingston, Monroe, Orleans, Seneca, Wayne and Wyoming. The Authority operates the Regional Transit Service (Rochester area), Wayne Area Transportation System, Livingston Area Transportation Service, Orleans Transit Service Inc., Seneca Transit Service Inc., Wyoming Transportation Service and Batavia Bus Service. State funding for RGRTA 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
2007 AND 2008
(thousands of dollars)

| | | 2007 | | | | 2008 | | | |
|-----------------------------------------------------------------------------|---------|--------------------|----------------|--------------------|---------------------------|---------------------------------|----------------|--------------------|---------------------------|
| | | Fiscal Year Begins | Total Revenues | Operating Expenses | Debt Service Requirements | Surplus (Deficit) ^{b/} | Total Revenues | Operating Expenses | Debt Service Requirements |
| Authorities by Function | | | | | | | | | |
| BRIDGE, TUNNEL AND HIGHWAY | | | | | | | | | |
| Buffalo and Fort Erie Public Bridge Authority | Jan. 1 | 33,356 | 15,117 | 1,636 | 16,603 | 31,514 | 16,564 | 1,857 | 13,093 |
| New York State Bridge Authority | Jan. 1 | 41,953 | 27,497 | 7,970 | 6,486 | 41,713 | 28,441 | 7,955 | 5,317 |
| Thousand Islands Bridge Authority | Mar. 1 | 11,777 | 7,009 | 738 | 4,030 | 11,267 | 7,831 | 734 | 2,702 |
| Thruway Authority ^{d/} | Jan. 1 | 588,703 | 406,151 | 137,140 | 45,412 | 666,389 | 418,823 | 168,047 | 79,519 |
| ECONOMIC DEVELOPMENT | | | | | | | | | |
| Battery Park City Authority | Nov. 1 | 226,380 | 31,050 | 68,681 | 126,649 | 259,653 | 33,270 | 68,681 | 157,702 |
| Development Authority of the North Country | April 1 | 27,805 | 22,607 | 5,198 | 0 | 28,640 | 23,361 | 5,279 | 0 |
| Empire State Development Corporation | April 1 | 767,856 | 125,948 | 644,580 | (2,672) | 679,139 | 95,914 | 593,768 | (10,543) |
| Job Development Authority | April 1 | 11,982 | 450 | 6,908 | 4,624 | 11,525 | 450 | 6,624 | 4,451 |
| United Nations Development Corporation | Jan. 1 | 36,139 | 26,941 | 9,198 | 0 | 38,933 | 28,977 | 9,956 | 0 |
| ENERGY AND ENVIRON- MENT | | | | | | | | | |
| Energy Research and Development Authority | April 1 | 407,242 | 405,418 | 1,824 | 0 | 454,591 | 452,769 | 1,822 | 0 |
| Environmental Facilities Corporation | April 1 | 720,960 | 20,976 | 692,695 | 7,289 | 741,825 | 21,973 | 715,428 | 4,424 |
| Long Island Power Authority | Jan. 1 | 3,543,890 | 2,922,853 | 541,467 | 79,570 | 3,681,064 | 3,028,200 | 577,864 | 75,000 |
| Power Authority | Jan. 1 | 2,922,600 | 2,653,600 | 245,400 | 23,600 | 3,024,900 | 2,744,700 | 265,100 | 15,100 |
| HOUSING, HEALTH AND FINANCE | | | | | | | | | |
| Dormitory Authority | April 1 | 3,112,647 | 114,098 | 2,998,549 | 0 | 3,444,249 | 112,013 | 3,332,236 | 0 |
| Housing Finance Agency | Nov. 1 | 667,925 | 35,592 | 628,709 | 3,624 | 588,760 | 30,640 | 554,648 | 3,472 |
| Local Government Assistance Corporation | April 1 | 438,382 | 6,403 | 321,935 | 110,044 | 322,471 | 6,526 | 359,040 | (43,095) |
| Mortgage Agency | Nov. 1 | 534,300 | 120,800 | 413,500 | 0 | 626,000 | 120,800 | 505,200 | 0 |
| Municipal Assistance Corpora- tion for the City of New York ^d | July 1 | 10,756 | 10,270 | 0 | 486 | 486 | 425 | 0 | 61 |
| Municipal Assistance Corpora- tion for the City of Troy | Jan. 1 | 6,057 | 32 | 6,025 | 0 | 6,082 | 29 | 6,053 | 0 |
| Nassau County Interim Finance Authority ^e | Jan. 1 | 168,747 | 1,236 | 167,511 | 0 | 183,882 | 1,301 | 182,581 | 0 |
| Municipal Bond Bank Agency | Nov. 1 | 52,693 | 533 | 52,160 | 0 | 52,615 | 429 | 52,186 | 0 |
| Tobacco Settlement Financing Corporation | Nov. 1 | 424,600 | 1,500 | 423,500 | (400) | 467,400 | 1,600 | 338,600 | 127,200 |
| Buffalo Fiscal Stability Authority ^{f/} | July 1 | 262,120 | 1,043 | 9,719 | 251,358 | 281,965 | 1,424 | 14,089 | 266,452 |

PUBLIC AUTHORITIES

TABLE 1
FINANCIAL OPERATIONS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2007 AND 2008
(thousands of dollars)

| Authorities by Function | Fiscal Year Begins | 2007 | | | | 2008 | | | |
|------------------------------------------------------------|--------------------|----------------|--------------------|---------------------------|---------------------------------|----------------|--------------------|---------------------------|---------------------------------|
| | | Total Revenues | Operating Expenses | Debt Service Requirements | Surplus (Deficit) ^{b/} | Total Revenues | Operating Expenses | Debt Service Requirements | Surplus (Deficit) ^{b/} |
| PORT DEVELOPMENT | | | | | | | | | |
| Albany Port District Commis- Sion | Jan. 1 | 4,461 | 3,321 | 140 | 1,000 | 4,212 | 3,593 | 170 | 449 |
| Ogdensburg Bridge and Port Authority | April 1 | 5,132 | 3,889 | 1,072 | 171 | 5,565 | 3,907 | 1,201 | 457 |
| Port Authority of New York and New Jersey ^{g/} | Jan. 1 | 4,230,358 | 2,288,997 | 813,999 | 1,127,362 | 4,490,377 | 2,374,628 | 791,898 | 1,323,851 |
| Port of Oswego Authority | April 1 | 2,188 | 1,783 | 154 | 251 | 2,296 | 1,899 | 159 | 238 |
| REGIONAL TRANSPORTA- TION | | | | | | | | | |
| Capital District Transportation Authority | April 1 | 64,809 | 64,809 | 0 | 0 | 64,286 | 68,159 | 0 | (3,873) |
| Central New York Regional Transportation Authority | April 1 | 52,984 | 52,958 | 26 | 0 | 53,714 | 55,432 | 26 | (1,744) |
| Metropolitan Transportation Authority ^{h/} | Jan. 1 | 11,381,800 | 9,039,300 | 1,714,100 | 628,400 | 11,284,900 | 10,005,100 | 1,529,400 | (249,600) |
| Niagara Frontier Transporta- tion Authority | April 1 | 168,864 | 154,751 | 10,388 | 3,725 | 185,475 | 168,316 | 12,270 | 4,889 |
| Rochester-Genesee Regional Transportation Authority | April 1 | 78,699 | 75,898 | 0 | 2,801 | 75,389 | 80,021 | 0 | (4,632) |
| GRAND TOTAL | | 31,008,165 | 18,642,830 | 9,924,922 | 2,440,413 | 31,811,277 | 19,937,515 | 10,102,872 | 1,770,890 |

^{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 financed from existing resources, by management actions, and/or by levels of State aid greater than anticipated by the authority.

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

^{d/} As of November 2004, the Sales Tax Asset Receivable Corporation, a local development corporation organized by the City of New York, has issued bonds and funded an escrow account in order to "economically defease" the Municipal Assistance Corporation for the City of New York's remaining bondholder obligations. Surplus revenues are traditionally transferred to the City of New York. MAC will complete its remaining activities no later than September 30, 2008, and the Corporation shall terminate as required by law on September 30, 2009.

^{e/} Excess sales tax funds of the Authority are remitted immediately to Nassau County as required under the NIFA Act.

^{f/} Surplus funds of the Authority are remitted immediately to the City of Buffalo and the Buffalo School District as required by the BFSA Act.

^{g/} 2008 information is a preliminary estimate of Authority Operating Budget and is subject to change.

^{h/} Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority. These figures do not include debt service on State Service Contract bonds.

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2007 AND 2008
(thousands of dollars)

| Authorities by Function | 2007 | | | 2008 | | |
|-----------------------------------------------------------|--------------------------------------|----------------------------|---------------------------------------|--------------------------------------|----------------------------|---------------------------------------|
| | 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 | 14,654 | 41,531 | 0 | 31,047 | 39,970 | 0 |
| New York State Bridge Authority | 14,065 | 32,863 | 0 | 16,360 | 27,267 | 0 |
| Thousand Islands Bridge Authority | 5,229 | 5,229 | 0 | 2,179 | 2,179 | 0 |
| Thruway Authority | 438,945 | 316,775 | 122,170 | 545,402 | 521,035 | 24,367 |
| ECONOMIC DEVELOPMENT | | | | | | |
| Battery Park City Authority | 16,318 | 39,000 | 0 | 42,504 | 39,000 | 150,000 |
| Development Authority of the North Country | 4,652 | 4,652 | 0 | 4,866 | 4,866 | 0 |
| Empire State Development Corporation | 184,039 | 0 | 841,845 | 658,450 | 0 | 570,530 |
| Job Development Authority | 10,000 | (5,706) | 0 | 25,000 | (20,879) | 0 |
| United Nations Development Corporation | 3,421 | 9,831 | 0 | 3,860 | 7,306 | 0 |
| ENERGY AND ENVIRONMENT | | | | | | |
| Energy Research and Development Authority | 13,500 | 0 | 13,500 | 13,500 | 0 | 13,500 |
| Environmental Facilities Corporation | 901,110 | 0 | 901,110 | 970,000 | 0 | 970,000 |
| Long Island Power Authority | 303,000 | 303,000 | 0 | 278,000 | 278,000 | 0 |
| Power Authority | 362,825 | 267,173 | 95,652 | 266,043 | 223,898 | 42,145 |
| HOUSING, HEALTH AND FINANCE | | | | | | |
| Dormitory Authority | 2,594,702 | 4,235,134 | 3,524,575 | 4,048,356 | 5,165,007 | 5,250,715 |
| Housing Finance Agency | 906,899 | 579,236 | 962,217 | 1,303,962 | 634,933 | 1,024,000 |
| Local Government Assistance Corporation | 0 | 0 | 0 | 0 | 0 | 0 |
| Mortgage Agency | 316,237 | 0 | 290,000 | 450,000 | 0 | 500,000 |
| 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 |
| Nassau County Interim Finance Authority ^{c/} | 0 | 0 | 0 | 0 | 0 | 0 |
| Municipal Bond Bank Agency | 0 | 0 | 0 | 0 | 0 | 0 |
| Tobacco Settlement Financing Corporation | 0 | 0 | 0 | 0 | 0 | 0 |
| Buffalo Fiscal Stability Authority | 0 | 0 | 0 | 0 | 0 | 0 |

PUBLIC AUTHORITIES

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2007 AND 2008
(thousands of dollars)

| Authorities by Function | 2007 | | | 2008 | | |
|---------------------------------------------------------|-------------------------------|---------------------|--------------------------------|-------------------------------|---------------------|--------------------------------|
| | Capital Program Disbursements | Available Resources | Sale of New Debt ^{b/} | Capital Program Disbursements | Available Resources | Sale of New Debt ^{b/} |
| PORT DEVELOPMENT | | | | | | |
| Albany Port District Commission | 600 | 600 | 0 | 561 | 561 | 0 |
| Ogdensburg Bridge and Port Authority | 8,641 | 490 | 0 | 10,733 | 1,952 | 0 |
| Port Authority of New York and New Jersey ^{d/} | 1,994,821 | 1,772,820 | 958,165 | 2,547,131 | 1,919,506 | 621,845 |
| Port of Oswego Authority ^{e/} | 1,067 | 1,067 | 0 | 2,222 | 1,222 | 0 |
| REGIONAL TRANSPORTATION | | | | | | |
| Capital District Transportation Authority | 18,193 | 18,193 | 0 | 25,293 | 14,307 | 10,986 |
| Central New York Regional Transportation Authority | 11,769 | 11,769 | 0 | 7,063 | 7,063 | 0 |
| Metropolitan Transportation Authority ^{f/} | 7,572,260 | 3,114,521 | 4,457,739 | 8,559,000 | 2,599,202 | 5,959,798 |
| Niagara Frontier Transportation Authority | 114,023 | 114,023 | 0 | 95,487 | 95,487 | 0 |
| Rochester-Genesee Regional Transportation Authority | 8,110 | 27,155 | 0 | 52,201 | 83,387 | 0 |
| GRAND TOTAL | 15,819,080 | 10,889,356 | 12,166,973 | 19,959,220 | 11,645,269 | 15,137,886 |

^{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.

^{d/} All capital borrowings are made by the Authority on behalf of Nassau County and all capital bond proceeds are disbursed to Nassau County. The Authority issues debt only at the request of Nassau County.

^{e/} All estimates are preliminary and are subject to change.

^{e/} A project will be funded with funds received from a claim against an engineering firm. The project will take place at the time funds are received and in the amount received thereby offsetting any potential disbursements.

^{f/} Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority.

PUBLIC AUTHORITIES

TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2007
(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 | 44,120 | 44,120 | 0 | 0 | 0 | 0 |
| New York State Bridge Authority | 100,000 | 83,522 | 63,800 | 0 | 0 | 0 | 0 |
| Thousand Islands Bridge Authority | Unlimited | 5,745 | 2,035 | 0 | 0 | 0 | 0 |
| Thruway Authority | Unlimited | 18,779,120 | 11,495,130 | 0 | 0 | 0 | 0 |
| ECONOMIC DEVELOPMENT | | | | | | | |
| Battery Park City Authority ^{a/} | 810,000 | 0 | 1,063,603 | 0 | 0 | 0 | 0 |
| Development Authority of the North Country | Unlimited | 52,674 | 31,561 | 0 | 0 | 0 | 0 |
| Empire State Development Corporation | 9,483,034 | 8,761,789 | 6,224,403 | 0 | 0 | 0 | 0 |
| Job Development Authority | 750,000 | 0 | 42,410 | 0 | 0 | 0 | 0 |
| United Nations Development Corporation | Unlimited | 260,728 | 125,698 | 0 | 75,000 | 35,425 | 0 |
| ENERGY AND ENVIRONMENT | | | | | | | |
| Energy Research and Development Authority | Unlimited | 8,094,695 | 3,661,710 | 0 | 0 | 0 | 0 |
| Environmental Facilities Corporation | Unlimited | 13,922,430 | 8,028,710 | 0 | 0 | 0 | 0 |
| Long Island Power Authority | Unlimited | 11,187,443 | 6,906,621 | 100,000 | 0 | 0 | 0 |
| Power Authority | Unlimited | 7,130,690 | 1,178,255 | 943,320 | 0 | 0 | 0 |
| HOUSING, HEALTH AND FINANCE | | | | | | | |
| Dormitory Authority | Unlimited | 81,856,956 | 34,902,523 | 128,675 | 926,015 | 698,660 | 3,930 |
| Housing Finance Agency ^{b/} | 21,527,000 | 15,985,901 | 8,016,966 | 0 | 7,112,115 | 6,524,379 | 51,366 |
| Local Government Assistance Corporation | 4,700,000 | 5,645,760 | 4,036,517 | 0 | 0 | 0 | 0 |
| Mortgage Agency | 7,970,000 | 13,035,203 | 2,947,165 | 0 | 0 | 0 | 0 |
| Municipal Assistance Corporation for the City of New York ^{c/} | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Municipal Assistance Corporation for the City of Troy | 75,000 | 69,583 | 62,040 | 0 | 0 | 0 | 0 |
| Nassau County Interim Finance Authority | Unlimited | 2,363,460 | 2,038,500 | 0 | 0 | 0 | 0 |
| Municipal Bond Bank Agency | 1,000,000 | 620,550 | 519,160 | 0 | 0 | 0 | 0 |
| Tobacco Settlement Financing Corporation | 4,200,000 | 4,551,120 | 3,868,895 | 0 | 0 | 0 | 0 |
| Buffalo Fiscal Stability Authority | Unlimited | 156,580 | 151,085 | 30,000 | 0 | 0 | 0 |

PUBLIC AUTHORITIES

TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2007
(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 |
| PORT DEVELOPMENT | | | | | | | |
| Albany Port District Commission | Unlimited | 0 | 0 | 648 | 0 | 0 | 0 |
| Ogdensburg Bridge and Port Authority | Unlimited | 0 | 5,965 | 1,385 | 0 | 0 | 0 |
| Port Authority of New York and New Jersey | Unlimited | 17,665,419 | 11,970,895 | 311,015 | 0 | 0 | 0 |
| Port of Oswego Authority | Unlimited | 0 | 0 | 631 | 0 | 0 | 0 |
| REGIONAL TRANSPORTATION | | | | | | | |
| Capital District Transportation Authority | Unlimited | 0 | 0 | 0 | 0 | 0 | 0 |
| Central New York Regional Transportation Authority | Unlimited | 0 | 0 | 0 | 0 | 0 | 0 |
| Metropolitan Transportation Authority ^{d/} | 57,754,000 | 27,595,955 | 24,403,825 | 750,000 | 0 | 0 | 0 |
| Niagara Frontier Transportation Authority | Unlimited | 199,334 | 177,548 | 10,626 | 0 | 0 | 0 |
| Rochester-Genesee Regional Transportation Authority | Unlimited | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL | | 238,068,777 | 131,969,140 | 2,276,300 | 8,113,130 | 7,258,464 | 55,296 |

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

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

^{c/} As of November 2004, the Sales Tax Asset Receivable Corporation, a local development corporation organized by the City of New York, has issued bonds and funded an escrow account in order to "economically defease" the Municipal Assistance Corporation for the City of New York's remaining bondholder obligations. MAC will complete its remaining activities no later than September 30, 2008, and the Corporation shall terminate as required by law on September 30, 2009.

^{d/} Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority and does include debt outstanding numbers for State Service Contract bonds and Conventer Center bonds. Bond cap is applicable only to projects set forth in transit and commuter capital programs approved by the MTA Capital Program Review Board. Authorization for State Service Contract bonds is limited to \$165 million in annual debt service maturing no later than July 1, 2031.

PUBLIC AUTHORITIES

TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2007 AND 2008-09
(thousands of dollars)

| Authorities by Function | Authority Bonds Outstanding, 2007 ^{a/} | | | State Appropriations Requested in Support of Authority Programs, 2008-09 ^{b/} | | | |
|-----------------------------------------------------------|-------------------------------------------------|------------------|------------------|----------------------------------------------------------------------------------------|--------------------|------------------|-----------|
| | Revenue and Nonrecourse | State Guaranteed | Moral Obligation | Outstanding Reimbursable State Appropriations, 2007 | New Appropriations | Reappropriations | Total |
| BRIDGE, TUNNEL AND HIGHWAY | | | | | | | |
| Buffalo and Fort Erie Public Bridge Authority | 44,120 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York State Bridge Authority | 63,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| Thousand Islands Bridge Authority | 2,035 | 0 | 0 | 0 | 0 | 0 | 0 |
| Thruway Authority | 11,495,130 | 0 | 0 | 0 | 2,000 | 9,299 | 11,299 |
| ECONOMIC DEVELOPMENT | | | | | | | |
| Battery Park City Authority | 1,063,603 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development Authority of the North Country | 31,561 | 0 | 0 | 0 | 0 | 0 | 0 |
| Empire State Development Corporation | 6,224,403 | 0 | 0 | 0 | 1,081,221 | 3,479,423 | 4,560,644 |
| Job Development Authority | 0 | 42,410 | 0 | 0 | 0 | 0 | 0 |
| United Nations Development Corporation | 125,698 | 0 | 0 | 0 | 0 | 0 | 0 |
| ENERGY AND ENVIRONMENT | | | | | | | |
| Energy Research and Development Authority | 3,661,710 | 0 | 0 | 0 | 32,106 | 68,900 | 101,006 |
| Environmental Facilities Corporation | 8,028,710 | 0 | 0 | 13,552 | 14,171 | 5,686 | 19,857 |
| Long Island Power Authority | 6,906,621 | 0 | 0 | 0 | 0 | 0 | 0 |
| Power Authority | 1,178,255 | 0 | 0 | 0 | 0 | 0 | 0 |
| HOUSING, HEALTH AND FINANCE | | | | | | | |
| Dormitory Authority | 34,898,593 | 0 | 3,930 | 97,242 | 0 | 0 | 0 |
| Housing Finance Agency | 7,965,600 | 0 | 51,366 | 0 | 0 | 0 | 0 |
| Local Government Assistance Corporation | 4,036,517 | 0 | 0 | 0 | 388,000 | 0 | 388,000 |
| Mortgage Agency | 2,947,165 | 0 | 0 | 0 | 0 | 0 | 0 |
| Municipal Assistance Corporation for the City of New York | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Municipal Assistance Corporation for the City of Troy | 62,040 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nassau County Interim Finance Authority | 2,038,500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Municipal Bond Bank Agency | 519,160 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tobacco Settlement Financing Corporation | 3,868,895 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buffalo Fiscal Stability Authority | 151,085 | 0 | 0 | 0 | 0 | 0 | 0 |

PUBLIC AUTHORITIES

TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2007 AND 2008-09
(thousands of dollars)

| Authorities by Function | Authority Bonds Outstanding, 2007 ^{a/} | | | Outstanding Reimbursable State Appropriations, 2007 | State Appropriations Requested in Support of Authority Programs, 2008-09 ^{b/} | | |
|-----------------------------------------------------|-------------------------------------------------|------------------|------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------|------------------|-----------|
| | Revenue and Nonrecourse | State Guaranteed | Moral Obligation | | New Appropriations | Reappropriations | Total |
| PORT DEVELOPMENT | | | | | | | |
| Albany Port District Commission | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ogdensburg Bridge and Port Authority | 5,965 | 0 | 0 | 19,155 | 0 | 0 | 0 |
| Port Authority of New York and New Jersey | 11,970,895 | 0 | 0 | 0 | 0 | 0 | 0 |
| Port of Oswego Authority | 0 | 0 | 0 | 4,006 | 0 | 0 | 0 |
| REGIONAL TRANSPORTATION | | | | | | | |
| Capital District Transportation Authority | 0 | 0 | 0 | 0 | 30,377 | 0 | 30,377 |
| Central New York Regional Transportation Authority | 0 | 0 | 0 | 0 | 29,376 | 0 | 29,376 |
| Metropolitan Transportation Authority ^{c/} | 24,403,825 | 0 | 0 | 0 | 3,053,724 | 842,943 | 3,896,667 |
| Niagara Frontier Transportation Authority | 177,548 | 0 | 0 | 0 | 71,600 | 9,607 | 81,207 |
| Rochester-Genesee Regional Transportation Authority | 0 | 0 | 0 | 0 | 29,628 | 0 | 29,628 |
| GRAND TOTAL | 131,871,434 | 42,410 | 55,296 | 133,955 | 4,732,203 | 4,415,858 | 9,148,061 |

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

^{b/} Appropriations are included in the Executive Budget for State Fiscal Year 2008-09 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/} Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority. Outstanding bonds do not include Convention Center Project Bonds that are not covered by the Authority's bond cap, and are solely supported by rental income.

DEPARTMENT OF PUBLIC SERVICE

MISSION

The Department of Public Service 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. In addition, it 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.

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, Buffalo and Syracuse.

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

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$80.4 million All Funds (\$78.7 million Special Revenue Funds; \$1.7 million Other funds)** for the Department of Public Service. This is an increase of **\$2 million (\$2 million Special Revenue Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in personal service and related fringe benefits, and non-personal service inflationary growth. The Department will have an estimated **workforce of 540** for 2008-09, the same level as in 2007-08.

The Department's 2008-09 operating budget includes funding of \$78.1 million from utility and cable assessments. 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 \$550,000 from fees paid by entities proposing the siting of electric generation facilities. These funds can be accessed by local governments and community groups to fund intervention activities related to the siting review process.

The Department also receives Federal grants to perform pipeline safety activities.

PROGRAM HIGHLIGHTS

The Department's highest priorities for the coming year will be:

- Developing energy efficiency programs to ensure the goal of reducing electricity consumption by 15 percent below the forecasted level in 2015;
- Conducting a process to begin long-range electricity planning;

PUBLIC SERVICE

- Continuing implementation of the Renewable Portfolio Standard, designed to increase to at least 25 percent by 2013 the proportion of electricity sold to consumers in New York State that is generated from renewable resources; and
- Ensuring the reliability of the electric, gas, steam, and telecommunications networks.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 77,994,000 | 79,828,000 | 1,834,000 | 0 |
| Aid To Localities | 400,000 | 550,000 | 150,000 | 3,589,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 78,394,000 | 80,378,000 | 1,984,000 | 3,589,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 98 | 98 | 0 |
| Regulation of Utilities | | | |
| Special Revenue Funds - Federal | 12 | 12 | 0 |
| Special Revenue Funds - Other | 430 | 430 | 0 |
| Total | 540 | 540 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Federal | 1,691,000 | 1,691,000 | 0 |
| Special Revenue Funds - Other | 76,303,000 | 78,137,000 | 1,834,000 |
| Total | 77,994,000 | 79,828,000 | 1,834,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| Special Revenue Funds - Other | 12,852,000 | 13,001,000 | 149,000 |
| Regulation of Utilities | | | |
| Special Revenue Funds - Federal | 1,691,000 | 1,691,000 | 0 |
| Special Revenue Funds - Other | 63,451,000 | 65,136,000 | 1,685,000 |
| Total | 77,994,000 | 79,828,000 | 1,834,000 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 13,001,000 | 149,000 | 6,728,000 | 132,000 |
| Regulation of Utilities | 66,827,000 | 1,685,000 | 36,681,000 | 691,000 |
| Total | 79,828,000 | 1,834,000 | 43,409,000 | 823,000 |

| Program | Nonpersonal Service | |
|-------------------------|----------------------------|---------------|
| | Amount | Change |
| Administration | 6,273,000 | 17,000 |
| Regulation of Utilities | 30,146,000 | 994,000 |
| Total | 36,419,000 | 1,011,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Special Revenue Funds - Other | 400,000 | 550,000 | 150,000 |
| Total | 400,000 | 550,000 | 150,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Regulation of Utilities | | | |
| Special Revenue Funds - Other | 400,000 | 550,000 | 150,000 |
| Total | 400,000 | 550,000 | 150,000 |

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 Board employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County, the Mohawk Indians' Akwesasne Mohawk Casino in Hogansburg, Franklin County, the Seneca Nation's Seneca Niagara Casino in Niagara Falls, Seneca Buffalo Creek Casino in Buffalo and Seneca Alleghany Casino in Salamanca. Temporary and full-time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and eight harness tracks — Buffalo, Monticello, Saratoga, Syracuse, Tioga Downs, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board staff will be supported by revenues generated by the racing industry, Indian casinos and charitable gaming activities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$25 million All Funds (\$25 million Other Funds)** for the State Racing and Wagering Board. This net increase of **\$250,000** from the 2007-08 budget reflects an increase in appropriation authority for contractual services in the Regulation of Racing Program.

The Executive Budget recommends a staffing level of **136 FTEs** for the Racing and Wagering Board, leaving staffing levels unchanged from the 2007-08 budget. The Board anticipates employing as many as 165 per diem staff in the 2008-09 fiscal year

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 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.

RACING AND WAGERING

INDIAN GAMING

The State has negotiated compacts or protocols with the Oneida Nation, the St. Regis Mohawk Tribe and the Seneca Nation to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for the regulation and oversight of gaming activities operating on these Indian lands. To oversee these activities, the Board maintains 13 employees at the Oneida Nation's Turning Stone Casino, 13 employees at the St. Regis Mohawk Tribe's Akwesasne Casino, 13 employees at the Seneca Nation's Seneca Niagara Casino, 13 employees at the Seneca Nation's Seneca Alleghany Casino, and 5 employees at the Seneca Buffalo Creek Casino.

REGULATION OF RACING

The Board's permanent staff oversees as many as 165 temporary, seasonal employees who ensure that horse races at the State's racetracks are conducted legally. To help oversee racing activities, 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 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 24,768,000 | 25,018,000 | 250,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 24,768,000 | 25,018,000 | 250,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Regulation of Racing | | | |
| Special Revenue Funds - Other | 40 | 40 | 0 |
| Regulation of Wagering | | | |
| Special Revenue Funds - Other | 96 | 96 | 0 |
| Total | 136 | 136 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Special Revenue Funds - Other | 24,768,000 | 25,018,000 | 250,000 |
| Total | 24,768,000 | 25,018,000 | 250,000 |

RACING AND WAGERING

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|----------------|
| Regulation of Racing | | | |
| Special Revenue Funds - Other | 14,052,000 | 14,302,000 | 250,000 |
| Regulation of Wagering | | | |
| Special Revenue Funds - Other | 10,716,000 | 10,716,000 | 0 |
| Total | <u>24,768,000</u> | <u>25,018,000</u> | <u>250,000</u> |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|------------------------|-------------------|----------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Regulation of Racing | 14,302,000 | 250,000 | 6,473,000 | 0 |
| Regulation of Wagering | 10,716,000 | 0 | 5,873,000 | 0 |
| Total | <u>25,018,000</u> | <u>250,000</u> | <u>12,346,000</u> | <u>0</u> |

| Program | Nonpersonal Service | |
|------------------------|----------------------------|----------------|
| | Amount | Change |
| Regulation of Racing | 7,829,000 | 250,000 |
| Regulation of Wagering | 4,843,000 | 0 |
| Total | <u>12,672,000</u> | <u>250,000</u> |

GOVERNOR'S OFFICE OF REGULATORY REFORM

MISSION

The Governor's Office of Regulatory Reform improves the State's regulatory process by assisting State agencies in the development of regulations that are well conceived, understandable, and based upon adequate input from the parties affected. GORR also assists businesses with starting or expanding their operations by expediting permit approvals and facilitating communication between regulators and affected parties. In 2007, an estimated 50,000 applications for new and expanding businesses were submitted electronically through the online Permit and Licensing System (OPAL).

ORGANIZATION AND STAFFING

Led by a Director appointed by the Governor, the Office is located in Albany. Agency objectives are achieved through its Business Permits Assistance and Regulatory Review programs.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.8 million All Funds (\$3.8 million General Fund)** and a staffing level of **36 FTEs** for the Governor's Office of Regulatory Reform to support the Office's regulatory review and business permits assistance activities. Funding and staffing levels remain unchanged from the 2007-08 budget.

PROGRAM HIGHLIGHTS

REGULATORY REVIEW

The Office reviews the need for proposed new and revised regulations and their economic impact. The Office requires regulating agencies to analyze the costs and benefits of any proposed new or amended rule and to consider its effect on job creation and retention, public health, safety and welfare. Recommendations are also made to agencies to help them simplify their regulatory processes.

BUSINESS PERMITS ASSISTANCE

The Business Permits Assistance program provides comprehensive information about permits required to operate businesses in New York State, and consults with local governments to better coordinate local permit applications. Program staff also assist agencies in streamlining and simplifying permit procedures required for business and local government undertakings. This program has provided assistance to over 650,000 individuals or firms interested in starting or growing a business in New York. This effort was facilitated by the development of a master application form for complex business ventures, a comprehensive permit reform program and development of a web site, www.nys-permits.org, which provides businesses with permit information.

REGULATORY REFORM

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 3,751,000 | 3,751,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 3,751,000 | 3,751,000 | 0 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 36 | 36 | 0 |
| Total | 36 | 36 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------|
| General Fund | 3,751,000 | 3,751,000 | 0 |
| Total | 3,751,000 | 3,751,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|----------------------|------------------------|--------|
| Administration | | | |
| General Fund | 3,751,000 | 3,751,000 | 0 |
| Total | 3,751,000 | 3,751,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-----------|-----------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 2,609,000 | (290,000) | 2,559,000 | (335,000) |
| Total | 2,609,000 | (290,000) | 2,559,000 | (335,000) |

| Program | Temporary Service (Nonannual Salaried) | |
|----------------|-------------------------------------------|--------|
| | Amount | Change |
| Administration | 50,000 | 45,000 |
| Total | 50,000 | 45,000 |

REGULATORY REFORM

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------|------------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 1,142,000 | 290,000 | 120,000 | 100,000 |
| Total | 1,142,000 | 290,000 | 120,000 | 100,000 |
| | | | | |
| Program | Travel | | Contractual Services | |
| | Amount | Change | Amount | Change |
| Administration | 7,000 | 0 | 785,000 | (15,000) |
| Total | 7,000 | 0 | 785,000 | (15,000) |
| | | | | |
| Program | Equipment | | | |
| | Amount | Change | | |
| Administration | 230,000 | 205,000 | | |
| Total | 230,000 | 205,000 | | |

FOUNDATION FOR SCIENCE, TECHNOLOGY, AND INNOVATION

MISSION

The New York State Foundation for Science, Technology, and Innovation – formerly the Office of Science, Technology, and Academic Research (NYSTAR) – is a public benefit corporation responsible for directing the State’s university-based high-technology economic development programs.

ORGANIZATION AND STAFFING

The Foundation for Science, Technology, and Innovation is headed by an Executive Director who is appointed by the Governor and confirmed by the Senate. Foundation oversight is governed by a 13-member board of directors.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$52.1 million All Funds (\$51.6 million General Fund; \$0.5 million other funds)** for the Foundation for Science, Technology, and Innovation. This is a decrease of **\$8.8 million All Funds (\$2.3 million General Fund, \$6.5 million other funds)** from the 2007-08 budget. This net change primarily reflects the elimination of \$6.5 million in Federal appropriations from the Training and Business Assistance program. Federal participation in the program will continue at the same level as the 2007-08 budget; however, as a public authority, the Foundation no longer requires state appropriation to disburse Federal assistance.

The Executive Budget recommends continuing a staffing level of **30 FTEs** for the Foundation for Science, Technology, and Innovation. In addition, the Executive Budget will provide \$4.0 million in new funding for the Supercomputer Consortium, a collaboration of ten New York State universities, research institutions and high technology inter-university organizations. This initiative will use the momentum of recent state investments in the high-performance computing capabilities at Rensselaer Polytechnic Institute and Brookhaven National Laboratory/Stony Brook to promote collaboration and create a statewide resource that will attract national and international interest and use.

PROGRAM HIGHLIGHTS

The Foundation for Science, Technology, and Innovation 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; 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

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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 Foundation for Science, Technology, and Innovation will continue to administer various other programs including: Centers for Advanced Technology; Industrial Technology Extension Service; Manufacturing Extension Partnership Program; Technology Development Organizations; the Sensing, Analyzing, Interpreting and Deciding Center at Syracuse University; and the Focus Center-New York semiconductor research center. Other programs include: the High-Technology Matching Grants Program, including the Security Through Advanced Research and Technology (START) initiative; College Applied Research Centers; the Cornell University Nanobiotechnology Center; the Cornell University Materials Research Science and Engineering Center; the Cornell University Nanoscale Science and Engineering Center; the Cornell University National Nanotechnology Infrastructure Network; the Columbia University Nanoscale Science and Engineering Center; the Columbia University Materials Research Science and Engineering Center; the Rensselaer Polytechnic Institute Nanoscale Science and Engineering Center; the Rensselaer Polytechnic Institute Engineering Research Center; the City University of New York Optical Sensing and Imaging Center; and the University at Albany Semiconductor Research Corporation Center for Advanced Interconnect Systems Technologies.

The Foundation is also authorized to administer the following programs:

- **Capital Investments Innovation Fund:** This fund focuses on providing support to high-tech/emerging industries, as well as projects that enhance the economic competitiveness of traditional industries; and
- **The Foundation Fund:** The Fund provides grants and/or loans through five programs aimed at enhancing high-tech and emerging businesses; i) Technology Enhancement Program; ii) Innovation Investment Program; iii) Emerging Investment Program; iv) Business Acceleration Program; and v) Community Colleges/Academic Research Institutions Curriculum Alignment Program.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 4,727,000 | 4,536,000 | (191,000) | 1,840,000 |
| Aid To Localities | 56,240,000 | 47,590,000 | (8,650,000) | 186,826,000 |
| Capital Projects | 0 | 0 | 0 | 14,641,000 |
| Total | 60,967,000 | 52,126,000 | (8,841,000) | 203,307,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|------------------------|---------------------------------------|---------------------------------------|------------|
| Administration Program | | | |
| General Fund | 30 | 30 | 0 |
| Total | 30 | 30 | 0 |

SCIENCE, TECHNOLOGY, AND INNOVATION

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 4,227,000 | 4,036,000 | (191,000) |
| Special Revenue Funds - Other | 500,000 | 500,000 | 0 |
| Total | 4,727,000 | 4,536,000 | (191,000) |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Administration Program | | | |
| General Fund | 4,227,000 | 4,036,000 | (191,000) |
| Special Revenue Funds - Other | 500,000 | 500,000 | 0 |
| Total | 4,727,000 | 4,536,000 | (191,000) |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Personal Service Regular (Annual Salaried)</u> | |
|------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration Program | 2,216,000 | (76,000) | 2,216,000 | (76,000) |
| Total | 2,216,000 | (76,000) | 2,216,000 | (76,000) |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Supplies and Materials</u> | |
|------------------------|---------------|---------------|-------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration Program | 1,820,000 | (115,000) | 35,000 | 5,000 |
| Total | 1,820,000 | (115,000) | 35,000 | 5,000 |

| <u>Program</u> | <u>Travel</u> | | <u>Contractual Services</u> | |
|------------------------|---------------|---------------|-----------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration Program | 50,000 | 10,000 | 620,000 | (70,000) |
| Total | 50,000 | 10,000 | 620,000 | (70,000) |

| <u>Program</u> | <u>Equipment</u> | | <u>General State Charges</u> | |
|------------------------|------------------|---------------|------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration Program | 75,000 | 0 | 950,000 | (75,000) |
| Total | 75,000 | 0 | 950,000 | (75,000) |

| <u>Program</u> | <u>Special Departmental Charges</u> | |
|------------------------|-------------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> |
| Administration Program | 90,000 | 15,000 |
| Total | 90,000 | 15,000 |

SCIENCE, TECHNOLOGY, AND INNOVATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | Maintenance Amount | Undistributed Change |
|------------------------|-----------------|--------|-----------------------|-------------------------|
| Administration Program | 500,000 | 0 | 500,000 | 0 |
| Total | 500,000 | 0 | 500,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 49,740,000 | 47,590,000 | (2,150,000) |
| Special Revenue Funds - Federal | 6,500,000 | 0 | (6,500,000) |
| Total | 56,240,000 | 47,590,000 | (8,650,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------|----------------------|------------------------|-------------|
| Community Projects | | | |
| General Fund | 300,000 | 0 | (300,000) |
| High Technology Program | | | |
| General Fund | 35,490,000 | 37,740,000 | 2,250,000 |
| Regional Partnership Program | | | |
| General Fund | 1,000,000 | 0 | (1,000,000) |
| Research Development Program | | | |
| General Fund | 9,350,000 | 8,350,000 | (1,000,000) |
| Training and Business Assistance Program | | | |
| General Fund | 3,600,000 | 1,500,000 | (2,100,000) |
| Special Revenue Funds - Federal | 6,500,000 | 0 | (6,500,000) |
| Total | 56,240,000 | 47,590,000 | (8,650,000) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------|----------------------|------------------------|--------|-----------------------------|
| Research Facilities | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 14,641,000 |
| Total | 0 | 0 | 0 | 14,641,000 |

DEPARTMENT OF STATE

MISSION

Established in 1788, the Department of State (DOS) is the State's oldest agency. Historically serving as the State's general recording officer and custodian of the State's "Great Seal", the Department's mission has grown to include a broad range of activities that coordinate programs with, and provide services to, local governments and businesses. The Department protects public safety by managing arson investigation, fire prevention, building and energy code programs; administers programs for community development and local government service activities; and supports businesses through various licensing and registration activities.

ORGANIZATION AND STAFFING

The Department is headed by the Secretary of State, who is appointed by the Governor and confirmed by the Senate. The Department's central office is located in Albany. It also has 20 regional offices across the State and operates the Academy of Fire Science in Montour Falls, Schuyler County.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$157.6 million All Funds (\$22.6 million General Fund; \$135 million Other Funds)** for the Department of State. This is a net decrease of **\$17.5 million All Funds** from the 2007-08 budget. This net change results from the elimination of \$19.4 million in nonrecurring program additions offset by continued growth in the Business and Licensing Program, appropriations for the New York State Commission on Uniform State Laws and the Law Revision Commission, and the elimination of funding for the State Ethics Commission which was merged into the Commission on Public Integrity in accordance with Chapter 14 of the Laws of 2007, as well as other adjustments.

The Executive Budget recommends a staffing level of **927 FTEs** for the Department of State, an **increase of 15** from the 2007-08 budget. This net change primarily reflects a decrease in staff resulting from the merger of the State Ethics Commission into the Commission on Public Integrity offset by new hires for Indigent Defense, the Law Revision Commission and licensing enforcement.

Major budget actions include:

- **Licensing Enforcement:** The addition of 19 new FTEs, at a cost of \$1.4 million, to increase compliance with new and existing business licensing requirements on a statewide basis.
- **Indigent Defense:** \$3 million to fund a new program to assess and oversee the efficacy of indigent legal defense across the State. The program will collect and analyze data, provide training, and implement various initiatives to ensure that the rights of indigent defendants are adequately protected and represented in the State's legal system. Additionally, this program would provide \$1 million to fund civil legal service grants through a competitive bidding process. Funding for this program includes the hiring of 15 additional FTE's

PROGRAM HIGHLIGHTS

The responsibilities of the Department of State are carried out through three programs:

- The Local Government and Community Services Program consists of several functions, including the Office of Fire Prevention and Control (OFPC), which works with both paid and volunteer firefighters by providing training, technical support and assistance with arson investigations, and conducts fire safety inspections of colleges and state-owned buildings. OFPC trains and equips an urban search and rescue team based in the Capital Region. OFPC also provides low interest loans to fire and ambulance companies through the Emergency Services Revolving Loan Program. The Division of Code Enforcement and Administration manages New York's building and energy codes. In addition to these activities, Local Government and Community Services program staff provide services to citizens; offer planning and management services to local governments through the Division of Local Government; support land use planning activities in the New York City/Catskill watershed; coordinate New York's coastal resources and waterfront revitalization activities; and administer the Department's Federal grant programs, including the Appalachian Regional Commission. The federally funded Division of Community Services provides a means for achieving economic self-sufficiency through programs designed to improve opportunities for its low-income participants.
- The Business and Licensing Services Program maintains all certificates on file for businesses and corporations; administers qualifying examinations and licensing of 26 occupations; and prepares the State Register and other publications.
- The Administration Program provides the basic executive direction, fiscal, personnel, legal and electronic data processing activities that support the Department's operations.

Additionally, the Department's appropriations contain funds for the Lake George Park Commission, the Law Revision Commission, the Commission on Uniform State Laws, the State Athletic Commission, the Committee on Open Government, and the Tug Hill Commission.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 73,738,000 | 80,766,000 | 7,028,000 | 37,652,400 |
| Aid To Localities | 101,298,490 | 76,815,000 | (24,483,490) | 123,778,000 |
| Capital Projects | 0 | 0 | 0 | 39,304,000 |
| Total | 175,036,490 | 157,581,000 | (17,455,490) | 200,734,400 |

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

| Full-Time Equivalent Positions (FTE) | | | |
|-----------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| General Fund | 63 | 63 | 0 |
| Lake George Park Commission | | | |
| Special Revenue Funds - Other | 9 | 9 | 0 |
| Law Revision Commission | | | |
| General Fund | 0 | 3 | 3 |
| Licensing Services | | | |
| Special Revenue Funds - Other | 403 | 423 | 20 |
| Local Government and Community Services | | | |
| General Fund | 133 | 133 | 0 |
| Special Revenue Funds - Federal | 58 | 58 | 0 |
| Special Revenue Funds - Other | 205 | 220 | 15 |
| Tug Hill Commission | | | |
| General Fund | 18 | 18 | 0 |
| Total | <u>889</u> | <u>927</u> | <u>38</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 20,828,000 | 22,611,000 | 1,783,000 |
| Special Revenue Funds - Federal | 11,402,000 | 11,402,000 | 0 |
| Special Revenue Funds - Other | 41,508,000 | 46,753,000 | 5,245,000 |
| Total | <u>73,738,000</u> | <u>80,766,000</u> | <u>7,028,000</u> |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Special Pay Bill | | | |
| Special Revenue Funds - Other | (12,000) | | |
| Transfer(s) To | | | |
| Public Integrity, Commission on | | | |
| General Fund | 2,245,000 | | |
| Appropriated 2007-08 | <u>75,971,000</u> | | |

STATE

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| General Fund | 9,126,000 | 10,646,000 | 1,520,000 |
| Special Revenue Funds - Other | 12,000 | 0 | (12,000) |
| Lake George Park Commission | | | |
| Special Revenue Funds - Other | 1,594,000 | 1,594,000 | 0 |
| Law Revision Commission | | | |
| General Fund | 0 | 158,000 | 158,000 |
| Licensing Services | | | |
| Special Revenue Funds - Other | 36,653,000 | 38,675,000 | 2,022,000 |
| Local Government and Community Services | | | |
| General Fund | 9,591,000 | 10,216,000 | 625,000 |
| Special Revenue Funds - Federal | 11,402,000 | 11,402,000 | 0 |
| Special Revenue Funds - Other | 3,196,000 | 6,431,000 | 3,235,000 |
| Northway Travel Safety Program | | | |
| General Fund | 1,000,000 | 0 | (1,000,000) |
| Tug Hill Commission | | | |
| General Fund | 1,111,000 | 1,431,000 | 320,000 |
| Special Revenue Funds - Other | 53,000 | 53,000 | 0 |
| Uniform State Laws, NY Commission on | | | |
| General Fund | 0 | 160,000 | 160,000 |
| Total | 73,738,000 | 80,766,000 | 7,028,000 |

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------------------|------------|-----------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 5,079,000 | 603,000 | 5,032,000 | 603,000 |
| Law Revision Commission | 148,000 | 148,000 | 148,000 | 148,000 |
| Local Government and Community Services | 8,567,000 | 625,000 | 8,528,000 | 625,000 |
| Tug Hill Commission | 1,021,000 | 20,000 | 1,021,000 | 20,000 |
| Total | 14,815,000 | 1,396,000 | 14,729,000 | 1,396,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 41,000 | 0 | 6,000 | 0 |
| Law Revision Commission | 0 | 0 | 0 | 0 |
| Local Government and Community Services | 34,000 | 0 | 5,000 | 0 |
| Tug Hill Commission | 0 | 0 | 0 | 0 |
| Total | 75,000 | 0 | 11,000 | 0 |

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Supplies and Materials | |
|-----------------------------------------|------------------|----------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 5,567,000 | 917,000 | 646,000 | 0 |
| Law Revision Commission | 10,000 | 10,000 | 2,000 | 2,000 |
| Local Government and Community Services | 1,649,000 | 0 | 78,500 | 0 |
| Northway Travel Safety Program | 0 | (1,000,000) | 0 | 0 |
| Tug Hill Commission | 410,000 | 300,000 | 13,000 | 0 |
| Uniform State Laws, NY Commission on | 160,000 | 160,000 | 0 | 0 |
| Total | 7,796,000 | 387,000 | 739,500 | 2,000 |

| Program | Travel | | Contractual Services | |
|-----------------------------------------|----------------|---------------|-----------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration | 58,500 | 0 | 4,148,500 | 917,000 |
| Law Revision Commission | 0 | 0 | 0 | 0 |
| Local Government and Community Services | 140,300 | 0 | 1,047,100 | 0 |
| Northway Travel Safety Program | 0 | 0 | 0 | 0 |
| Tug Hill Commission | 8,000 | 0 | 387,000 | 300,000 |
| Uniform State Laws, NY Commission on | 0 | 0 | 160,000 | 160,000 |
| Total | 206,800 | 0 | 5,742,600 | 1,377,000 |

| Program | Equipment | | Maintenance Undistributed | |
|-----------------------------------------|------------------|---------------|----------------------------------|--------------------|
| | Amount | Change | Amount | Change |
| Administration | 714,000 | 0 | 0 | 0 |
| Law Revision Commission | 8,000 | 8,000 | 0 | 0 |
| Local Government and Community Services | 383,100 | 0 | 0 | 0 |
| Northway Travel Safety Program | 0 | 0 | 0 | (1,000,000) |
| Tug Hill Commission | 2,000 | 0 | 0 | 0 |
| Uniform State Laws, NY Commission on | 0 | 0 | 0 | 0 |
| Total | 1,107,100 | 8,000 | 0 | (1,000,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service | |
|-----------------------------------------|-------------------|------------------|-------------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration | 0 | (12,000) | 0 | (8,000) |
| Lake George Park Commission | 1,594,000 | 0 | 664,000 | 0 |
| Licensing Services | 38,675,000 | 2,022,000 | 18,991,000 | 820,000 |
| Local Government and Community Services | 17,833,000 | 3,235,000 | 6,354,000 | 1,050,000 |
| Tug Hill Commission | 53,000 | 0 | 0 | 0 |
| Total | 58,155,000 | 5,245,000 | 26,009,000 | 1,862,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------------------|----------------------------|------------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 0 | (4,000) | 0 | 0 |
| Lake George Park Commission | 930,000 | 0 | 0 | 0 |
| Licensing Services | 19,684,000 | 1,202,000 | 0 | 0 |
| Local Government and Community Services | 10,879,000 | 2,185,000 | 600,000 | 0 |
| Tug Hill Commission | 53,000 | 0 | 0 | 0 |
| Total | 31,546,000 | 3,383,000 | 600,000 | 0 |

STATE

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 25,248,490 | 0 | (25,248,490) |
| Special Revenue Funds - Federal | 61,400,000 | 61,400,000 | 0 |
| Special Revenue Funds - Other | 14,650,000 | 15,415,000 | 765,000 |
| Total | 101,298,490 | 76,815,000 | (24,483,490) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------|------------------------------|--------------------------------|---------------|
| Licensing Services | | | |
| Special Revenue Funds - Other | 550,000 | 550,000 | 0 |
| Local Government and Community Services | | | |
| General Fund | 5,817,911 | 0 | (5,817,911) |
| Special Revenue Funds - Federal | 61,400,000 | 61,400,000 | 0 |
| Special Revenue Funds - Other | 14,100,000 | 14,865,000 | 765,000 |
| Community Projects | | | |
| General Fund | 19,430,579 | 0 | (19,430,579) |
| Total | 101,298,490 | 76,815,000 | (24,483,490) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Local Government and Community Services | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 38,177,000 |
| Office of Fire Prevention | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 1,127,000 |
| Total | 0 | 0 | 0 | 39,304,000 |

DEPARTMENT OF TAXATION AND FINANCE

MISSION

The Department of Taxation and Finance (DTF) collects tax revenue and provides associated services in support of government operations in New York State. In fulfilling its responsibilities, the Department collects and accounts for more than \$56 billion in State taxes and \$36 billion in local taxes; administers 35 State and 7 local taxes, including New York City and City of Yonkers income taxes; and processes nearly 25 million returns, registrations and associated documents. The Department also manages the State Treasury, which provides investment and cash management services to various State agencies, and administers the State's Middle Class STAR Property Tax Rebate Program.

ORGANIZATION AND STAFFING

The Department is headed by a Commissioner who is appointed by the Governor and confirmed by the Senate. The Department fulfills its mission through eight programs: Audit, Collection and Enforcement, Centralized Operations Support, Office of Conciliation and Mediation, Management, Administration and Counsel, Revenue Processing and Reconciliation, Tax Policy, Revenue Accounting and Taxpayer Guidance, Technology and Information Services, and Treasury Management.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$449 million All Funds (\$314 million General Fund; \$136 million Other Funds)** for the Department of Taxation and Finance. This is an increase of **\$13 million All Funds (\$2 million General Fund, \$11 million Other Funds)** from the 2007-08 budget. This net change primarily reflects the continued growth in employee costs, increases in banking services costs, the completion of the e-MPIRE project, the implementation of the electronic transaction initiative, and additional federal funding for the equitable sharing agreement.

The Executive Budget recommends a staffing level of **5,041 FTEs** for the Department of Taxation and Finance, an increase of **75 FTEs** from the 2007-08 budget. These additional staff positions will be assigned to the Department's Audit, Collection, and Enforcement program.

Major budget actions include:

- **Completion of e-MPIRE:** The e-MPIRE project is a multi-year effort to significantly upgrade the Department's information technology infrastructure. The Department expects the project to be completed by March 31, 2008 for a savings of \$7 million in 2008-09.
- **Electronic Transaction Initiative:** This proposal would authorize the Department to require certain tax related documents, payments and signatures in electronic form for a savings of \$6.3 million in 2008-09.
- **Federal Equitable Sharing Agreement:** The Department expects to receive an additional \$2 million from this federal program to support tax enforcement activities.

PROGRAM HIGHLIGHTS

The Department's strategic goal is to achieve "universal voluntary compliance" to ensure that all taxpayers voluntarily pay the correct amount of tax due on a timely basis. To achieve this goal, the Department is committed to increasing the current high level of voluntary compliance through taxpayer education initiatives, technology, and enforcement efforts.

The operations of the Department are organized along the following functional lines to support its legal mission:

- **Audit, Collection and Enforcement:** Ensures that voluntarily remitted taxes are accurate and complete; leverages sophisticated technologies and highly-trained personnel to collect delinquent taxes; and identifies and investigates alleged evasion of the State tax code, whether through underreporting, non-filing or schemes of avoidance.
- **Centralized Operations Support:** Provides infrastructure support services; vehicle fleet management; printing and mailing services; telecommunications support; space planning, management, and utilization; in-house security; and parking services.
- **Office of Conciliation and Mediation:** Provides taxpayers with a statutorily-mandated option of informal and impartial dispute resolution that potentially mitigates time-consuming, formal administrative hearings with the Division of Tax Appeals.
- **Management, Administration and Counsel:** Provides Departmental financial services, including budgeting, accounting, and procurement; provides a full range of legal services to the Department; and provides personnel services, including workforce strategies and solutions.
- **Revenue Processing and Reconciliation:** Processes taxpayer returns and remittance to compute liability, identify underpayments or overpayments, and issue assessments and refunds; creates and maintains taxpayer accounts and records; and responds to taxpayer inquiries.
- **Tax Policy, Revenue Accounting and Taxpayer Guidance:** Performs revenue accounting; review tax policies; assess tax proposals and proposed legislation; prepares fiscal impacts; performs sophisticated studies and analyses for the Legislature and the Division of the Budget; and develops tax information, advice, forms, and instructions.
- **Technology and Information Services:** Maintains, secures, and improves the Department's information technology infrastructure, applications, and networks.
- **Treasury Management:** Acts on the Tax Commissioner's behalf as custodian of the State Treasury, and joint-custodian of the State General Checking Account; provides various financial and investment services to certain State agencies and public benefit corporations.

TAXATION AND FINANCE

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|------------|--------------------------------------------|
| State Operations | 435,856,000 | 449,341,000 | 13,485,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 435,856,000 | 449,341,000 | 13,485,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------------------------------|---------------------------------------|---------------------------------------|------------|
| Audit, Collection and Enforcement | | | |
| General Fund | 2,471 | 2,546 | 75 |
| Centralized Operations Support | | | |
| General Fund | 122 | 122 | 0 |
| Office of Conciliation and Mediation | | | |
| General Fund | 25 | 25 | 0 |
| Management, Administration and Counsel | | | |
| General Fund | 253 | 253 | 0 |
| Revenue Processing and Reconciliation | | | |
| General Fund | 584 | 584 | 0 |
| Special Revenue Funds - Other | 731 | 731 | 0 |
| Tax Policy, Revenue Accounting and | | | |
| Taxpayer Guidance | | | |
| General Fund | 176 | 176 | 0 |
| Technology and Information Services | | | |
| General Fund | 560 | 560 | 0 |
| Treasury Management | | | |
| Special Revenue Funds - Other | 44 | 44 | 0 |
| Total | 4,966 | 5,041 | 75 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 311,352,000 | 313,720,000 | 2,368,000 |
| Special Revenue Funds - Federal | 582,000 | 2,582,000 | 2,000,000 |
| Special Revenue Funds - Other | 76,420,000 | 86,837,000 | 10,417,000 |
| Internal Service Funds | 47,502,000 | 46,202,000 | (1,300,000) |
| Total | 435,856,000 | 449,341,000 | 13,485,000 |

TAXATION AND FINANCE

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------------|----------------------|------------------------|-------------|
| Audit, Collection and Enforcement | | | |
| General Fund | 113,221,000 | 119,865,000 | 6,644,000 |
| Special Revenue Funds - Federal | 582,000 | 2,582,000 | 2,000,000 |
| Special Revenue Funds - Other | 4,000,000 | 4,000,000 | 0 |
| Centralized Operations Support | | | |
| General Fund | 38,810,000 | 38,810,000 | 0 |
| Office of Conciliation and Mediation | | | |
| General Fund | 1,679,000 | 1,679,000 | 0 |
| Management, Administration and Counsel | | | |
| General Fund | 16,628,000 | 16,628,000 | 0 |
| Revenue Processing and Reconciliation | | | |
| General Fund | 43,261,000 | 43,261,000 | 0 |
| Special Revenue Funds - Other | 69,236,000 | 79,653,000 | 10,417,000 |
| Internal Service Funds | 47,502,000 | 46,202,000 | (1,300,000) |
| Tax Policy, Revenue Accounting and | | | |
| Taxpayer Guidance | | | |
| General Fund | 12,057,000 | 12,057,000 | 0 |
| Technology and Information Services | | | |
| General Fund | 85,696,000 | 81,420,000 | (4,276,000) |
| Treasury Management | | | |
| Special Revenue Funds - Other | 3,184,000 | 3,184,000 | 0 |
| Total | 435,856,000 | 449,341,000 | 13,485,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------------------------------|-------------|-----------|-----------------------------------------------|-------------|
| | Amount | Change | Amount | Change |
| Audit, Collection and Enforcement | 112,565,000 | 6,644,000 | 110,545,000 | 5,144,000 |
| Centralized Operations Support | 5,285,000 | 0 | 4,686,000 | (50,000) |
| Office of Conciliation and Mediation | 1,571,000 | 0 | 1,571,000 | 0 |
| Management, Administration and Counsel | 14,579,000 | 0 | 14,410,000 | (60,000) |
| Revenue Processing and Reconciliation | 40,690,000 | 0 | 34,424,000 | (1,250,000) |
| Tax Policy, Revenue Accounting and | | | | |
| Taxpayer Guidance | 10,327,000 | 0 | 10,224,000 | (65,000) |
| Technology and Information Services | 33,850,000 | 2,724,000 | 33,050,000 | 2,097,000 |
| Total | 218,867,000 | 9,368,000 | 208,910,000 | 5,816,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------------------------------|-------------------------------------------|-----------|-------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Audit, Collection and Enforcement | 1,020,000 | 500,000 | 1,000,000 | 1,000,000 |
| Centralized Operations Support | 549,000 | 0 | 50,000 | 50,000 |
| Office of Conciliation and Mediation | 0 | 0 | 0 | 0 |
| Management, Administration and Counsel | 159,000 | 50,000 | 10,000 | 10,000 |
| Revenue Processing and Reconciliation | 5,766,000 | 750,000 | 500,000 | 500,000 |
| Tax Policy, Revenue Accounting and | | | | |
| Taxpayer Guidance | 38,000 | 0 | 65,000 | 65,000 |
| Technology and Information Services | 300,000 | 127,000 | 500,000 | 500,000 |
| Total | 7,832,000 | 1,427,000 | 2,125,000 | 2,125,000 |

TAXATION AND FINANCE

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|------------------------------------------------------|------------|-------------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Audit, Collection and Enforcement | 7,300,000 | 0 | 588,000 | 0 |
| Centralized Operations Support | 33,525,000 | 0 | 13,590,000 | 0 |
| Office of Conciliation and Mediation | 108,000 | 0 | 5,000 | 0 |
| Management, Administration and Counsel | 2,049,000 | 0 | 137,000 | 0 |
| Revenue Processing and Reconciliation | 2,571,000 | 0 | 1,103,000 | 0 |
| Tax Policy, Revenue Accounting and Taxpayer Guidance | 1,730,000 | 0 | 62,000 | 0 |
| Technology and Information Services | 47,570,000 | (7,000,000) | 150,000 | 0 |
| Total | 94,853,000 | (7,000,000) | 15,635,000 | 0 |

| Program | Travel | | Contractual Services | |
|------------------------------------------------------|-----------|--------|----------------------|-------------|
| | Amount | Change | Amount | Change |
| Audit, Collection and Enforcement | 5,175,000 | 0 | 1,409,000 | 0 |
| Centralized Operations Support | 39,000 | 0 | 19,023,000 | 0 |
| Office of Conciliation and Mediation | 96,000 | 0 | 6,000 | 0 |
| Management, Administration and Counsel | 156,000 | 0 | 1,383,000 | 0 |
| Revenue Processing and Reconciliation | 140,000 | 0 | 1,094,000 | 0 |
| Tax Policy, Revenue Accounting and Taxpayer Guidance | 28,000 | 0 | 1,622,000 | 0 |
| Technology and Information Services | 300,000 | 0 | 43,884,000 | (7,000,000) |
| Total | 5,934,000 | 0 | 68,421,000 | (7,000,000) |

| Program | Equipment | |
|------------------------------------------------------|-----------|--------|
| | Amount | Change |
| Audit, Collection and Enforcement | 128,000 | 0 |
| Centralized Operations Support | 873,000 | 0 |
| Office of Conciliation and Mediation | 1,000 | 0 |
| Management, Administration and Counsel | 373,000 | 0 |
| Revenue Processing and Reconciliation | 234,000 | 0 |
| Tax Policy, Revenue Accounting and Taxpayer Guidance | 18,000 | 0 |
| Technology and Information Services | 3,236,000 | 0 |
| Total | 4,863,000 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|---------------------------------------|-------------|------------|------------------|--------|
| | Amount | Change | Amount | Change |
| Audit, Collection and Enforcement | 6,582,000 | 2,000,000 | 0 | 0 |
| Revenue Processing and Reconciliation | 125,855,000 | 9,117,000 | 36,881,000 | 0 |
| Treasury Management | 3,184,000 | 0 | 2,020,000 | 12,000 |
| Total | 135,621,000 | 11,117,000 | 38,901,000 | 12,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---------------------------------------|---------------------|-----------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Audit, Collection and Enforcement | 4,000,000 | 0 | 2,582,000 | 2,000,000 |
| Revenue Processing and Reconciliation | 88,974,000 | 9,117,000 | 0 | 0 |
| Treasury Management | 1,164,000 | (12,000) | 0 | 0 |
| Total | 94,138,000 | 9,105,000 | 2,582,000 | 2,000,000 |

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 in Troy, New York City and Rochester, while Tax Tribunal oral arguments are held in New York City, Buffalo and Troy. Small claims hearings are conducted throughout the State.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.3 million All Funds (\$3.3 million General Fund)** for the Division of Tax Appeals. This net increase of **\$45,000** from the 2007-08 budget reflects growth in employee costs and savings in non personal service expenditures .

The Executive Budget recommends a staffing level of **31 FTEs** for the Division of Tax Appeals. There is no change in staffing level from the 2007-08 budget.

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.

The Division also conducts formal hearings in New York City and Rochester to provide easier access for taxpayers in these metropolitan areas. At these locations, the Division utilizes existing State office space, thus providing improved service at nominal additional cost.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|------------------------------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 3,228,000 | 3,273,000 | 45,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 3,228,000 | 3,273,000 | 45,000 | 0 |

TAX APPEALS

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|---------------------------------------|---------------------------------------|------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| General Fund | 31 | 31 | 0 |
| Total | 31 | 31 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------|
| General Fund | 3,228,000 | 3,273,000 | 45,000 |
| Total | 3,228,000 | 3,273,000 | 45,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|----------------------|------------------------|--------|
| Administration | | | |
| General Fund | 3,228,000 | 3,273,000 | 45,000 |
| Total | 3,228,000 | 3,273,000 | 45,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-----------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 2,806,000 | 65,000 | 2,796,000 | 65,000 |
| Total | 2,806,000 | 65,000 | 2,796,000 | 65,000 |

| Program | Temporary Service (Nonannual Salaried) | |
|----------------|-------------------------------------------|--------|
| | Amount | Change |
| Administration | 10,000 | 0 |
| Total | 10,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 467,000 | (20,000) | 35,000 | 0 |
| Total | 467,000 | (20,000) | 35,000 | 0 |

| Program | Travel | | Contractual Services | |
|----------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 25,000 | 0 | 327,000 | (20,000) |
| Total | 25,000 | 0 | 327,000 | (20,000) |

| Program | Equipment | |
|----------------|------------------|---------------|
| | Amount | Change |
| Administration | 80,000 | 0 |
| Total | 80,000 | 0 |

THRUWAY AUTHORITY

In addition to operating the nation's longest toll highway system of 641 miles, 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, 16 lift bridges, numerous dams, reservoirs and water control structures.

Thruway Authority and Canal System programs are primarily supported by Authority funds, which are not reflected in the Executive Budget. The Authority will have a workforce of 3,407 in 2008-09, a decrease of 10 positions from 2007-08.

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 \$9.3 million from the Canal System Development Fund for a portion of the maintenance, construction, reconstruction, development and promotion of the canals.

The Rebuild and Renew New York Transportation Bond Act of 2005 (appropriated through the Department of Transportation budget) provides \$10 million in State fiscal year 2007-08 to advance additional Canal capital projects.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 2,000,000 | 2,000,000 | 0 | 9,299,000 |
| Total | 2,000,000 | 2,000,000 | 0 | 9,299,000 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|----------------------------------------------|----------------------|------------------------|--------|-----------------------------|
| Canal Development Program | | | | |
| New York State Canal System Development Fund | 2,000,000 | 2,000,000 | 0 | 9,299,000 |
| Total | 2,000,000 | 2,000,000 | 0 | 9,299,000 |

DEPARTMENT OF TRANSPORTATION

MISSION

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

The DOT of the 21st Century is capitalizing on evolving world trade patterns, using intelligent transportation technology to manage increases in traffic and balancing security concerns with the need to move people and products safely and efficiently. The Department closely coordinates with other State transportation agencies and authorities, with the goal of creating a seamless statewide transportation system that addresses environmental and community concerns and more efficiently moves people and goods throughout the State's transportation system.

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 Schenectady, 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.

Employees of the Department 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.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$7.7 billion All Funds (\$103 million General Fund; \$4.5 billion Capital Projects Funds; \$177 million Other Funds)** for the Department of Transportation (DOT). This is an increase of **\$369 million** (decrease of \$600,000 General Fund; increase of \$193 million Capital Projects Funds; increase of \$177 million Other Funds) from the 2007-08 Budget. This net change primarily reflects: increased transit aid to meet the operating needs of transit systems Statewide, including a record level of aid to the MTA (\$173 million); planned increases in DOT construction and preventive maintenance (\$59 million); new resources for the State and Local Bridge Preservation Program (\$140 million); and a net decrease of \$3 million for administrative savings and other offsetting adjustments based on program activity.

The Executive Budget recommends a staffing level of **10,593 FTEs** for the Department of Transportation, a net increase of 322 from the 2007-08 budget. A total of 339 new positions are provided to support the new State and Local Bridge Preservation Program including staff for additional bridge maintenance crews and State and Local contract oversight. Another 30 preventive maintenance positions will enhance the Department's ability to maintain its heavy equipment and reduce reliance on outside repair work. The Budget also includes 25 new positions to replace consultant contracts for information technology and bridge inspection with State staff. A total of 22 positions will be eliminated due to administrative automation and efficiencies.

TRANSPORTATION

Major budget actions include:

- **Bridge Preservation Program:** The budget provides \$140 million in 2008-09 for the State and Local Bridge Preservation Program that includes \$17 million in support of State bridge crews and oversight, \$50 million for bridge maintenance contracts, \$13 million for bridge capital contracts and related engineering, and \$60 million for locally-owned bridge facilities. An additional 339 positions are included to support these activities. A portion of an annual \$20 fee assessed on motor vehicle insurance policies will be dedicated to the Dedicated Highway and Bridge Trust Fund (DHBTF) to provide resources for this new program.
- **Enhanced In-sourcing:** The budget enhances the use of State staff, adding 55 new positions for functions currently performed by consultant staff. These activities include information technology, bridge inspection and equipment management and are estimated to generate almost \$1.6 million in annual cost savings upon full implementation in 2009-10.
- **Administrative Efficiency:** The budget includes over \$2 million in cost savings from a variety of automation efforts and administrative efficiencies for procurement, project bidding and payroll and travel centralization.
- **Additional Support for Statewide Significant Projects:** The budget provides an additional \$300 million of Federal funding in 2009-10 to ensure that Projects of Statewide Significance contained in the State transportation plan MOU, such as the conversion of Route 17 to Interstate 86, are not delayed by funding shortfalls caused by construction cost inflation.
- **Transit Procurement Consortium:** The budget puts in place incentives for transit providers to utilize consortiums when purchasing replacement buses meeting federal standards. The use of consortiums will allow smaller transit providers throughout the state to pool their resources and achieve greater economies of scale.

The Department is responsible for the implementation of transportation programs related to highways and bridges, transit, aviation, ports, rail and other modes. It is supported by revenues from the Petroleum Business Tax, highway use tax, motor fuel taxes, auto rental tax, transportation/transmission tax, motor vehicle fees, and other fees. Substantial Federal aid is also used to support the programs. The 2005 Bond Act provides additional funding for the 2005-10 period.

The five-year transportation capital plan enacted in State Fiscal Year 2005-06 included over \$35.9 billion for the State's transportation systems during the period, with over \$17.9 billion for DOT capital programs and over \$17.9 billion for the Metropolitan Transportation Authority program. To finance the plan, existing resources were augmented by increases in motor vehicle fees, a restructuring of the Dedicated Highway and Bridge Trust Fund debt, increases in the sales tax and mortgage recording tax levied in the MTA service district, and the Rebuild and Renew New York Transportation Bond Act passed by the voters in November 2005. The 2007-08 budget increased the DOT plan to over \$18.7 billion, largely reflecting the utilization of additional Federal resources.

The Executive Budget further increases DOT's five-year capital program by \$587 million to \$19.4 billion. Primary components of this increase include \$287 million for the State and local bridge maintenance initiative and \$300 million in supplemental Federal resources for Projects of Statewide Significance.

A new State and Local Bridge Preservation Program to enhance funding for preventive maintenance on State and locally-owned bridges will provide \$140 million in 2008-09. Key elements of this initiative include: \$13 million for State bridge maintenance crews and related equipment and facilities; \$54 million for bridge maintenance contracts and State and

local contract support; \$13 million for bridge construction contracts and related engineering; and a \$60 million local bridge preservation program. The budget also provides 339 positions to support this initiative, including 262 FTEs for bridge maintenance crews, 57 FTEs for State and local maintenance contract oversight and 20 FTEs for engineering design and construction inspection.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2008-09 Executive Budget provides \$610 million for snow and ice control and State forces preventive maintenance. This level represents an increase of approximately \$16 million in both Federal and State funds, which will be utilized for inflationary pressures, conformance to unfunded mandates, and critical maintenance needs. Additional funding for preventive maintenance performed by private firms is included as part of the highway and bridge contract level.

The Department's regulatory programs and other operations are primarily funded by fees, miscellaneous revenues and federal aid. Approximately \$25.4 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; revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage; and funds recovered from accident damage to State transportation facilities. These funds support a number of agency activities, including administrative support services, highway safety and aviation programs.

Federal aid of \$20 million and dedicated mass transit funds totaling \$6.5 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. Obligations for highway and bridge construction contracts will total \$2.13 billion in 2008-09, an increase of \$153 million over Enacted Budget levels for the prior year.

The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund (DHBTF), established in 1993. The Trust Fund derives its revenues from portions of the petroleum business tax, motor fuel tax, motor vehicle fees, highway user fees, auto rental tax, transportation/transmission tax, 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. A restructuring of Trust Fund debt in 2005 provided additional financial resources to support the new five-year transportation plan. The 2005-06 Enacted Budget also increased certain motor vehicle fees to support the plan. The 2008-09 Executive Budget proposes to dedicate a portion of a \$20 fee assessed on motor vehicle insurance policies to the Trust Fund to support the new State and Local Bridge Preservation Program. In addition, the Executive Budget includes a cash transfer of up to \$119 million from the General Fund to the Trust Fund to address an estimated funding shortfall in 08-09. Additional funding shortfalls are also projected for future years based upon the current DOT capital plan.

A significant portion of the State and local highway capital program is supported by Federal aid, authorized in accordance with multi-year Federal transportation acts. The most recent Federal Transportation Act, known as SAFETEA-LU covers Federal fiscal years 2004-09. The Federal capital aid appropriation in 2008-09 is available for over \$2 billion

TRANSPORTATION

of Federal funding including provisions for State and local highways and bridges, engineering, rail and community enhancement programs. An additional \$50 million appropriation is provided for the second year of the Department's federally-funded "Maintenance First" initiative.

Additionally, the Rebuild and Renew New York Transportation Bond Act of 2005 continues to provide \$1.45 billion each for the DOT and MTA capital programs from State fiscal years 2005-06 through 2009-10.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS), the Municipal Streets and Highways Program ("Marchiselli" Program) and the Multi-Modal Program. The CHIPS and Marchiselli programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. In 2008-09, the CHIPS capital program will be funded at \$303.1 million, and the Marchiselli program at \$39.7 million.

A \$20 million appropriation for rail freight and passenger projects will continue to expand shipping opportunities for New York businesses, reduce costs for consumers and improve passenger transportation. The State continues to provide up to \$8 million to match Federal aviation grants. The Executive Budget also includes a \$4 million appropriation for the Regional Aviation Fund to support additional improvements at Stewart Airport.

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 3/8 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 \$3 billion.

More than \$2.5 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2008-2009. This includes \$625.2 million from the Dedicated Mass Transportation Trust Fund in support of the MTA capital program. The operating assistance also 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 \$448 million in new appropriations in 2008-09. Of this amount, \$175 million is targeted for upstate transit systems. This includes \$23 million in upstate transit aid that results from a redistribution of the Corporation and Utilities Taxes, sections 183 & 184 (Transmission Tax), between the upstate and downstate regions to better reflect the statewide collection of this tax. Capital funding of \$41 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 2006-07, the Department replaced or rehabilitated a total of 93 State bridges and completed 4,476 corrective and preventive bridge treatments to slow deterioration. Nearly 5,007 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. The Executive Budget continues this commitment to strategic investments in critical infrastructure needs. Even more than in previous years, preventive maintenance performed by State forces and private sector contractors will be an area of significant concentration.

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, the Dedicated Mass Transportation Trust Fund and 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 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 47,986,000 | 49,033,000 | 1,047,000 | 56,577,400 |
| Aid To Localities | 2,863,177,300 | 3,036,265,000 | 173,087,700 | 177,212,600 |
| Capital Projects | 4,445,040,000 | 4,637,562,000 | 192,522,000 | 14,834,713,000 |
| Total | 7,356,203,300 | 7,722,860,000 | 366,656,700 | 15,068,503,000 |

TRANSPORTATION

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

| Full-Time Equivalent Positions (FTE) | | | |
|---------------------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Design and Construction | | | |
| Capital Projects Funds - Other | 4,291 | 4,583 | 292 |
| New York Metropolitan Transportation Council | | | |
| Special Revenue Funds - Other | 68 | 68 | 0 |
| Operations Program | | | |
| Special Revenue Funds - Other | 12 | 12 | 0 |
| Passenger and Freight Transportation Program, Office of | | | |
| Special Revenue Funds - Federal | 79 | 79 | 0 |
| Special Revenue Funds - Other | 133 | 133 | 0 |
| Capital Projects Funds - Other | 98 | 98 | 0 |
| Planning and Program Management | | | |
| Capital Projects Funds - Other | 526 | 526 | 0 |
| Preventive Maintenance | | | |
| Capital Projects Funds - Other | 4,884 | 4,914 | 30 |
| Real Estate | | | |
| Capital Projects Funds - Other | 180 | 180 | 0 |
| Total | 10,271 | 10,593 | 322 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Special Revenue Funds - Federal | 15,519,000 | 17,165,000 | 1,646,000 |
| Special Revenue Funds - Other | 32,467,000 | 31,868,000 | (599,000) |
| Total | 47,986,000 | 49,033,000 | 1,047,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------------------------------|----------------------|------------------------|-----------|
| Operations Program | | | |
| Special Revenue Funds - Federal | 400,000 | 0 | (400,000) |
| Special Revenue Funds - Other | 14,027,000 | 14,050,000 | 23,000 |
| Passenger and Freight Transportation Program, Office of | | | |
| Special Revenue Funds - Federal | 15,119,000 | 17,165,000 | 2,046,000 |
| Special Revenue Funds - Other | 18,440,000 | 17,818,000 | (622,000) |
| Total | 47,986,000 | 49,033,000 | 1,047,000 |

TRANSPORTATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | Personal Service Amount | Change |
|------------------------------------------------------------|-------------------------|---------------|------------------------------------|---------------|
| Operations Program | 14,050,000 | (377,000) | 562,000 | 16,000 |
| Passenger and Freight Transportation Program, Office of | 34,983,000 | 1,424,000 | 11,823,000 | (657,000) |
| Total | 49,033,000 | 1,047,000 | 12,385,000 | (641,000) |

| Program | Nonpersonal Service Amount | Change | Maintenance Undistributed Amount | Change |
|------------------------------------------------------------|---------------------------------------|---------------|---------------------------------------------|---------------|
| Operations Program | 13,488,000 | 10,007,000 | 0 | (10,400,000) |
| Passenger and Freight Transportation Program, Office of | 14,230,000 | (420,000) | 8,930,000 | 2,501,000 |
| Total | 27,718,000 | 9,587,000 | 8,930,000 | (7,899,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 105,893,300 | 103,016,000 | (2,877,300) |
| Special Revenue Funds - Federal | 46,415,000 | 53,910,000 | 7,495,000 |
| Special Revenue Funds - Other | 2,710,869,000 | 2,879,339,000 | 168,470,000 |
| Total | 2,863,177,300 | 3,036,265,000 | 173,087,700 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|------------------------------|--------------------------------|---------------|
| Additional Mass Transportation Assistance Program | | | |
| General Fund | 25,447,000 | 28,447,000 | 3,000,000 |
| Special Revenue Funds - Other | 20,000,000 | 20,000,000 | 0 |
| Dedicated Mass Transportation Trust Fund Program | | | |
| Special Revenue Funds - Other | 647,300,000 | 622,200,000 | (25,100,000) |
| Local Transportation Planning Studies Program | | | |
| Special Revenue Funds - Federal | 16,687,000 | 23,062,000 | 6,375,000 |
| Mass Transportation Assistance Program General Fund | 45,000,000 | 45,000,000 | 0 |
| Mass Transportation Operating Assistance Fund Program | | | |
| Special Revenue Funds - Other | 1,852,133,000 | 2,042,703,000 | 190,570,000 |
| Mass Transportation Operating Assistance Program | | | |
| Special Revenue Funds - Other | 191,436,000 | 194,436,000 | 3,000,000 |
| Passenger and Freight Transportation Program, Office of | | | |
| General Fund | 33,169,000 | 29,569,000 | (3,600,000) |
| Special Revenue Funds - Federal | 7,925,000 | 8,634,000 | 709,000 |
| Rural and Small Urban Transit Aid Program Special Revenue Funds - Federal | 21,803,000 | 22,214,000 | 411,000 |
| Community Projects General Fund | 2,277,300 | 0 | (2,277,300) |
| Total | 2,863,177,300 | 3,036,265,000 | 173,087,700 |

TRANSPORTATION

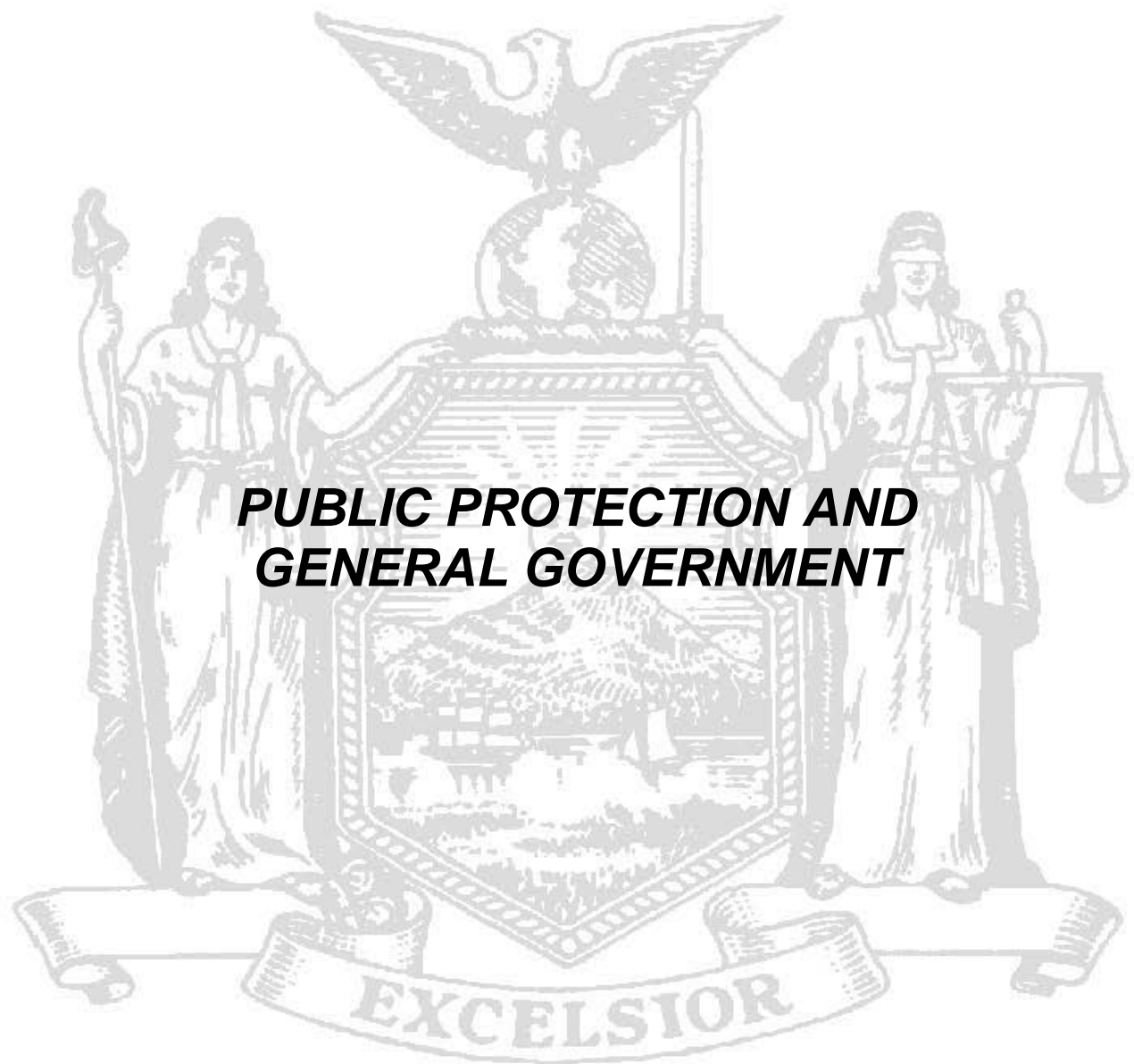
CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|--------------------------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Aviation | | | | |
| Airport or Aviation Program | | | | |
| Capital Projects Fund - Aviation (Bondable) | 0 | 0 | 0 | 2,073,000 |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 554,000 |
| Regional Aviation Fund | 0 | 4,000,000 | 4,000,000 | 4,730,000 |
| Airport or Aviation Program -- Bondable | | | | |
| Capital Projects Fund - Aviation (Bondable) | 0 | 0 | 0 | 827,000 |
| Airport or Aviation State Program | | | | |
| Dedicated Highway and Bridge Trust Fund | 8,000,000 | 8,000,000 | 0 | 40,602,000 |
| Regional Aviation Fund | 0 | 0 | 0 | 7,115,000 |
| Aviation | | | | |
| Transportation Capital Facilities Bond Fund | 0 | 0 | 0 | 3,394,000 |
| Federal Airport or Aviation | | | | |
| Federal Capital Projects Fund | 6,000,000 | 6,000,000 | 0 | 32,629,000 |
| Rebuild and Renew New York Transportation Bonds of 2005 | | | | |
| Capital Projects Fund - Rebuild Renew NY 2005 (Bondable) | 15,000,000 | 15,000,000 | 0 | 43,616,000 |
| Bond Proceeds | | | | |
| Rebuild and Renew New York Transportation Bonds of 2005 | | | | |
| Rebuild and Renew NY Trans Bonds of 2005 Bond Fund | 0 | 0 | 0 | 2,806,523,000 |
| Canals and Waterways | | | | |
| Canals and Waterways - Bondable | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 485,000 |
| Rebuild and Renew New York Transportation Bonds of 2005 | | | | |
| Capital Projects Fund - Rebuild Renew NY 2005 (Bondable) | 10,000,000 | 10,000,000 | 0 | 30,000,000 |
| Economic Development | | | | |
| Non-Federal Aided Highway Capital Projects | | | | |
| Dedicated Highway and Bridge Trust Fund | 0 | 0 | 0 | 381,575,000 |
| Health and Safety | | | | |
| Non-Federal Aided Highway Capital Projects | | | | |
| Dedicated Highway and Bridge Trust Fund | 7,628,000 | 7,741,000 | 113,000 | 6,630,000 |
| Highway Facilities | | | | |
| Accelerated Capacity and Transportation Improvements Fund | | | | |
| Accelerated Capacity and Transportation Improvements Fund | 0 | 0 | 0 | 34,510,000 |
| Airport or Aviation State Program | | | | |
| Dedicated Highway and Bridge Trust Fund | 0 | 0 | 0 | 874,000 |
| Engineering Services | | | | |
| Engineering Services Fund | 0 | 0 | 0 | 156,828,000 |
| NY Metro Transportation Council Account | 15,894,000 | 19,094,000 | 3,200,000 | 32,062,000 |
| Federal Aid Highways - Bondable Purpose | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 7,475,000 |
| Federal Aid Highways - Federal Purpose | | | | |
| Federal Capital Projects Fund | 2,027,299,000 | 2,065,000,000 | 37,701,000 | 6,828,181,000 |
| Highway Facilities | | | | |
| Dedicated Highway and Bridge Trust Fund | 0 | 0 | 0 | 13,760,000 |
| Infrastructure Bond Act Projects | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 7,263,000 |
| Multi-Modal | | | | |
| Dedicated Highway and Bridge Trust Fund | 0 | 0 | 0 | 49,220,000 |
| 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 | | | | |
| Miscellaneous New York State Agency Fund | 50,000,000 | 50,000,000 | 0 | 266,910,000 |
| Non-Federal Aided Highway Capital Projects | | | | |
| Dedicated Highway and Bridge Trust Fund | 1,293,608,000 | 1,452,179,000 | 158,571,000 | 2,411,668,000 |

TRANSPORTATION

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-----------------------------------------------------------------|----------------------|------------------------|--------------|-----------------------------|
| Other Highway Aid | | | | |
| Dedicated Highway and Bridge Trust Fund | 0 | 0 | 0 | 3,956,000 |
| Priority Bond Act Projects | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 8,830,000 |
| Rebuild and Renew New York Transportation Bonds of 2005 | | | | |
| Capital Projects Fund - Rebuild Renew NY 2005 (Bondable) | 290,000,000 | 275,000,000 | (15,000,000) | 620,487,000 |
| Road and Bridge Improvements - Bondable | | | | |
| Capital Projects Fund - A.C. and T.I. Fund (Bondable) | 0 | 0 | 0 | 34,233,000 |
| Small and Minority and Women-Owned Small Business Assistance | | | | |
| Dedicated Highway and Bridge Trust Fund | 0 | 0 | 0 | 3,500,000 |
| Transportation Infrastructure Renewal Bond Fund | | | | |
| Transportation Infrastructure Renewal Bond Fund | 0 | 0 | 0 | 28,976,000 |
| Maintenance Facilities | | | | |
| Maintenance Facilities | | | | |
| Dedicated Highway and Bridge Trust Fund | 17,250,000 | 17,685,000 | 435,000 | 29,561,000 |
| Mass Transportation and Rail Freight | | | | |
| Marine Projects | | | | |
| Dedicated Mass Transportation Fund | 0 | 0 | 0 | 181,000 |
| Mass Transportation | | | | |
| Dedicated Mass Transportation Fund | 19,000,000 | 20,000,000 | 1,000,000 | 99,387,000 |
| Mass Transportation and Rail Freight | | | | |
| Capital Projects Fund - Energy Conservation (Bondable) | 0 | 0 | 0 | 247,000 |
| Dedicated Highway and Bridge Trust Fund | 20,000,000 | 20,000,000 | 0 | 88,156,000 |
| Dedicated Mass Transportation Fund | 62,600,000 | 51,072,000 | (11,528,000) | 98,288,000 |
| Federal Capital Projects Fund | 0 | 0 | 0 | 19,576,000 |
| Mass Transportation and Rail Freight Bondable | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 2,828,000 |
| Rail Freight | | | | |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 21,350,000 |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 769,000 |
| Dedicated Mass Transportation Fund | 0 | 0 | 0 | 1,351,000 |
| Rail Preservation and Development Fund | | | | |
| Energy Conservation Improved Transportation Bond Fund | 0 | 0 | 0 | 262,000 |
| Rebuild and Renew New York Transportation Bonds of 2005 | | | | |
| Capital Projects Fund - Rebuild Renew NY 2005 (Bondable) | 10,000,000 | 10,000,000 | 0 | 26,867,000 |
| Small and Minority and Women-Owned Small Business Assistance | | | | |
| Dedicated Mass Transportation Fund | 0 | 0 | 0 | 5,000,000 |
| Special Rail and Aviation Program | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 22,000,000 |
| Dedicated Mass Transportation Fund | 0 | 0 | 0 | 5,320,000 |
| Port Development | | | | |
| Port Development Bondable | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | 0 | 0 | 0 | 57,000 |
| Rebuild and Renew New York Transportation Bonds of 2005 | | | | |
| Capital Projects Fund - Rebuild Renew NY 2005 (Bondable) | 27,000,000 | 27,000,000 | 0 | 75,178,000 |
| Preservation of Facilities | | | | |
| Non-Federal Aided Highway Capital Projects | | | | |
| Capital Projects Fund | 3,000,000 | 0 | (3,000,000) | 3,000,000 |
| Dedicated Highway and Bridge Trust Fund | 562,761,000 | 579,791,000 | 17,030,000 | 463,950,000 |
| Total | 4,445,040,000 | 4,637,562,000 | 192,522,000 | 14,834,713,000 |



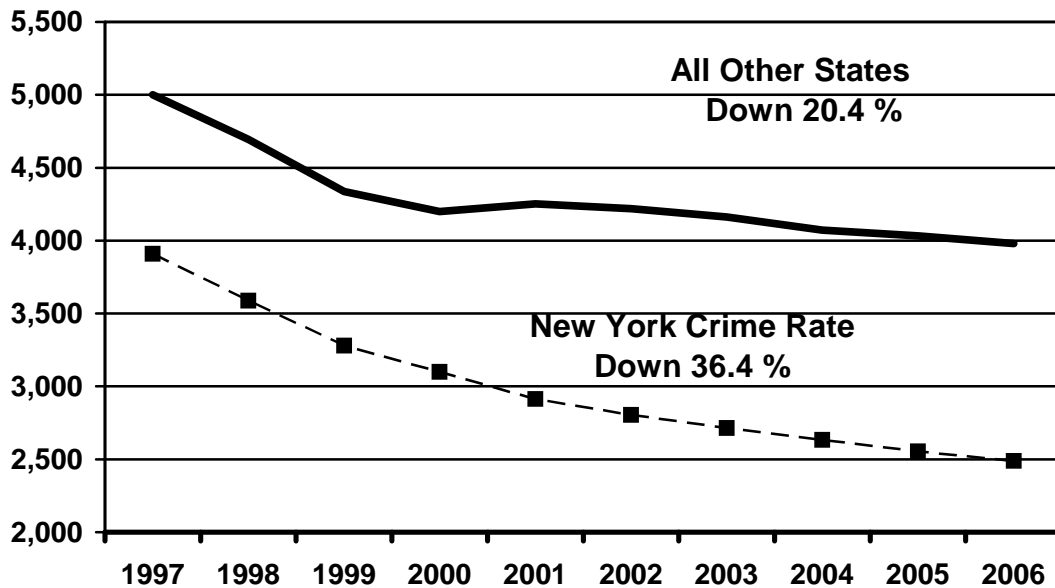
***PUBLIC PROTECTION AND
GENERAL GOVERNMENT***

OVERVIEW AND PERFORMANCE MEASURES

CRIMINAL JUSTICE

Crime in New York continues to decline steadily, and at a rate that continues to outpace the nation. New York is the fifth safest state in the nation, and the safest of all the large states.

Crime Rate per 100,000 Persons

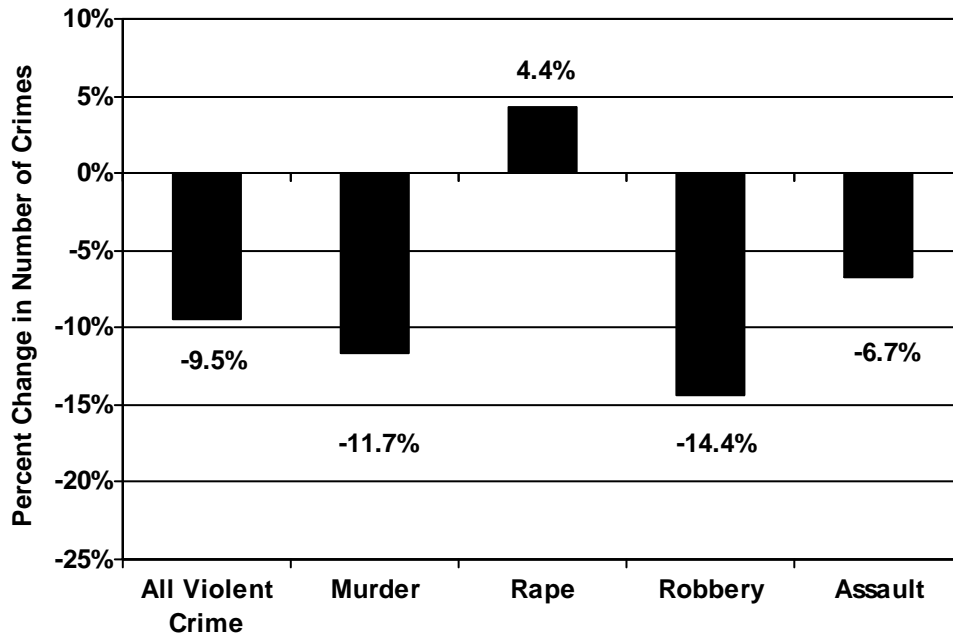


FIGHTING CRIME IN UPSTATE COMMUNITIES

In 2006, violent crimes in upstate New York were on the rise; yet, through the efforts of Operation IMPACT, during 2007 that trend has reversed. In the first 11 months of 2007, IMPACT resulted in nearly a 10 percent reduction in violent crime and an 18 percent reduction in violent crimes involving a firearm in the 17 IMPACT sites.

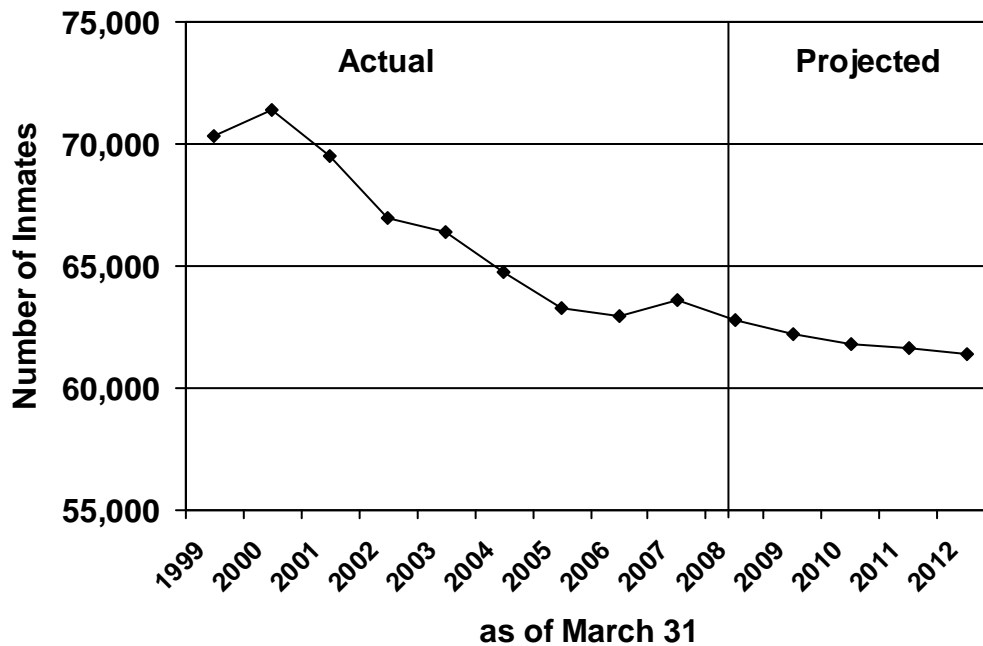
- **Local Crime-Fighting.** To continue this drop in crime, the Division of State Police will redeploy 200 Troopers and Investigators to work with local law enforcement officials in Operation IMPACT counties.
- **Sharing Crime Data.** Funds for Operation IMPACT will also be available to ensure the collection, analysis and sharing of crime data and assist the major law enforcement agencies to craft joint strategies that combat crime. In the 17 counties in upstate New York and on Long Island, reported crimes have fallen by nearly 6,000 in 2007.

Violent Crime in IMPACT Counties Falls During 2007



With the decline in the crime rate, New York's prison population will also continue to fall. Since peaking in 1999, the prison population has dropped by more than 9,000 inmates. It is projected that by the end of 2008-09 the number of inmates incarcerated in State prison will be 62,200. Trends in the number of individuals entering the prison system compared to those projected to be released to the community support a continuing reduction in the prison population. By March 31, 2012 it is estimated that the under-custody population will decline to 61,400 inmates.

Under-custody Prison Population



RE-ENTRY STRATEGIES

A major focus for New York's criminal justice agencies is re-entry strategies that reduce crime by promoting offender success in the community. To ensure our communities remain safe and offenders have the greatest chance of success upon re-entering their communities, the Executive Budget advances:

Assessment of risks and needs

The individuals in the crime justice system have differing needs and present different levels of risk to the community. As such, the State will assist local probation departments in converting to a single, statewide risk assessment instrument to assess the needs of probationers, make appropriate referrals to services, and evaluate the resulting outcomes.

Close Supervision and Strong Support in the Community

Parole officers are the key to the success of offenders once they return to their communities. Accordingly, the Executive Budget supports 19 additional officers focused exclusively on linking paroles to housing, employment, and addiction services within their community.

Strong Linkages Between Prison and the Community

The number of local re-entry task forces will grow from nine to twelve participating counties. These task forces prepare and manage the most high risk offenders in these counties. They receive resources that enable them to help those released from prison find the services they need in their communities, including connections to employment, treatment, and housing.

Ensuring program performance

Together, the criminal justice agencies will develop a single technology platform to allow the sharing and analysis of performance data to monitor the outcomes of re-entry programs.

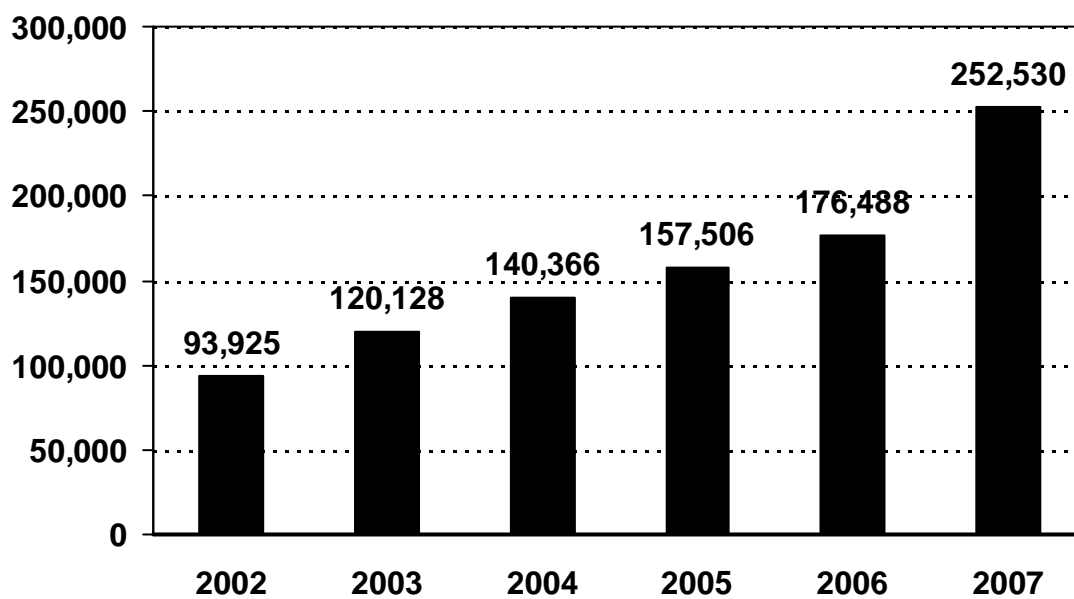
DNA DATABANK

The State's DNA program enables law enforcement to solve and prevent crimes and is used to exonerate the innocent. State and local law enforcement agencies work together to ensure that DNA profiles are on file for all offenders convicted of eligible offenses, and that DNA samples are taken from crime scenes whenever possible.

Expanding the state's DNA databank to include every person convicted of a penal law crime will result in the earlier detection of criminals, the prevention of future crimes and the exoneration of the innocent. The Governor is expected to seek legislation to expand the DNA databank and to form a commission to review wrongful convictions.

Currently there are more than 250,000 samples in the Databank, nearly 75,000 more than last year.

DNA Databank Samples on File



DIVISION OF ALCOHOLIC BEVERAGE CONTROL

MISSION

The Division of Alcoholic Beverage Control operates under the direction of the State Liquor Authority, a three member board appointed by the Governor with the advice and consent of the Senate. The Division regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State; issues licenses and permits to manufacturers, distributors, wholesalers and retailers; works with local law enforcement agencies and localities across the State to ensure compliance with the Alcoholic Beverage Control Law; and regulates trade and credit practices for the sale and distribution of alcoholic beverages.

ORGANIZATION AND STAFFING

The Division's organization includes three functional areas: Administration, Licensing and Compliance. Administration includes the Offices of the Chairman of the Authority, the Chief Operating Officer, Government Affairs, Communications and other traditional administrative functions. Licensing includes the Licensing Bureau which is responsible for processing new and renewal license applications, in addition to the Wholesale Bureau which administers price schedules and trade practices. Compliance includes the Office of Counsel, as well as the Enforcement and Hearing Bureaus.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$17.6 million in funding** for the Division. This is an increase of **\$.5 million other funds** from the 2007-08 Enacted Budget, and primarily reflects personal service, fringe benefit and indirect costs adjustments, as well as a one time increase to fund a review of the Alcoholic Beverage Control law. The Division is funded with revenue generated from fees and fines.

The Executive Budget recommends a staffing level of **165 FTE**, which is unchanged from the 2007-08 Enacted Budget.

Budget Initiative:

- **Review of Alcoholic Beverage Control law:** The budget recommends \$200,000 to be suballocated to the State Law Revision Commission. These resources will support the Commission's statutorily mandated study of the Alcoholic Beverage Control law. A final report of recommended changes to the law is due in September of 2008.

PROGRAM HIGHLIGHTS

Staff assigned to the Licensing Program will continue efforts to process permits and licenses in a timely manner. These steps, in addition to a more user-friendly information technology infrastructure, and sustained public outreach efforts, will ensure that the Division is viewed as responsive and transparent.

The Division will also continue to enhance its compliance activities during 2008-09. The expansion of the Rapid Enforcement Unit in 2007-08 and growing partnerships with local law enforcement agencies, including those in the Division of Criminal Justice

ALCOHOLIC BEVERAGE CONTROL

Services' Operation IMPACT program, will continue to have a positive impact on the public's health and safety. The Division will also continue to investigate complaints and the Authority will conduct hearings to ensure that permit and license holders who violate the State liquor law receive appropriate penalties.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 17,038,000 | 17,556,000 | 518,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 17,038,000 | 17,556,000 | 518,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-----------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| Special Revenue Funds - Other | 17 | 17 | 0 |
| Compliance | | | |
| Special Revenue Funds - Other | 80 | 80 | 0 |
| Licensing and Wholesaler Services | | | |
| Special Revenue Funds - Other | 68 | 68 | 0 |
| Total | 165 | 165 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Special Revenue Funds - Other | 17,038,000 | 17,556,000 | 518,000 |
| Total | 17,038,000 | 17,556,000 | 518,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------|----------------------|------------------------|---------|
| Administration | | | |
| Special Revenue Funds - Other | 4,527,000 | 4,766,000 | 239,000 |
| Compliance | | | |
| Special Revenue Funds - Other | 7,406,000 | 7,606,000 | 200,000 |
| Licensing and Wholesaler Services | | | |
| Special Revenue Funds - Other | 5,105,000 | 5,184,000 | 79,000 |
| Total | 17,038,000 | 17,556,000 | 518,000 |

ALCOHOLIC BEVERAGE CONTROL

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-----------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 4,766,000 | 239,000 | 1,299,000 | 109,000 |
| Compliance | 7,606,000 | 200,000 | 4,489,000 | 143,000 |
| Licensing and Wholesaler Services | 5,184,000 | 79,000 | 3,073,000 | 98,000 |
| Total | 17,556,000 | 518,000 | 8,861,000 | 350,000 |

| Program | Nonpersonal Service | |
|-----------------------------------|----------------------------|---------------|
| | Amount | Change |
| Administration | 3,467,000 | 130,000 |
| Compliance | 3,117,000 | 57,000 |
| Licensing and Wholesaler Services | 2,111,000 | (19,000) |
| Total | 8,695,000 | 168,000 |

DEPARTMENT OF AUDIT AND CONTROL

MISSION

The Department of Audit and Control was created in 1926 and is headed by the State Comptroller, who is elected by the people. The Department is responsible for paying the State's bills and payrolls; verifying all financial transactions of the State; reviewing the financial and management practices of State agencies; supervising the fiscal affairs of local governments; investing State funds and issuing bonds and notes; and administering the retirement program for State and most local government employees.

ORGANIZATION AND STAFFING

The operations of the Department of Audit and Control are organized into ten programs, with its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls, Newburgh and Hauppauge. These regional offices function primarily as decentralized audit centers, providing financial review of the accounting of revenues collected and expenses incurred by counties, cities, towns and villages, school and fire districts and quasi-governmental entities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$358.8 million All Funds (\$183.0 million General Fund, \$93.7 million Fiduciary Fund, \$4.1 million Internal Service Fund, \$78 million All Other Funds)**. This is an increase of **\$5.2 All Funds (\$7.2 million General Fund, \$5.2 million Fiduciary Fund, \$0.6 million Internal Service Fund and -\$7.8 million All Other Funds)**. This net change primarily reflects \$6.3 million for increased operating costs and additional staff; \$1.8 million increase for special accidental death benefits for the survivors of police and paid firefighters; and, \$5.1 million for the retirement system to convert to electronic records, and attract high quality investment staff. These increases are offset by an \$8.0 million decrease in appropriations for the Indigent Legal Service Fund reflecting legislation accompanying the Executive Budget, which reserves a portion of the resources in this fund for future grants by a new Office of Indigent Defense Services. The Department of Audit and Control will have a workforce of **2,643 FTEs**, which is an increase of **114 FTEs** from 2007-08. The workforce increases reflect the Department's various priorities and are allocated as follows: 40 FTEs State and Local Government Accountability Program; 39 FTEs Operations Program; 23 FTEs Retirement System for business process redesign; and 12 FTEs for other programs.

PROGRAM HIGHLIGHTS

- The Executive Direction, Legal Services, Administration and the Chief Information Office programs are responsible for the public information, internal audit, fiscal research, IT operations, financial administration, legal, office services, management analysis and human resource functions of the Department.
- The Office of Operations provides accounting and financial reporting services, audits State contracts, expenditures and payrolls prior to payment, carries out the mandates of the Abandoned Property Law by safeguarding lost assets belonging to residents, maintains the State's current Central Accounting System, and is leading an initiative to replace the 20 year old system which is the backbone of the state's

AUDIT AND CONTROL

- financial structure. The Office is also responsible for the VendRep system, which was established to promote State agency and Office of the State Comptroller due diligence in assessing the responsibility of vendors with whom the State contracts.
- The State and Local Government Accountability program provides oversight through audits of all State and local government agencies, authorities and special purpose entities. Collects and reviews local government financial data, provides training programs and support services for local financial officials, and publishes research and analysis on a variety of local government policy issues. The Office is comprised of the Divisions of State Government Accountability and Local Government and School Accountability..
 - The Office of the State Deputy Comptroller for the City of New York assists the New York State Financial Control Board in carrying out and exercising the responsibilities assigned, and powers granted, to the Board by the Financial Emergency Act for the City of New York.
 - The Retirement Services program administers the State Retirement Systems, consisting of the Employees' Retirement System, the Police and Fire Retirement System and the Public Employees' Group Life Insurance Plan. Currently, there are about 3,010 participating government employers, 662,633 active and vested members and approximately 350,066 pensioners and their beneficiaries.
 - The Pension Investment and Public Finance program, in addition to overseeing the assets of the Retirement Systems, issues general obligation debt, invests short-term moneys for the State and local governments and selects financial institutions to provide banking services to the State.
 - Under Chapter 845 of the Laws of 1977, the Comptroller administers the New York State Environmental Protection and Oil Spill Compensation Fund. Costs associated with cleaning up oil spills are paid from the fund upon certification of the Commissioner of Environmental Conservation. Moneys in this fund consist of receipts from a fee levied on each barrel of petroleum shipped into the State.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 233,577,000 | 244,969,000 | 11,392,000 | 0 |
| Aid To Localities | 120,000,000 | 113,801,000 | (6,199,000) | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 353,577,000 | 358,770,000 | 5,193,000 | 0 |

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

| Full-Time Equivalent Positions (FTE) | | | |
|----------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration Program | | | |
| General Fund | 117 | 124 | 7 |
| Chief Information Office | | | |
| General Fund | 177 | 181 | 4 |
| Environmental Protection and Spill | | | |
| Compensation | | | |
| Special Revenue Funds - Other | 6 | 6 | 0 |
| Executive Direction | | | |
| General Fund | 105 | 106 | 1 |
| Internal Service Funds | 13 | 13 | 0 |
| Pension Investment and Public Finance | | | |
| Program | | | |
| General Fund | 5 | 5 | 0 |
| Fiduciary Funds | 54 | 54 | 0 |
| Legal Services | | | |
| General Fund | 63 | 63 | 0 |
| State Services Program | | | |
| Special Revenue Funds - Federal | 8 | 8 | 0 |
| Internal Service Funds | 11 | 11 | 0 |
| Retirement Services Program | | | |
| Fiduciary Funds | 792 | 815 | 23 |
| Office of the Special Deputy Comptroller for | | | |
| New York City | | | |
| Special Revenue Funds - Other | 28 | 28 | 0 |
| State and Local Accountability | | | |
| General Fund | 541 | 581 | 40 |
| State Operations | | | |
| General Fund | 609 | 648 | 39 |
| Total | <u>2,529</u> | <u>2,643</u> | <u>114</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|-------------------|
| General Fund | 135,752,000 | 141,186,000 | 5,434,000 |
| Special Revenue Funds - Other | 5,838,000 | 5,978,000 | 140,000 |
| Internal Service Funds | 3,487,000 | 4,101,000 | 614,000 |
| Fiduciary Funds | 88,500,000 | 93,704,000 | 5,204,000 |
| Total | <u>233,577,000</u> | <u>244,969,000</u> | <u>11,392,000</u> |

AUDIT AND CONTROL

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------------------------------------|----------------------|------------------------|------------|
| Administration Program | | | |
| General Fund | 11,085,200 | 12,189,000 | 1,103,800 |
| Chief Information Office | | | |
| General Fund | 18,343,000 | 18,943,000 | 600,000 |
| Environmental Protection and Spill Compensation | | | |
| Special Revenue Funds - Other | 1,006,000 | 1,047,000 | 41,000 |
| Executive Direction | | | |
| General Fund | 7,821,000 | 8,022,000 | 201,000 |
| Internal Service Funds | 1,647,000 | 1,711,000 | 64,000 |
| Pension Investment and Public Finance Program | | | |
| General Fund | 611,000 | 611,000 | 0 |
| Internal Service Funds | 1,840,000 | 2,240,000 | 400,000 |
| Fiduciary Funds | 8,162,000 | 10,152,000 | 1,990,000 |
| Legal Services | | | |
| General Fund | 5,967,000 | 5,967,000 | 0 |
| Retirement Services Program | | | |
| Fiduciary Funds | 80,338,000 | 83,552,000 | 3,214,000 |
| Office of the Special Deputy Comptroller for New York City | | | |
| Special Revenue Funds - Other | 4,287,000 | 4,287,000 | 0 |
| State and Local Accountability | | | |
| General Fund | 40,649,000 | 42,641,000 | 1,992,000 |
| Special Revenue Funds - Other | 545,000 | 545,000 | 0 |
| State Operations | | | |
| General Fund | 51,275,800 | 52,813,000 | 1,537,200 |
| Special Revenue Funds - Other | 0 | 99,000 | 99,000 |
| Internal Service Funds | 0 | 150,000 | 150,000 |
| Total | 233,577,000 | 244,969,000 | 11,392,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------------------------|-------------|-----------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration Program | 6,588,000 | 3,800 | 6,438,000 | 3,800 |
| Chief Information Office | 11,906,000 | 0 | 11,406,000 | 0 |
| Executive Direction | 6,512,000 | 0 | 6,422,000 | 0 |
| Pension Investment and Public Finance Program | 331,000 | 0 | 328,000 | 0 |
| Legal Services | 5,467,000 | 0 | 5,397,000 | 0 |
| State and Local Accountability | 36,511,000 | 1,529,000 | 36,036,000 | 1,529,000 |
| State Operations | 37,939,000 | 1,537,000 | 36,522,000 | 1,537,000 |
| Total | 105,254,000 | 3,069,800 | 102,549,000 | 3,069,800 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration Program | 50,000 | 0 | 100,000 | 0 |
| Chief Information Office | 300,000 | 0 | 200,000 | 0 |
| Executive Direction | 75,000 | 0 | 15,000 | 0 |
| Pension Investment and Public Finance Program | 3,000 | 0 | 0 | 0 |
| Legal Services | 50,000 | 0 | 20,000 | 0 |
| State and Local Accountability | 275,000 | 0 | 200,000 | 0 |
| State Operations | 475,000 | 0 | 942,000 | 0 |
| Total | 1,228,000 | 0 | 1,477,000 | 0 |

AUDIT AND CONTROL

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|---------------------------------------|------------|-----------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration Program | 5,601,000 | 1,100,000 | 346,000 | 0 |
| Chief Information Office | 7,037,000 | 600,000 | 550,000 | 0 |
| Executive Direction | 1,510,000 | 201,000 | 74,000 | 0 |
| Pension Investment and Public Finance | | | | |
| Program | 280,000 | 0 | 12,000 | 0 |
| Legal Services | 500,000 | 0 | 67,000 | 0 |
| State and Local Accountability | 6,130,000 | 463,000 | 208,000 | 0 |
| State Operations | 14,874,000 | 200 | 458,000 | 200 |
| Total | 35,932,000 | 2,364,200 | 1,715,000 | 200 |

| Program | Travel | | Contractual Services | |
|---------------------------------------|-----------|---------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration Program | 201,000 | 0 | 4,906,000 | 1,100,000 |
| Chief Information Office | 125,000 | 0 | 4,972,000 | 600,000 |
| Executive Direction | 91,000 | 0 | 1,315,000 | 201,000 |
| Pension Investment and Public Finance | | | | |
| Program | 21,000 | 0 | 214,000 | 0 |
| Legal Services | 73,000 | 0 | 340,000 | 0 |
| State and Local Accountability | 2,971,000 | 463,000 | 2,637,000 | 0 |
| State Operations | 400,000 | 0 | 10,645,000 | 0 |
| Total | 3,882,000 | 463,000 | 25,029,000 | 1,901,000 |

| Program | Equipment | |
|---------------------------------------|-----------|--------|
| | Amount | Change |
| Administration Program | 148,000 | 0 |
| Chief Information Office | 1,390,000 | 0 |
| Executive Direction | 30,000 | 0 |
| Pension Investment and Public Finance | | |
| Program | 33,000 | 0 |
| Legal Services | 20,000 | 0 |
| State and Local Accountability | 314,000 | 0 |
| State Operations | 3,371,000 | 0 |
| Total | 5,306,000 | 0 |

AUDIT AND CONTROL

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | Personal Service Amount | Change |
|----------------------------------------------|-------------------------|------------------|------------------------------------|------------------|
| Environmental Protection and Spill | | | | |
| Compensation | 1,047,000 | 41,000 | 537,000 | 25,000 |
| Executive Direction | 1,711,000 | 64,000 | 1,080,000 | 42,000 |
| Pension Investment and Public Finance | | | | |
| Program | 12,392,000 | 2,390,000 | 5,842,000 | 1,300,000 |
| Retirement Services Program | 83,552,000 | 3,214,000 | 39,382,000 | 1,075,000 |
| Office of the Special Deputy Comptroller for | | | | |
| New York City | 4,287,000 | 0 | 2,702,000 | 0 |
| State and Local Accountability | 545,000 | 0 | 300,000 | 0 |
| State Operations | 249,000 | 249,000 | 65,000 | 65,000 |
| Total | <u>103,783,000</u> | <u>5,958,000</u> | <u>49,908,000</u> | <u>2,507,000</u> |

| Program | Nonpersonal Service Amount | Change |
|----------------------------------------------|---------------------------------------|------------------|
| Environmental Protection and Spill | | |
| Compensation | 510,000 | 16,000 |
| Executive Direction | 631,000 | 22,000 |
| Pension Investment and Public Finance | | |
| Program | 6,550,000 | 1,090,000 |
| Retirement Services Program | 44,170,000 | 2,139,000 |
| Office of the Special Deputy Comptroller for | | |
| New York City | 1,585,000 | 0 |
| State and Local Accountability | 245,000 | 0 |
| State Operations | 184,000 | 184,000 |
| Total | <u>53,875,000</u> | <u>3,451,000</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|--------------------|
| General Fund | 40,000,000 | 41,801,000 | 1,801,000 |
| Special Revenue Funds - Other | 80,000,000 | 72,000,000 | (8,000,000) |
| Total | <u>120,000,000</u> | <u>113,801,000</u> | <u>(6,199,000)</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|--------------------|
| Executive Direction | | | |
| Special Revenue Funds - Other | 80,000,000 | 72,000,000 | (8,000,000) |
| State Operations | | | |
| General Fund | 40,000,000 | 41,801,000 | 1,801,000 |
| Total | <u>120,000,000</u> | <u>113,801,000</u> | <u>(6,199,000)</u> |

DIVISION OF THE BUDGET

MISSION

The Division of the Budget is responsible for assisting the Governor in the development of the Executive Budget and executes the budget as adopted by the Legislature. The Division also serves as the Governor's primary advisor on such fiscal matters as local government and public authority finances.

ORGANIZATION AND STAFFING

Located in Albany, the Division of the Budget operates under the direction of the Budget Director.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$99.3 million in All Funds (\$33.4 million General Fund and \$65.9 million Other Funds)** for the Division of the Budget. This is an overall decrease of **\$10.0 million in Other Funds** due to a reduction in the Statewide Financial System Program.

The Executive Budget recommends a staffing level of **385 FTEs** for the Division of the Budget, an **increase of 20** from the 2007-08 budget. This increase reflects additional positions for the Statewide Financial System Program. It also provides for new information technology positions, thereby reducing reliance on consultants.

Major budget actions include:

- **Statewide Financial System:** Appropriations and reappropriations totaling \$129.2 million are included to continue the development of a financial system for the State, to be used by the Office of the State Comptroller, the Division of the Budget and State agencies. This new system will integrate the State's financial transactions, improving the efficiency of government operations and providing detailed information on State finances from a single consolidated source. The system is expected to be phased in over several years. A preliminary plan to implement this statewide system has been developed and a joint governance structure is in place to ensure successful implementation.

PROGRAM HIGHLIGHTS

The Division's activities include:

- Establishing budget policy and agency direction;
- Providing fiscal policy advice in revenue and expenditure forecasting, budget process management and intergovernmental relations; and
- Coordinating the development and execution of State agency programs and budgets.

BUDGET

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 109,261,000 | 99,261,000 | (10,000,000) | 89,200,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 109,261,000 | 99,261,000 | (10,000,000) | 89,200,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|------------------------------------|---------------------------------------|---------------------------------------|------------|
| Budget Division | | | |
| General Fund | 297 | 297 | 0 |
| Special Revenue Funds - Other | 43 | 48 | 5 |
| Statewide Financial System Program | | | |
| Special Revenue Funds - Other | 25 | 40 | 15 |
| Total | 365 | 385 | 20 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------------|
| General Fund | 33,407,000 | 33,407,000 | 0 |
| Special Revenue Funds - Other | 74,204,000 | 64,204,000 | (10,000,000) |
| Internal Service Funds | 1,650,000 | 1,650,000 | 0 |
| Total | 109,261,000 | 99,261,000 | (10,000,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------|----------------------|------------------------|--------------|
| Budget Division | | | |
| General Fund | 29,407,000 | 29,407,000 | 0 |
| Special Revenue Funds - Other | 22,204,000 | 22,204,000 | 0 |
| Internal Service Funds | 1,650,000 | 1,650,000 | 0 |
| Cash Management Improvement Act | | | |
| General Fund | 4,000,000 | 4,000,000 | 0 |
| Special Revenue Funds - Other | 2,000,000 | 2,000,000 | 0 |
| Statewide Financial System Program | | | |
| Special Revenue Funds - Other | 50,000,000 | 40,000,000 | (10,000,000) |
| Total | 109,261,000 | 99,261,000 | (10,000,000) |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 23,590,000 | 134,000 | 22,890,000 | 134,000 |
| Total | 23,590,000 | 134,000 | 22,890,000 | 134,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 500,000 | 0 | 200,000 | 0 |
| Total | 500,000 | 0 | 200,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|---------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 5,817,000 | (134,000) | 200,000 | 0 |
| Cash Management Improvement Act | 4,000,000 | 0 | 0 | 0 |
| Total | 9,817,000 | (134,000) | 200,000 | 0 |

| Program | Travel | | Contractual Services | |
|---------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 200,000 | 0 | 4,251,000 | 0 |
| Cash Management Improvement Act | 0 | 0 | 4,000,000 | 0 |
| Total | 200,000 | 0 | 8,251,000 | 0 |

| Program | Equipment | | Maintenance Undistributed | |
|---------------------------------|------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 300,000 | 0 | 866,000 | (134,000) |
| Cash Management Improvement Act | 0 | 0 | 0 | 0 |
| Total | 300,000 | 0 | 866,000 | (134,000) |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 23,854,000 | 0 | 6,420,000 | 400,000 |
| Cash Management Improvement Act | 2,000,000 | 0 | 0 | 0 |
| Statewide Financial System Program | 40,000,000 | (10,000,000) | 4,500,000 | 2,500,000 |
| Total | 65,854,000 | (10,000,000) | 10,920,000 | 2,900,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|------------------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Budget Division | 17,284,000 | (400,000) | 150,000 | 0 |
| Cash Management Improvement Act | 0 | 0 | 2,000,000 | 0 |
| Statewide Financial System Program | 35,500,000 | (12,500,000) | 0 | 0 |
| Total | 52,784,000 | (12,900,000) | 2,150,000 | 0 |

CAPITAL DEFENDER OFFICE

MISSION

Established simultaneously with the 1995 restoration of the death penalty, the Capital Defender Office is authorized to defend any indigent person charged with a capital crime. Under the 1995 death penalty legislation, persons convicted of first-degree murder could be sentenced to death by lethal injection, life imprisonment without parole, or 20 to 25 years in prison.

On June 24, 2004 the New York Court of Appeals determined that certain provisions of the death penalty statute were unconstitutional. The Court also directed that first degree murder charges could not proceed as capital cases absent a repair of the statute by the Legislature. As of the beginning of the 2008 session, the Legislature has not yet enacted a statute addressing the issues raised by the Court. Moreover, on October 23, 2007, in *People v. Taylor*, the Court of Appeals declined to overturn or modify its June 2004 decision. As a result of the *People v. Taylor* decision, the last man was moved off New York's death row.

Therefore, there remains no need for the continued operation of the Capital Defender Office. It is expected that the Office will close by July 2008.

ORGANIZATION AND STAFFING

A three-member Board oversees the work of the Office. The Board members are appointed, one each by the Temporary President of the Senate, the Speaker of the Assembly and the Chief Judge of the Court of Appeals. The Office currently has a staff of 7 located in offices in New York City and Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$368,000 General Fund** for the Capital Defender Office to maintain a minimal staff presence for a portion of the year and for costs associated with preparing to close the office during 2008-09. This is a decrease of **\$932,000** from the 2007-08 budget.

PROGRAM HIGHLIGHTS

Since 1995, there have been a total of 877 capital-eligible cases and 58 notices of intent to seek the death penalty filed by the State's district attorneys. No notices were filed during 2005, 2006 and 2007. There are no remaining death penalty cases pending review by the Court of Appeals.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|------------------------------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 1,300,000 | 368,000 | (932,000) | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,300,000 | 368,000 | (932,000) | 0 |

CAPITAL DEFENDER

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-----------------|------------------------------------------------|------------------------------------------------|-------------------|
| Capital Defense | | | |
| General Fund | 7 | 0 | (7) |
| Total | <u>7</u> | <u>0</u> | <u>(7)</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|------------------|
| General Fund | 1,300,000 | 368,000 | (932,000) |
| Total | <u>1,300,000</u> | <u>368,000</u> | <u>(932,000)</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------|------------------------------|--------------------------------|------------------|
| Capital Defense | | | |
| General Fund | 1,300,000 | 368,000 | (932,000) |
| Total | <u>1,300,000</u> | <u>368,000</u> | <u>(932,000)</u> |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------|----------------|------------------|-------------------------------------------------------|------------------|
| | Amount | Change | Amount | Change |
| Capital Defense | 210,000 | (590,000) | 210,000 | (590,000) |
| Total | <u>210,000</u> | <u>(590,000)</u> | <u>210,000</u> | <u>(590,000)</u> |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-----------------|----------------|------------------|-------------------------------|-----------------|
| | Amount | Change | Amount | Change |
| Capital Defense | 158,000 | (342,000) | 3,000 | (10,000) |
| Total | <u>158,000</u> | <u>(342,000)</u> | <u>3,000</u> | <u>(10,000)</u> |

| Program | Travel | | Contractual Services | |
|-----------------|---------------|----------------|-----------------------------|------------------|
| | Amount | Change | Amount | Change |
| Capital Defense | 3,000 | (5,000) | 152,000 | (322,000) |
| Total | <u>3,000</u> | <u>(5,000)</u> | <u>152,000</u> | <u>(322,000)</u> |

| Program | Equipment | |
|-----------------|------------------|----------------|
| | Amount | Change |
| Capital Defense | 0 | (5,000) |
| Total | <u>0</u> | <u>(5,000)</u> |

DEPARTMENT OF CIVIL SERVICE

MISSION

In accordance with the Civil Service Law, the Department of Civil Service is charged with providing human resource management services to State and local governments.

ORGANIZATION AND STAFFING

Based in Albany, the Department of Civil Service operates under the direction of a Commissioner appointed by the Governor. The Civil Service Commission, consisting of the Commissioner, who serves as its President, and two Commissioners appointed by the Governor. The Commission also acts as an appellate body responsible for reviewing determinations of the Department and the Director of Classification and Compensation.

The responsibilities of the Department are carried out through eight divisions:

- The Division of Information Resource Management provides the Department's basic data, information and systems and has primary responsibility for implementation of the Department's technology projects;
- The Staffing Services Division provides State agencies with personnel recruitment and placement services. The Division coordinates the Department's response to agency personnel operations and develops and administers a variety of tests for State positions, including oral, training and experience and performance assessment tests;
- The Testing Services Division develops, administers and validates State and local written tests;
- The Division of Classification and Compensation determines appropriate job titles for agency functions and salary levels for existing and new positions;
- The Division of Personnel Services encompasses the Employee Benefits Division and the Employee Health Service. The Employee Benefits Division administers health, dental, life, vision, disability and accident benefit programs for State employees and participating local governments. Responsibilities include contracting with insurance companies and other vendors to deliver services, financial management of these programs, communicating plan provisions to subscribers, assisting enrollees in resolving disputed claims, maintaining enrollment information for over 1.2 million covered individuals and financial accounting for approximately \$6 billion in annual premiums through the New York Benefits Eligibility and Accounting System. The Employee Health Service is responsible for conducting and administering medical examinations and evaluations, work place nursing activities, and occupational health screenings and immunizations for NYS employees located in nursing stations throughout the State;
- The Municipal Service Division assists 100 local civil service agencies in classifying positions, interpreting laws and rules and, together with the Testing Division, providing selection devices and examinations;
- The Diversity Planning and Management Division approves and monitors affirmative action plans for State agencies, provides technical assistance and training in the achievement of cultural diversity in the work force and is also responsible for administering the Workers With Disabilities Program; and

CIVIL SERVICE

- The Division of Administration provides leadership, management direction and support for the operating divisions of the Department, and is composed of units responsible for personnel, finance, legal, internal audit, planning and training functions.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$68 million All Funds (\$23 million General Fund, \$42.7 million Internal Service Fund, \$2.3 million Other Funds)** for the Department of Civil Service. This is an increase of **\$3.5 million (\$0.2 million General Fund, \$3.2 million Internal Service Fund)** from the 2007-08 budget. This increase primarily reflects growth to implement savings initiatives within the health insurance and employee benefits programs.

The Executive Budget recommends a staffing level of **584 FTEs** for the Department of Civil Service, an **increase of 11** from the 2007-08 budget.

Major budget actions include:

- **Health Insurance Audit Staff:** The Executive Budget adds 5 new staff to increase audit recoveries, generating an estimated \$5 million in savings for the State and participating municipalities.
- **Employee Benefits Eligibility Audit:** Responses to the Department's recent Request for Information indicated that the State could expect significant savings to result from an audit of benefits eligibility. The audit would ensure that State and participating municipal employees and their dependants receive only the benefits for which they are eligible.
- **Technology Solutions:** The Department will move forward in 2008-09 with key technology initiatives aimed at bringing testing and recruiting into an on-line setting, while continuing to build on current successes with the MyNYSHIP health benefits system. In addition, the Department will begin to define the scope and requirements for a new statewide human resources system that would link with the statewide financial system.

PROGRAM HIGHLIGHTS

In 2008-09, the Department will continue targeted investments in technology to improve their services to employees and retirees. MyNYSHIP allows employees to view information on their benefits, submit address change requests, and order Empire Plan ID cards via the Internet. More recent enhancements that occurred in 2007 include the option transfer component and the new enrollment transaction. In addition, the Department will develop an Integrated Testing System (ITS) to enhance the quality and timeliness of test scoring, list certifications and employee placements.

Last year, the Department's Employee Benefits Division (EBD) achieved a reduction of \$58.2 million for Empire Plan subscribers through negotiated changes to the insurance companies requested initial 2008 premium, resulting in an aggregate 2008 Empire Plan premium increase of only 5.5 percent.

As a result of new Medicare Part D provisions effective January 1, 2006, EBD implemented procedures to continue prescription drug coverage under both the Empire Plan and HMOs for Medicare eligible retirees, while seeking the Federal subsidy to partially offset the cost of that coverage. After completion of the 2006 plan year reconciliation, the State estimates total Medicare Part D subsidy revenues will be

approximately \$110 million for the 2006 plan year. The State received approximately 50 percent of these subsidies, with the remaining half going to local participating agency and participating employers. Local agencies receive their subsidy share through a credit applied to their health insurance bill, while the State's share is deposited to a Special Revenue account. In January 2009, the current coverage for retirees will be converted to a contracted Medicare Part D plan to recoup greater Federal reimbursement and decrease the GASB 45 liability by about \$3 billion. Both the State and local employers will benefit by an estimated \$60 million in savings when fully implemented.

The Department recently awarded a replacement contract for the current Empire Plan Prescription Drug Contract to United Health Care. The new contract will generate in excess of \$110 million in cost reductions over the four year term of the new contract. These savings will result from deeper discounts on prescription drugs, higher rebates and reduced administrative costs.

On December 17, 2007, the Department opened a new outreach office on the campus of Medgar Evers College in Brooklyn. The office will provide qualified job-seekers with information about the various career opportunities in State government and New York State civil service exams. The office is strategically located to assist in achieving a diverse workforce and addressing the unprecedented wave of "Baby Boomer" retirements by recruiting younger workers.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 64,551,000 | 68,002,000 | 3,451,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 64,551,000 | 68,002,000 | 3,451,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration and Information | | | |
| Management | | | |
| General Fund | 85 | 88 | 3 |
| Internal Service Funds | 23 | 23 | 0 |
| Local Civil Service | | | |
| General Fund | 14 | 14 | 0 |
| Labor Management Programs | | | |
| General Fund | 17 | 17 | 0 |
| Personnel Benefit Services | | | |
| General Fund | 32 | 32 | 0 |
| Internal Service Funds | 159 | 167 | 8 |
| Personnel Management Services | | | |
| General Fund | 188 | 188 | 0 |
| Special Revenue Funds - Other | 5 | 5 | 0 |
| Internal Service Funds | 50 | 50 | 0 |
| Total | 573 | 584 | 11 |

CIVIL SERVICE

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 22,791,000 | 23,025,000 | 234,000 |
| Special Revenue Funds - Other | 2,300,000 | 2,322,000 | 22,000 |
| Internal Service Funds | 39,460,000 | 42,655,000 | 3,195,000 |
| Total | 64,551,000 | 68,002,000 | 3,451,000 |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------------------|------------------------------|--------------------------------|---------------|
| Administration and Information Management | | | |
| General Fund | 6,401,000 | 6,411,000 | 10,000 |
| Internal Service Funds | 3,269,000 | 3,951,000 | 682,000 |
| Local Civil Service | | | |
| General Fund | 1,046,000 | 965,000 | (81,000) |
| Personnel Benefit Services | | | |
| General Fund | 2,132,000 | 2,046,000 | (86,000) |
| Special Revenue Funds - Other | 300,000 | 300,000 | 0 |
| Internal Service Funds | 28,422,000 | 30,820,000 | 2,398,000 |
| Personnel Management Services | | | |
| General Fund | 13,212,000 | 13,603,000 | 391,000 |
| Special Revenue Funds - Other | 2,000,000 | 2,022,000 | 22,000 |
| Internal Service Funds | 7,769,000 | 7,884,000 | 115,000 |
| Total | 64,551,000 | 68,002,000 | 3,451,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total Amount</u> | <u>Change</u> | <u>Personal Service Regular (Annual Salaried) Amount</u> | <u>Change</u> |
|-------------------------------------------|-------------------------|---------------|------------------------------------------------------------------|---------------|
| Administration and Information Management | 5,641,000 | (64,000) | 5,639,000 | (63,000) |
| Local Civil Service | 933,000 | (81,000) | 932,000 | (81,000) |
| Personnel Benefit Services | 1,816,000 | (86,000) | 1,771,000 | (101,000) |
| Personnel Management Services | 11,303,000 | 391,000 | 10,507,000 | 498,000 |
| Total | 19,693,000 | 160,000 | 18,849,000 | 253,000 |

| <u>Program</u> | <u>Temporary Service (Nonannual Salaried) Amount</u> | <u>Change</u> | <u>Holiday/Overtime Pay (Annual Salaried) Amount</u> | <u>Change</u> |
|-------------------------------------------|--------------------------------------------------------------|---------------|--------------------------------------------------------------|---------------|
| Administration and Information Management | 0 | 0 | 2,000 | (1,000) |
| Local Civil Service | 0 | 0 | 1,000 | 0 |
| Personnel Benefit Services | 28,000 | 0 | 17,000 | 15,000 |
| Personnel Management Services | 777,000 | (110,000) | 19,000 | 3,000 |
| Total | 805,000 | (110,000) | 39,000 | 17,000 |

CIVIL SERVICE

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|--------------------------------|-----------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Information | | | | |
| Management | 770,000 | 74,000 | 48,000 | 3,000 |
| Local Civil Service | 32,000 | 0 | 6,000 | 0 |
| Personnel Benefit Services | 230,000 | 0 | 37,000 | 0 |
| Personnel Management Services | 2,300,000 | 0 | 168,000 | 0 |
| Total | 3,332,000 | 74,000 | 259,000 | 3,000 |

| Program | Travel | | Contractual Services | |
|--------------------------------|---------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Information | | | | |
| Management | 76,000 | 44,000 | 564,000 | 25,000 |
| Local Civil Service | 11,000 | 0 | 15,000 | 0 |
| Personnel Benefit Services | 20,000 | 0 | 143,000 | 0 |
| Personnel Management Services | 171,000 | 0 | 1,938,000 | 0 |
| Total | 278,000 | 44,000 | 2,660,000 | 25,000 |

| Program | Equipment | |
|--------------------------------|-----------|--------|
| | Amount | Change |
| Administration and Information | | |
| Management | 82,000 | 2,000 |
| Local Civil Service | 0 | 0 |
| Personnel Benefit Services | 30,000 | 0 |
| Personnel Management Services | 23,000 | 0 |
| Total | 135,000 | 2,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------|------------|-----------|------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration and Information | | | | |
| Management | 3,951,000 | 682,000 | 1,968,000 | 401,000 |
| Personnel Benefit Services | 31,120,000 | 2,398,000 | 11,074,000 | 1,257,000 |
| Personnel Management Services | 9,906,000 | 137,000 | 5,230,000 | 33,000 |
| Total | 44,977,000 | 3,217,000 | 18,272,000 | 1,691,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------------|---------------------|-----------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration and Information | | | | |
| Management | 1,983,000 | 281,000 | 0 | 0 |
| Personnel Benefit Services | 12,560,000 | 1,133,000 | 7,486,000 | 8,000 |
| Personnel Management Services | 4,676,000 | 104,000 | 0 | 0 |
| Total | 19,219,000 | 1,518,000 | 7,486,000 | 8,000 |

CONSUMER PROTECTION BOARD

MISSION

The Consumer Protection Board was created to protect and advance the rights of New York State's consumers. The Agency handles consumer complaints and mediates consumer disputes; promotes consumer education and fraud prevention; and represents consumers in utility rate cases and before various regulatory agencies. The Agency also advises the Governor on consumer issues and recommends legislative initiatives on consumer related matters.

ORGANIZATION AND STAFFING

The Consumer Protection Board consists of three main bureaus: Outreach and Program Development, Utility Intervention and New Technologies, and Counsel, Policy Research and Investigations. The Agency is located in Albany and New York City.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$5.1 million All Funds (\$0.3 million General Fund, \$4.8 million Other Funds)**. This is an increase of **\$0.6 million (\$0.3 million General Fund, \$0.3 million Other Funds)** from the 2007-08 budget. The increase primarily reflects initiatives of the Consumer Protection Board aimed at two high priority consumer issues -- Airline Passenger Rights and Product Safety. The Consumer Protection Board will have a workforce of **39 FTEs** in 2008-09, which is a **7 FTE** increase from 2007-08.

Major budget actions include:

- **Creation of the Office of Airline Consumer Advocates:** The budget provides five new FTEs and \$320,000 to carry out the Office's mandate to ensure the health and safety of New York's traveling public.
- **Enhancement of Product Recall Program:** To respond to increase consumer concerns regarding recalls of unsafe consumer products, especially lead-based toys, two new FTEs and \$205,000 are recommended to ensure that New Yorkers are better informed of potentially dangerous products.

PROGRAM HIGHLIGHTS

In 2007 the Consumer Protection Board reorganized to maximize its efficiency and increase the delivery of services. The Bureau of Utility Intervention and New Technologies advocates on behalf of New York consumers on utility related issues and provides utility and energy market information. Within the Outreach and Development Bureau, the Consumer Assistance Unit mediates disputes between consumers and businesses. The Counsel, Policy Research and Investigations Bureau is responsible for the Board's legal functions including potential violations of New York State's Motor Fuel Marketing Practices Act and the enforcement of the "Do Not Call" Law.

CONSUMER PROTECTION

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 4,438,000 | 5,098,000 | 660,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 4,438,000 | 5,098,000 | 660,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Consumer Protection | | | |
| General Fund | 0 | 5 | 5 |
| Special Revenue Funds - Other | 32 | 34 | 2 |
| Total | 32 | 39 | 7 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| General Fund | 0 | 320,000 | 320,000 |
| Special Revenue Funds - Other | 4,438,000 | 4,778,000 | 340,000 |
| Total | 4,438,000 | 5,098,000 | 660,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Consumer Protection | | | |
| General Fund | 0 | 320,000 | 320,000 |
| Special Revenue Funds - Other | 4,438,000 | 4,778,000 | 340,000 |
| Total | 4,438,000 | 5,098,000 | 660,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|---------------------|---------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Consumer Protection | 300,000 | 300,000 | 300,000 | 300,000 |
| Total | 300,000 | 300,000 | 300,000 | 300,000 |

CONSUMER PROTECTION

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Supplies and Materials | |
|---------------------|--------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Consumer Protection | 20,000 | 20,000 | 10,000 | 10,000 |
| Total | 20,000 | 20,000 | 10,000 | 10,000 |

| Program | Equipment | |
|---------------------|-----------|--------|
| | Amount | Change |
| Consumer Protection | 10,000 | 10,000 |
| Total | 10,000 | 10,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service | |
|---------------------|-----------|---------|------------------|---------|
| | Amount | Change | Amount | Change |
| Consumer Protection | 4,778,000 | 340,000 | 2,379,000 | 195,000 |
| Total | 4,778,000 | 340,000 | 2,379,000 | 195,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---------------------|---------------------|---------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Consumer Protection | 2,388,000 | 145,000 | 11,000 | 0 |
| Total | 2,388,000 | 145,000 | 11,000 | 0 |

STATE COMMISSION OF CORRECTION

MISSION

The State Commission of Correction regulates and oversees the operation and management of State and local correctional facilities. The Agency's role is to promote a safe, secure and stable correctional system and to provide for the accountability of corrections officials. As a result of legislation enacted in 1996, the Commission's role includes the oversight of secure youth facilities operated by the Office of Children and Family Services.

ORGANIZATION AND STAFFING

The Commission is made up of three members appointed by the Governor, one of whom is designated Chair. The other Commissioners respectively chair the Citizens Policy and Complaint Review Council, which reviews grievances and complaints against correctional facilities, and the Medical Review Board, which investigates inmate deaths and oversees inmate health care services.

Regional teams of review specialists are responsible for visiting and inspecting local and State correctional facilities. They investigate unusual events at facilities, provide technical assistance to improve facility management and monitor facilities for compliance with standards and regulations. The agency will operate in 2008-09 with a staff of 35.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$2.8 million General Fund** for the Commission of Correction, which is an increase of **\$162,000** from the 2007-08 budget. The recommended staffing level is **35 FTEs**, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

The Commission monitors 70 State correctional facilities, 60 county jails, 16 New York City correctional facilities, 316 locally operated police department detention facilities throughout the State and 4 juvenile detention facilities operated by the Office of Children and Family Services. The agency also participates in the multi-agency Criminal Justice Systems Analysis Team (CJSAT) — operated in conjunction with the Division of Criminal Justice Services and the Division of Probation and Correctional Alternatives — to assist localities in analyzing operational issues in local correctional facilities.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 2,645,000 | 2,807,000 | 162,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 2,645,000 | 2,807,000 | 162,000 | 0 |

CORRECTION

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Improvement of Correctional Facilities | | | |
| General Fund | 35 | 35 | 0 |
| Total | 35 | 35 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 2,645,000 | 2,807,000 | 162,000 |
| Total | 2,645,000 | 2,807,000 | 162,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------------|------------------------------|--------------------------------|---------------|
| Improvement of Correctional Facilities | | | |
| General Fund | 2,645,000 | 2,807,000 | 162,000 |
| Total | 2,645,000 | 2,807,000 | 162,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Improvement of Correctional Facilities | 2,267,000 | 103,000 | 2,247,000 | 103,000 |
| Total | 2,267,000 | 103,000 | 2,247,000 | 103,000 |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|----------------------------------------|---------------------------------------------------|---------------|
| | Amount | Change |
| Improvement of Correctional Facilities | 20,000 | 0 |
| Total | 20,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Improvement of Correctional Facilities | 540,000 | 59,000 | 16,000 | 0 |
| Total | 540,000 | 59,000 | 16,000 | 0 |

| Program | Travel | | Contractual Services | |
|----------------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Improvement of Correctional Facilities | 171,000 | 5,000 | 345,000 | 54,000 |
| Total | 171,000 | 5,000 | 345,000 | 54,000 |

| Program | Equipment | |
|----------------------------------------|------------------|---------------|
| | Amount | Change |
| Improvement of Correctional Facilities | 8,000 | 0 |
| Total | 8,000 | 0 |

DEPARTMENT OF CORRECTIONAL SERVICES

MISSION

The Department of Correctional Services is responsible for the safe and secure confinement of convicted felons, and the preparation of these individuals for successful reintegration into the community upon release.

ORGANIZATION AND STAFFING

The Department oversees the nation's fourth largest state prison system, currently operating 70 institutions, grouped within nine regional hubs. Each of the 69 correctional facilities are managed by a Superintendent, who reports to the Commissioner. More than 21,300 — or 67 percent — of the Department's staff are security personnel, with remaining staff primarily dedicated to the delivery of inmate programs, health services or facility operations. The Department also operates the Willard Drug Treatment Campus in Seneca County, in cooperation with the Division of Parole and the Office of Alcoholism and Substance Abuse Services.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.0 billion All Funds (\$2.5 billion General Fund; \$38 million Federal Funds; \$20 million Other Funds; \$74 million Internal Service Funds; \$44 million Enterprise Funds; and \$320 million in Capital Projects Funds)** for the Department of Correctional Services. This is an increase of **\$67 million (\$33 million General Fund, \$14 million Other Funds, \$20 million Capital Projects Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in re-entry and mental health programs for inmates, higher health care costs including pharmaceuticals and billings from outside medical providers, as well as investments in the Department's technological infrastructure. Offsetting savings are achieved by closing three Camps and one Correctional Facility, and implementing operational efficiencies, including: initiatives to reduce energy usage, improving the delivery of inmate health care, and constraining overtime.

The Executive Budget recommends a staffing level of **31,603 FTEs** for the Department of Correctional Services, a **decrease of 153** from the 2007-08 budget. This primarily reflects the anticipated facility closures offset by an expansion of mental health and re-entry programs.

Major budget actions include:

- **Reflecting Savings from Prison Closures:** Since 1999 the Department's under-custody population has fallen by over 9,000 inmates, particularly in minimum security facilities, and has resulted in significant areas of unused prison capacity. Under New York State law, the Commissioner is required to issue notification one-year prior to closing a prison and to explore the potential for reuse. The Department will follow the provisions of the law, and anticipates a January 2009 closure date for Camp Pharsalia, Camp Gabriels, the Camp at the Mt. McGregor Correctional Facility and the Hudson Correctional Facility. Staff at these facilities will be offered positions at other correctional facilities or can accept openings in other State agencies if they prefer.

CORRECTIONAL SERVICES

- **Expanding Re-entry Programs:** The Department recently opened its first Re-entry Unit at the Orleans Correctional Facility which connects inmates nearing release with community support programs. This 60-bed Unit houses inmates who will be released to nearby Erie County and allows parole officers, social workers, employment counselors, community organization volunteers and others to meet with inmates prior to their release. The Department will replicate this unit at three additional facilities during 2008-09. The Department will also expand its Family Reunion Program which provides select inmates the opportunity to meet in private with their families for an extended period of time. Investments in the Department's technological infrastructure will also permit the development of applications to enhance the effectiveness of existing rehabilitative programs and improve on the sharing of data with other criminal justice agencies.
- **Establishing a Parole Violator Facility:** The Edgecombe Correctional Facility will be used to hold technical parole violators for up to 30 days. The facility will have the capacity to hold 100 parolees and resources will be provided to expand this program by up to 130 additional parolees. The Department will contract with an Office of Alcoholism and Substance Abuse Services licensed provider to deliver the treatment program at this facility. Parolees entering the facility will receive an assessment for placement in a drug intervention, cognitive behavior, or drug prevention program. Upon their release they will receive case management community follow-up.
- **Additional Mental Health Treatment Programs:** The Department, in cooperation with the Office of Mental Health, will continue to expand its mental health treatment programs. During the 2008-09 fiscal year, additional residential treatment units, which provide intensive treatment and programs to inmates with serious mental illness, will be opened at the Albion, Bedford Hills, Green Haven, Fishkill and Great Meadow Correctional Facilities. A new 100 bed Residential Mental Health Unit will open at the Marcy Correctional Facility to provide inmate-patients, who were identified with a serious mental illness while in disciplinary confinement, with specialized treatment. Other mental health initiatives starting in 2008-09 include opening 215 beds for inmates to transition out of mental health units and back into general confinement, and expansion of mental health assessments at Reception Centers. More than \$36 million in capital investments will be committed to implement these initiatives.
- **Implementing Operational Efficiencies:** Savings will be achieved by focusing on capital improvement projects that reduce energy utilization, exploring new ways to deliver health services in a more cost-effective manner (including the expanded utilization of telemedicine), and from tightening overtime controls. Health services costs will also be reduced by expediting the parole medical release procedures for terminally ill inmates and inmates with severe incapacitating conditions.
- **Offering Cook/Chill Products to Local Jails:** The Food Production Center at the Oneida Correctional Facility provides low cost and nutritious meals to inmates at all of the Department's 70 correctional institutions. At a cost reflecting only the production and transportation of the food product, local jails will have the option to purchase bulk quantities of chilled food that are easily reheated, or cook/chill products, resulting in savings for the participating jails while providing their inmates with the same nutritious meals that are served in State prisons.

PROGRAM HIGHLIGHTS

The under-custody prison population is projected to decline to an estimated 62,200 inmates by the end of 2008-09 — a drop of 9,000 inmates since peaking at nearly 71,600 in 1999, and a drop of 600 inmates from the start of the 2008-09 fiscal year. The decline during 2008-09 can be attributed to the release of offenders, that received longer determinate sentences under the Truth-In-Sentencing Law of 1995 and Jenna's Law of 1998; and the release of low level drug offenders, who are completing determinant sentences under the Felony Drug Reform Act of 2004. Additionally, offenders who had been denied release by the Parole Board will reach two-thirds of their maximum sentence during 2008-09 and will be required to be conditionally released back to the community.

The continued decline in inmates has created growing levels of unneeded bed capacity. To ensure that taxpayer monies are used in the most effective manner, and are dedicated to the State's most critical needs, notification has been issued to close three of the Department's Camps and the Hudson Medium Security Correctional Facility. At the same time, the Department will invest 238 new staff in expanded treatment for inmates with mental illness and will add new transitional programs to prepare inmates for release.

A critical responsibility of the Department is the preparation of inmates for successful reintegration back into the community upon their release. Inmates released during 2008-09 will range from felony offenders who served long determinate sentences to low level drug offenders who received short sentences but continue to have a significant need for services. More than 24,500 persons are expected to be released to parole supervision next year, and to benefit from expanded services to assist inmates in returning to the community.

As soon as an inmate enters prison, an assessment is conducted to determine their need for rehabilitative programs. The Department offers educational programming, where the minimum goal is to assist inmates who do not have a high school diploma to receive a General Equivalency Diploma. Eligible inmates can also enroll in college programs and earn a degree. An inmate can receive vocational training where a certificate is awarded upon learning the basic skills of one of the several trades that is offered. In some trades, they can continue on to a four year apprenticeship program where the inmate receives certification from the Department of Labor. The inmate can be placed in one of the Department's substance abuse treatment programs or an Aggression Replacement Training Program which focuses on anger management therapy. The Department's Program Services component also operates the sex offender treatment program which was expanded under the Sex Offender Management and Treatment Act of 2007.

Meeting the critical need of providing appropriate levels of medical services is important to the safety of the prison system and to the general public when an inmate is released. Often inmates enter prison with significant health care needs which can include tuberculosis, hepatitis, or many other infectious conditions. The Department acts quickly to diagnose and begin treatment, if necessary, when an inmate enters prison and provides the greatest degree of services possible to seek a cure. The Health Services Program ensures that inmates receive a community level of care during their term of incarceration.

The safety and security of the Department's correctional institutions and the surrounding community is maintained by the Supervision of Inmates Program while the Support Services Program provides all resources necessary for the operation of a

CORRECTIONAL SERVICES

correctional institution. This includes inmate food and transportation services, maintenance of the physical plant of the prisons and operating the business offices that provide administrative support for the facilities.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|------------|--------------------------------------------|
| State Operations | 2,635,236,000 | 2,682,756,000 | 47,520,000 | 37,500,000 |
| Aid To Localities | 6,409,000 | 6,000,000 | (409,000) | 6,409,000 |
| Capital Projects | 300,000,000 | 320,000,000 | 20,000,000 | 526,895,000 |
| Total | 2,941,645,000 | 3,008,756,000 | 67,111,000 | 570,804,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 243 | 248 | 5 |
| Special Revenue Funds - Federal | 671 | 671 | 0 |
| Enterprise Funds | 11 | 11 | 0 |
| Correctional Industries | | | |
| Internal Service Funds | 474 | 357 | (117) |
| Facilities Planning and Development | | | |
| Capital Projects Funds - Other | 32 | 32 | 0 |
| Health Services | | | |
| General Fund | 1,972 | 1,967 | (5) |
| Program Services | | | |
| General Fund | 3,488 | 3,455 | (33) |
| Supervision of Inmates | | | |
| General Fund | 21,344 | 21,316 | (28) |
| Support Services | | | |
| General Fund | 3,521 | 3,506 | (15) |
| Special Revenue Funds - Other | 0 | 40 | 40 |
| Total | 31,756 | 31,603 | (153) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 2,472,928,000 | 2,505,951,000 | 33,023,000 |
| Special Revenue Funds - Federal | 36,800,000 | 38,300,000 | 1,500,000 |
| Special Revenue Funds - Other | 1,450,000 | 19,950,000 | 18,500,000 |
| Enterprise Funds | 44,347,000 | 44,347,000 | 0 |
| Internal Service Funds | 79,711,000 | 74,208,000 | (5,503,000) |
| Total | 2,635,236,000 | 2,682,756,000 | 47,520,000 |

Adjustments:

| | |
|----------------------|---------------|
| Transfer(s) From | |
| Special Pay Bill | |
| General Fund | (16,024,000) |
| Appropriated 2007-08 | 2,619,212,000 |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---------------------------------|------------------------------|--------------------------------|-------------------|
| Administration | | | |
| General Fund | 25,314,000 | 26,038,000 | 724,000 |
| Special Revenue Funds - Federal | 36,800,000 | 38,300,000 | 1,500,000 |
| Special Revenue Funds - Other | 250,000 | 250,000 | 0 |
| Enterprise Funds | 2,682,000 | 2,682,000 | 0 |
| Correctional Industries | | | |
| Internal Service Funds | 79,711,000 | 74,208,000 | (5,503,000) |
| Health Services | | | |
| General Fund | 349,078,000 | 355,717,000 | 6,639,000 |
| Program Services | | | |
| General Fund | 229,841,000 | 237,433,000 | 7,592,000 |
| Special Revenue Funds - Other | 100,000 | 100,000 | 0 |
| Enterprise Funds | 39,900,000 | 39,900,000 | 0 |
| Supervision of Inmates | | | |
| General Fund | 1,406,503,000 | 1,398,572,000 | (7,931,000) |
| Support Services | | | |
| General Fund | 462,192,000 | 488,191,000 | 25,999,000 |
| Special Revenue Funds - Other | 1,100,000 | 19,600,000 | 18,500,000 |
| Enterprise Funds | 1,765,000 | 1,765,000 | 0 |
| Total | <u>2,635,236,000</u> | <u>2,682,756,000</u> | <u>47,520,000</u> |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Personal Service Regular (Annual Salaried)</u> | |
|------------------------|----------------------|------------------|-------------------------------------------------------|-------------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration | 16,387,000 | 724,000 | 16,268,000 | 719,000 |
| Health Services | 127,769,000 | 984,000 | 114,996,000 | 974,000 |
| Program Services | 185,938,000 | 3,127,000 | 168,178,000 | 1,870,000 |
| Supervision of Inmates | 1,372,585,000 | (7,891,000) | 1,274,317,000 | 1,895,000 |
| Support Services | 173,072,000 | 7,352,000 | 162,320,000 | 6,968,000 |
| Total | <u>1,875,751,000</u> | <u>4,296,000</u> | <u>1,736,079,000</u> | <u>12,426,000</u> |

| <u>Program</u> | <u>Temporary Service (Nonannual Salaried)</u> | | <u>Holiday/Overtime Pay (Annual Salaried)</u> | |
|------------------------|---------------------------------------------------|------------------|---------------------------------------------------|--------------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration | 0 | 0 | 119,000 | 5,000 |
| Health Services | 5,184,000 | 760,000 | 7,589,000 | (750,000) |
| Program Services | 13,390,000 | 853,000 | 4,370,000 | 404,000 |
| Supervision of Inmates | 15,295,000 | 214,000 | 82,973,000 | (10,000,000) |
| Support Services | 459,000 | 17,000 | 10,293,000 | 367,000 |
| Total | <u>34,328,000</u> | <u>1,844,000</u> | <u>105,344,000</u> | <u>(9,974,000)</u> |

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 9,651,000 | 0 | 399,000 | 0 |
| Health Services | 227,948,000 | 5,655,000 | 86,481,000 | 1,380,000 |
| Program Services | 51,495,000 | 4,465,000 | 11,894,000 | 596,000 |
| Supervision of Inmates | 25,987,000 | (40,000) | 12,191,000 | (19,000) |
| Support Services | 315,119,000 | 18,647,000 | 142,032,000 | 8,405,000 |
| Total | 630,200,000 | 28,727,000 | 252,997,000 | 10,362,000 |

| Program | Travel | | Contractual Services | |
|------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 354,000 | 0 | 6,218,000 | 0 |
| Health Services | 684,000 | 132,000 | 137,589,000 | 3,870,000 |
| Program Services | 1,034,000 | 331,000 | 34,937,000 | 3,306,000 |
| Supervision of Inmates | 4,051,000 | (6,000) | 7,990,000 | (12,000) |
| Support Services | 651,000 | 38,000 | 152,702,000 | 9,036,000 |
| Total | 6,774,000 | 495,000 | 339,436,000 | 16,200,000 |

| Program | Equipment | | Maintenance Undistributed | |
|------------------------|------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 680,000 | 0 | 2,000,000 | 0 |
| Health Services | 3,194,000 | 273,000 | 0 | 0 |
| Program Services | 3,630,000 | 232,000 | 0 | 0 |
| Supervision of Inmates | 1,755,000 | (3,000) | 0 | 0 |
| Support Services | 19,734,000 | 1,168,000 | 0 | 0 |
| Total | 28,993,000 | 1,670,000 | 2,000,000 | 0 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 41,232,000 | 1,500,000 | 34,827,000 | 1,500,000 |
| Correctional Industries | 74,208,000 | (5,503,000) | 21,192,000 | (4,916,000) |
| Program Services | 40,000,000 | 0 | 0 | 0 |
| Support Services | 21,365,000 | 18,500,000 | 1,700,000 | 1,700,000 |
| Total | 176,805,000 | 14,497,000 | 57,719,000 | (1,716,000) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-------------------------|----------------------------|---------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 2,105,000 | 0 | 4,300,000 | 0 |
| Correctional Industries | 53,016,000 | (587,000) | 0 | 0 |
| Program Services | 40,000,000 | 0 | 0 | 0 |
| Support Services | 19,665,000 | 16,800,000 | 0 | 0 |
| Total | 114,786,000 | 16,213,000 | 4,300,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 6,409,000 | 6,000,000 | (409,000) |
| Total | 6,409,000 | 6,000,000 | (409,000) |

CORRECTIONAL SERVICES

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|------------------|
| Program Services | | | |
| General Fund | 409,000 | 0 | (409,000) |
| Support Services | | | |
| General Fund | 6,000,000 | 6,000,000 | 0 |
| Total | <u>6,409,000</u> | <u>6,000,000</u> | <u>(409,000)</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|----------------------------------------------------|------------------------------|--------------------------------|-------------------|-------------------------------------|
| Maintenance and Improvement of Existing Facilities | | | | |
| Special Conservation Activities Account | 0 | 0 | 0 | 3,000,000 |
| Correctional Facilities Capital Improvement Fund | 300,000,000 | 320,000,000 | 20,000,000 | 523,895,000 |
| Total | <u>300,000,000</u> | <u>320,000,000</u> | <u>20,000,000</u> | <u>526,895,000</u> |

CRIME VICTIMS BOARD

MISSION

Since its establishment in 1966, the Crime Victims Board (CVB) has been the lead State agency in assisting persons who have been the victims of crime, particularly crimes of a violent nature.

The agency's principal mission is to provide financial assistance to victims for losses they suffer as a result of crime. The Board provides grants to local agencies, which assist witnesses and victims, and serves as the State's advocate for crime victims' rights, needs and interests.

ORGANIZATION AND STAFFING

The Board consists of five members, appointed by the Governor to seven-year terms, who work full-time to administer the agency and to make final decisions on victim compensation awards. The Governor designates one member of the Board to be the Chair. The agency has primary offices in Albany and New York City and has a satellite office in Buffalo. Each office processes victim claims and provides grant program aid and advocacy services on a regional basis in support of the Board's mission. Including the five Board members, the agency will have 103 staff in 2008-09.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$77.6 million All Funds (\$39.2 million Other Funds and \$38.4 million Federal Funds)** for the Board, which is a net increase of **\$1.7 million** from the 2007-08 budget. The increase is largely a result of shifting operating expenses from the General Fund to the Criminal Justice Improvement Account, Special Revenue Fund-Other, and the inclusion of associated fringe benefit costs that were not previously reflected in CVB's appropriations. The Executive Budget recommends a staffing level of **103 FTEs** which is unchanged from the 2007-08 budget.

PROGRAM HIGHLIGHTS

The Crime Victims Board operates with three programs. The Payment to Victims Program compensates individual crime victims for crime-related losses. The Victim and Witness Assistance Program administers grants to local agencies. The Administration Program provides executive direction and administrative support to the agency, as well as advocacy services for crime victims.

The Crime Victims Board strives to be a leader in serving needs of crime victims and educating victims about their rights and the services available to them. Most notably, the Chair of the Board serves on an Interagency Task Force on Human Trafficking and the agency implemented a regulation allowing victims of crimes of labor and sex trafficking to avail themselves of the full array of CVB benefits.

PAYMENTS TO VICTIMS

Over the past five years, the agency has processed, on average, more than 16,000 new claims annually from persons who may have suffered financial loss as the result of violent crime or, in the case of the elderly and disabled, any crime. Assistance is given for losses

CRIME VICTIMS

when no other source of compensation is available. Categories in which payments are made include medical expenses, lost wages due to work missed because of an injury, stolen or damaged essential personal property and the costs of counseling to relieve the traumatic effects of victimization. Surviving family members of a victim also may be eligible for these services, as well as reimbursement for funeral expenses for a crime victim.

VICTIM AND WITNESS ASSISTANCE

The Crime Victims Board currently administers approximately 200 contracts with other State agencies, local governments, and not-for-profit agencies to provide direct services to crime victims and witnesses. A contract with the New York State Police supports victim advocates who help crime victims contact other law enforcement officials and various assistance programs. Similarly, the agency cooperates with the Department of Correctional Services to fund advocate positions and an automated victim information and notification system which keeps victims informed about the legal status of the offenders responsible for the crimes committed against them. Services provided by local not-for-profit agencies include crisis intervention, counseling and assistance in filing victim compensation applications.

ADVOCACY

The agency is responsible by law to “coordinate State programs and activities relating to crime victims” and “to advise and assist the Governor in developing policies designed to recognize the legitimate rights, needs and interests of crime victims.” To that end, the agency provides legal and technical assistance to other State agencies and to local organizations involved with crime victims. In addition, the Crime Victims Board sponsors a bi-annual statewide conference on crime victim issues.

The State’s “Son of Sam Law” prevents convicted persons from profiting from their crimes, including the sale of publishing or film rights to their stories. Any such profits can, by law, be payable to the persons who were victims of the crimes. The agency is charged with notifying victims of a convicted person that a “Son of Sam” situation exists, and may also act on the victims’ behalf to prevent the profits from being spent or otherwise put beyond the reach of the victims while a recovery suit is pending.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 7,448,000 | 10,891,000 | 3,443,000 | 0 |
| Aid To Localities | 68,534,000 | 66,744,000 | (1,790,000) | 44,150,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 75,982,000 | 77,635,000 | 1,653,000 | 44,150,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 70 | 0 | (70) |
| Special Revenue Funds - Federal | 28 | 28 | 0 |
| Special Revenue Funds - Other | 5 | 75 | 70 |
| Total | <u>103</u> | <u>103</u> | <u>0</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| Special Revenue Funds - Federal | 1,925,000 | 2,955,000 | 1,030,000 |
| Special Revenue Funds - Other | 5,523,000 | 7,936,000 | 2,413,000 |
| Total | <u>7,448,000</u> | <u>10,891,000</u> | <u>3,443,000</u> |

| | |
|-------------------------------|------------------|
| Adjustments: | |
| Transfer(s) From | |
| Crime Victims Board | |
| General Fund | (4,596,000) |
| Transfer(s) To | |
| Crime Victims Board | |
| Special Revenue Funds - Other | 4,596,000 |
| Appropriated 2007-08 | <u>7,448,000</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| Special Revenue Funds - Federal | 1,925,000 | 1,925,000 | 0 |
| Special Revenue Funds - Other | 5,523,000 | 7,676,000 | 2,153,000 |
| Victim and Witness Assistance | | | |
| Special Revenue Funds - Federal | 0 | 1,030,000 | 1,030,000 |
| Special Revenue Funds - Other | 0 | 260,000 | 260,000 |
| Total | <u>7,448,000</u> | <u>10,891,000</u> | <u>3,443,000</u> |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-------------------------------|-------------------|------------------|-------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration | 9,601,000 | 2,153,000 | 5,517,000 | 155,000 |
| Victim and Witness Assistance | 1,290,000 | 1,290,000 | 783,000 | 783,000 |
| Total | <u>10,891,000</u> | <u>3,443,000</u> | <u>6,300,000</u> | <u>938,000</u> |

| Program | Nonpersonal Service | |
|-------------------------------|----------------------------|------------------|
| | Amount | Change |
| Administration | 4,084,000 | 1,998,000 |
| Victim and Witness Assistance | 507,000 | 507,000 |
| Total | <u>4,591,000</u> | <u>2,505,000</u> |

CRIME VICTIMS

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Special Revenue Funds - Federal | 36,523,000 | 35,493,000 | (1,030,000) |
| Special Revenue Funds - Other | 32,011,000 | 31,251,000 | (760,000) |
| Total | 68,534,000 | 66,744,000 | (1,790,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Payment to Victims | | | |
| Special Revenue Funds - Federal | 11,523,000 | 11,523,000 | 0 |
| Special Revenue Funds - Other | 24,000,000 | 24,000,000 | 0 |
| Victim and Witness Assistance | | | |
| Special Revenue Funds - Federal | 25,000,000 | 23,970,000 | (1,030,000) |
| Special Revenue Funds - Other | 8,011,000 | 7,251,000 | (760,000) |
| Total | 68,534,000 | 66,744,000 | (1,790,000) |

DIVISION OF CRIMINAL JUSTICE SERVICES

MISSION

The mission of the Division of Criminal Justice Services is to enhance public safety and improve criminal justice. The Division measures progress toward the overall goal of reducing crime, and tracks the effectiveness of both agency and systemwide criminal justice strategies designed to increase public safety.

ORGANIZATION AND STAFFING

The Division of Criminal Justice Services is located in Albany and is headed by a Commissioner who also serves as the Governor's Assistant Secretary of Criminal Justice, overseeing policy development and operations for all criminal justice agencies and programs.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$231 million All Funds (\$126 million General Fund and \$105 million Other Funds)** for the Division of Criminal Justice Services. This is a decrease of **\$ 23 million All Funds (\$32 million General Fund decrease and \$9 million Other Funds increase)** from the 2007-08 budget. The changes primarily reflect several funding shifts that reduce the need for General Fund support.

The Executive Budget recommends a staffing level of **738 FTEs** for the Division of Criminal Justice Services, an **increase of 6** from the 2007-08 budget. This increase reflects the establishment of positions at local crime analysis centers throughout the State.

Major budget actions include:

- **Fingerprint Identification:** Funding is provided for the continued operation of the Statewide Automated Fingerprint Identification System (SAFIS) which expedites access to fingerprinting information for local police departments. Capital funding is provided elsewhere in the Budget for the acquisition and development of a modern replacement system.
- **Operation IMPACT:** The Division will provide \$17.5 million of funding for the continued support of Operation IMPACT (Integrated Municipal Police Anti-Crime Teams). This multi-agency program supports crime-fighting strategies in 17 upstate counties and certain high-crime areas.
- **Witness Protection Program:** Funding is provided for the operation of a witness protection program. Working cooperatively with local law enforcement officials, the Division will make available \$500,000 in funding to protect witnesses and their families whose safety and security has been compromised as a result of their cooperation with an investigation or trial.
- **Offender Re-Entry:** In addition to coordinating New York State's multi-agency re-entry effort, the Division will provide \$4.3 million to promote the successful re-entry of offenders into their communities through Local Re-Entry Task Forces that work with local governments, not-for-profit organizations and the criminal justice community.

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- **eJusticeNY:** Funding is provided for the continued support of a secure communications network which provides law enforcement with essential operational support, such as criminal history information and offender photos, as well as the Integrated Justice Management System.
- **Sex Offender Management:** \$1 million is provided for the continued operation of the Office of Sex Offender Management. Additionally, funding is provided for the continued maintenance and operation of the Sex Offender Registry .
- **Statewide Support of Law Enforcement:** Funding is provided to the Division's Office of Public Safety, which provides technical support through training and crime analysis to law enforcement agencies to help reduce crime throughout New York State.
- **Efforts to Protect Children:** Funding is provided for the continued operation of the Missing and Exploited Children Clearinghouse, and the Operation SAFE CHILD program.

PROGRAM HIGHLIGHTS

The Division of Criminal Justice Services' vision is to make New York the safest state in the nation. Through strategic planning, the Division is meeting the challenge to continue lowering the crime rate in New York by: improving coordination among Federal, State, and local law enforcement agencies; making vital information more readily available to help fight crime; expanding the use of technology to combat crime; fostering inter-agency initiatives concerning sex offender management pursuant to 2007 law; and implementing new human trafficking legislation.

Through the Statewide Automated Fingerprint Identification System (SAFIS), the Division identifies individuals through fingerprint comparison and provides criminal history records to authorized representatives of Federal, State and local criminal justice agencies . Modern technology provides speed and accuracy in fingerprint identification and allows police to solve crimes more quickly. The processing of criminal cases is tracked by computer, beginning with the arrest, and ending with the decision by a judge and/or jury. The Division also processes civil fingerprints for certain employment, license and permit applications. The Division processes approximately 1.2 million fingerprints each year.

In 2008-09, the Division will directly support inter-agency law enforcement operations such as Operation IMPACT. This program targets 17 counties that account for 80 percent of crime outside New York City. The focus of IMPACT is to bring together the resources and strategies of Federal, State and local law enforcement in order to fight crime more effectively. Additionally, the Division provides local assistance funding to support an array of criminal justice functions such as: law enforcement operations, prosecution, defense, substance abuse treatment of offenders, and crime laboratories. The Division also supports the Missing and Exploited Children Clearinghouse, maintains a DNA Identification Index and conducts extensive criminal justice statistical research and policy analysis, and supports New York's Uniform Crime Reporting program.

In addition, the Division acts as the State planning agency for the receipt and processing of Federal Juvenile Justice and Delinquency Prevention funding. These funds support programs addressing youth who are at risk of criminal and/or delinquent behavior. The Division also administers other Federal programs, including funds which support a statewide anti-drug strategy of prosecution and preventive enforcement efforts, and which focus on prosecution, law enforcement and victim services related to domestic violence.

CRIMINAL JUSTICE SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 112,491,000 | 115,844,000 | 3,353,000 | 98,250,000 |
| Aid To Localities | 141,548,127 | 115,263,000 | (26,285,127) | 223,622,500 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 254,039,127 | 231,107,000 | (22,932,127) | 321,872,500 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 117 | 117 | 0 |
| Funding and Program Assistance | | | |
| General Fund | 53 | 53 | 0 |
| Special Revenue Funds - Federal | 79 | 79 | 0 |
| Special Revenue Funds - Other | 4 | 4 | 0 |
| Operation and Systems | | | |
| General Fund | 398 | 404 | 6 |
| Special Revenue Funds - Federal | 23 | 23 | 0 |
| Public Safety | | | |
| General Fund | 55 | 55 | 0 |
| Special Revenue Funds - Other | 3 | 3 | 0 |
| Total | 732 | 738 | 6 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 63,342,000 | 64,015,000 | 673,000 |
| Special Revenue Funds - Federal | 23,000,000 | 25,750,000 | 2,750,000 |
| Special Revenue Funds - Other | 26,149,000 | 26,079,000 | (70,000) |
| Total | 112,491,000 | 115,844,000 | 3,353,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| General Fund | 15,855,000 | 16,270,000 | 415,000 |
| Funding and Program Assistance | | | |
| General Fund | 4,303,000 | 4,303,000 | 0 |
| Special Revenue Funds - Federal | 20,500,000 | 20,750,000 | 250,000 |
| Special Revenue Funds - Other | 899,000 | 829,000 | (70,000) |
| Operation and Systems | | | |
| General Fund | 39,473,000 | 39,720,000 | 247,000 |
| Special Revenue Funds - Federal | 2,500,000 | 5,000,000 | 2,500,000 |
| Special Revenue Funds - Other | 24,000,000 | 24,000,000 | 0 |
| Public Safety | | | |
| General Fund | 3,711,000 | 3,722,000 | 11,000 |
| Special Revenue Funds - Other | 1,250,000 | 1,250,000 | 0 |
| Total | 112,491,000 | 115,844,000 | 3,353,000 |

CRIMINAL JUSTICE SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------|------------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 6,542,000 | 59,000 | 6,503,000 | 59,000 |
| Funding and Program Assistance | 3,746,000 | 0 | 3,741,000 | 0 |
| Operation and Systems | 19,746,000 | 827,000 | 19,601,000 | 792,000 |
| Public Safety | 3,133,000 | 0 | 3,113,000 | 0 |
| Total | 33,167,000 | 886,000 | 32,958,000 | 851,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 5,000 | 0 | 34,000 | 0 |
| Funding and Program Assistance | 0 | 0 | 5,000 | 0 |
| Operation and Systems | 0 | 0 | 145,000 | 35,000 |
| Public Safety | 0 | 0 | 20,000 | 0 |
| Total | 5,000 | 0 | 204,000 | 35,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|--------------------------------|------------|-----------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 9,728,000 | 356,000 | 1,325,000 | 85,000 |
| Funding and Program Assistance | 557,000 | 0 | 110,000 | 0 |
| Operation and Systems | 19,974,000 | (580,000) | 408,000 | 0 |
| Public Safety | 589,000 | 11,000 | 145,000 | 0 |
| Total | 30,848,000 | (213,000) | 1,988,000 | 85,000 |

| Program | Travel | | Contractual Services | |
|--------------------------------|---------|--------|----------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 180,000 | 12,000 | 6,498,000 | 259,000 |
| Funding and Program Assistance | 150,000 | 0 | 261,000 | 0 |
| Operation and Systems | 238,000 | 10,000 | 17,003,000 | (1,690,000) |
| Public Safety | 258,000 | 11,000 | 156,000 | 0 |
| Total | 826,000 | 33,000 | 23,918,000 | (1,431,000) |

| Program | Equipment | | Maintenance Undistributed | |
|--------------------------------|-----------|-----------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 725,000 | 0 | 1,000,000 | 0 |
| Funding and Program Assistance | 36,000 | 0 | 0 | 0 |
| Operation and Systems | 2,325,000 | 1,100,000 | 0 | 0 |
| Public Safety | 30,000 | 0 | 0 | 0 |
| Total | 3,116,000 | 1,100,000 | 1,000,000 | 0 |

CRIMINAL JUSTICE SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------|------------|-----------|------------------|-------------|
| | Amount | Change | Amount | Change |
| Funding and Program Assistance | 21,579,000 | 180,000 | 2,600,000 | (2,850,000) |
| Operation and Systems | 29,000,000 | 2,500,000 | 0 | 0 |
| Public Safety | 1,250,000 | 0 | 0 | 0 |
| Total | 51,829,000 | 2,680,000 | 2,600,000 | (2,850,000) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|--------------------------------|---------------------|----------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Funding and Program Assistance | 629,000 | (20,000) | 18,350,000 | 3,050,000 |
| Operation and Systems | 0 | 0 | 29,000,000 | 2,500,000 |
| Public Safety | 0 | 0 | 1,250,000 | 0 |
| Total | 629,000 | (20,000) | 48,600,000 | 5,550,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| General Fund | 95,247,127 | 62,391,000 | (32,856,127) |
| Special Revenue Funds - Federal | 22,350,000 | 23,550,000 | 1,200,000 |
| Special Revenue Funds - Other | 23,951,000 | 29,322,000 | 5,371,000 |
| Total | 141,548,127 | 115,263,000 | (26,285,127) |

| | |
|----------------------|-------------|
| Adjustments: | |
| Transfer(s) From | |
| Parole, Division of | |
| General Fund | (2,000,000) |
| Appropriated 2007-08 | 139,548,127 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| Funding and Program Assistance | | | |
| General Fund | 85,316,500 | 62,391,000 | (22,925,500) |
| Special Revenue Funds - Federal | 22,350,000 | 23,550,000 | 1,200,000 |
| Special Revenue Funds - Other | 23,951,000 | 29,322,000 | 5,371,000 |
| Community Projects | | | |
| General Fund | 9,930,627 | 0 | (9,930,627) |
| Total | 141,548,127 | 115,263,000 | (26,285,127) |

STATE BOARD OF ELECTIONS

MISSION

The New York State Board of Elections executes and enforces all laws relating to the elective franchise and oversees the disclosure of campaign financing and practices.

ORGANIZATION AND STAFFING

The State Board of Elections is comprised of four commissioners, two chosen by each major political party. The Board administers provisions of the Election Law regarding campaign financial disclosure, including civil judgments levied for failure to file disclosure documents; oversees the petitioning process and certification of ballots; investigates allegations of criminal violations of the Election Law and recommends prosecution where warranted; and certifies electronic voting machines purchased by local Boards of Elections. The Board also assists County Boards of Elections by completing administrative reviews, assisting in resolving complaints and producing reports and recommendations.

BUDGET HIGHLIGHTS

The Executive Budget recommends over **\$22.3 million in All Funds (\$9.3 million General Fund, \$13 million Other Funds)** for the State Board of Elections. This is a **\$17 million All Funds** reduction and reflects net changes including a **\$2 million General Fund** increase to maintain the Statewide Voter Registration Database and accommodate inflationary adjustments; and a **\$19 million decrease in Other and Federal Funds**. The Board will have a workforce of **83 FTEs**, unchanged from 2007-08. The budget recommends reappropriating over **\$258 million** in unspent funds for the implementation of the Help America Vote Act (HAVA).

Major initiative:

- **Funding of Disability Accessible Voting Machines:** The budget provides \$10 million in funding for the purchase of HAVA compliant voting machines which could be used by disabled voters. This brings the total of supplemental funding to local governments for the implementation of HAVA to \$37 million.

PROGRAM HIGHLIGHTS

Over the past 30 years, the scope of the Board's services has grown to include providing legal counsel to 62 County Boards of Election, administering registration efforts, providing technical assistance to administrators of elections, investigating violations of the Election Law and coordinating the State's responses to new Federal election requirements.

New York continues to work toward full compliance with HAVA and achieved a major milestone with the successful deployment in 2007 of the Statewide Voter Registration Database. In response to a Federal Court order, New York is moving towards full compliance with HAVA's voting machine requirements, beginning with the acquisition of disability accessible ballot marking devices for the September 2008 election. While New York has delayed HAVA implementation, the State has done so in a concerted effort to assure that any replacement voting machine conforms to State law, meet the needs of the State's disabled population and ensures that every vote in New York counts.

ELECTIONS

A priority of the Board remains the continued use of technology to provide services and information to local election boards and the public. Financial disclosure reports and election information on the Board's web site are accessed by an estimated 10 million requestors annually.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 20,830,000 | 11,326,000 | (9,504,000) | 23,000,000 |
| Aid To Localities | 18,500,000 | 11,000,000 | (7,500,000) | 235,500,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 39,330,000 | 22,326,000 | (17,004,000) | 258,500,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------------|---------------------------------------|---------------------------------------|------------|
| Investigations of Campaign Financing | | | |
| General Fund | 21 | 21 | 0 |
| Regulation of Elections | | | |
| General Fund | 53 | 62 | 9 |
| Special Revenue Funds - Federal | 9 | 0 | (9) |
| Total | 83 | 83 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-------------|
| General Fund | 7,230,000 | 9,326,000 | 2,096,000 |
| Special Revenue Funds - Federal | 5,000,000 | 0 | (5,000,000) |
| Special Revenue Funds - Other | 8,600,000 | 2,000,000 | (6,600,000) |
| Total | 20,830,000 | 11,326,000 | (9,504,000) |

Adjustments:
Prior Year Deficiency
 Elections, State Board of
 Special Revenue Funds - Other
Appropriated 2007-08

3,800,000
24,630,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------|----------------------|------------------------|-------------|
| Investigations of Campaign Financing | | | |
| General Fund | 1,500,000 | 1,500,000 | 0 |
| Regulation of Elections | | | |
| General Fund | 5,730,000 | 7,826,000 | 2,096,000 |
| Special Revenue Funds - Federal | 5,000,000 | 0 | (5,000,000) |
| Special Revenue Funds - Other | 8,600,000 | 2,000,000 | (6,600,000) |
| Total | 20,830,000 | 11,326,000 | (9,504,000) |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Investigations of Campaign Financing | 1,250,000 | 0 | 1,250,000 | 0 |
| Regulation of Elections | 3,746,000 | 292,000 | 3,677,000 | 248,000 |
| Total | 4,996,000 | 292,000 | 4,927,000 | 248,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Investigations of Campaign Financing | 0 | 0 | 0 | 0 |
| Regulation of Elections | 61,000 | 44,000 | 8,000 | 0 |
| Total | 61,000 | 44,000 | 8,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|--------------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Investigations of Campaign Financing | 250,000 | 0 | 0 | 0 |
| Regulation of Elections | 4,080,000 | 1,804,000 | 250,000 | 100,000 |
| Total | 4,330,000 | 1,804,000 | 250,000 | 100,000 |

| Program | Travel | | Contractual Services | |
|--------------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Investigations of Campaign Financing | 0 | 0 | 250,000 | 0 |
| Regulation of Elections | 125,000 | 19,000 | 3,465,000 | 1,679,000 |
| Total | 125,000 | 19,000 | 3,715,000 | 1,679,000 |

| Program | Equipment | |
|--------------------------------------|------------------|---------------|
| | Amount | Change |
| Investigations of Campaign Financing | 0 | 0 |
| Regulation of Elections | 240,000 | 6,000 |
| Total | 240,000 | 6,000 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Nonpersonal Service | |
|-------------------------|---------------|---------------|----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Regulation of Elections | 2,000,000 | (11,600,000) | 2,000,000 | (6,600,000) |
| Total | 2,000,000 | (11,600,000) | 2,000,000 | (6,600,000) |

| Program | Maintenance Undistributed | |
|-------------------------|----------------------------------|---------------|
| | Amount | Change |
| Regulation of Elections | 0 | (5,000,000) |
| Total | 0 | (5,000,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Special Revenue Funds - Federal | 18,500,000 | 11,000,000 | (7,500,000) |
| Total | 18,500,000 | 11,000,000 | (7,500,000) |

ELECTIONS

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---------------------------------|------------------------------|--------------------------------|--------------------|
| Regulation of Elections | | | |
| Special Revenue Funds - Federal | 18,500,000 | 11,000,000 | (7,500,000) |
| Total | <u>18,500,000</u> | <u>11,000,000</u> | <u>(7,500,000)</u> |

OFFICE OF EMPLOYEE RELATIONS

MISSION

In accordance with the Public Employees' Fair Employment Act (the Taylor Law), the Office of Employee Relations (OER) represents the Governor in collective bargaining with public employee unions and directs the State's employee relations policies so that agencies and employees provide high quality, uninterrupted State government services.

ORGANIZATION AND STAFFING

Located in Albany, OER is administered by a Director appointed by the Governor. OER will have a workforce of 70 positions for 2008-09, which is unchanged from 2007-08. This staffing level will enable the agency to carry out its responsibilities for negotiating and implementing collective bargaining agreements.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$7.2 million All Funds (\$4.3 million General Fund, \$0.1 million Other Funds, \$2.8 million Internal Service Funds)** for the Office of Employee Relations. This is an increase of **\$0.3 million (\$0.2 million General Fund)** from the 2007-08 budget. This net change primarily reflects growth for inflation and normal personal service increases, offset by a reduction for management efficiencies.

The Executive Budget recommends a staffing level of **70 FTEs** for the Office of Employee Relations, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

The Office of Employee Relations represents the Governor in Executive Branch collective bargaining negotiations with nine public employee unions, assists State agencies in interpreting and administering the negotiated agreements and represents the State in hearings and arbitrations before the Public Employment Relations Board. The major focus of the agency during 2008-09 will be continuing collective bargaining negotiations with many of the State employee unions.

The Office of Employee Relations is also charged with advancing sound labor management practices and improving productivity and innovation in the State's government's workforce. The Office works closely with State agencies and public employee unions to implement workforce changes smoothly. The Office is also responsible for offering statewide training programs to assist employees in improving and maintaining their skills.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|------------------------------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 6,866,000 | 7,191,000 | 325,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 6,866,000 | 7,191,000 | 325,000 | 0 |

EMPLOYEE RELATIONS

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

| Full-Time Equivalent Positions (FTE) | | | |
|-----------------------------------------|----------------------------|----------------------------|------------|
| Program | 2007-08 | 2008-09 | FTE Change |
| | Estimated FTEs 03/31/08 | Estimated FTEs 03/31/09 | |
| Contract Negotiation and Administration | | | |
| General Fund | 39 | 39 | 0 |
| Internal Service Funds | 27 | 27 | 0 |
| Management Confidential Affairs | | | |
| General Fund | 4 | 4 | 0 |
| Total | 70 | 70 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|----------|
| General Fund | 4,129,000 | 4,298,000 | 169,000 |
| Special Revenue Funds - Other | 150,000 | 125,000 | (25,000) |
| Internal Service Funds | 2,587,000 | 2,768,000 | 181,000 |
| Total | 6,866,000 | 7,191,000 | 325,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------|----------------------|------------------------|----------|
| Contract Negotiation and Administration | | | |
| General Fund | 3,660,000 | 3,812,000 | 152,000 |
| Special Revenue Funds - Other | 150,000 | 125,000 | (25,000) |
| Internal Service Funds | 2,587,000 | 2,768,000 | 181,000 |
| Management Confidential Affairs | | | |
| General Fund | 469,000 | 486,000 | 17,000 |
| Total | 6,866,000 | 7,191,000 | 325,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------------------------|-----------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Contract Negotiation and Administration | 3,525,000 | 139,000 | 3,515,000 | 139,000 |
| Management Confidential Affairs | 408,000 | 14,000 | 407,000 | 14,000 |
| Total | 3,933,000 | 153,000 | 3,922,000 | 153,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------------------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Contract Negotiation and Administration | 10,000 | 0 | 0 | 0 |
| Management Confidential Affairs | 0 | 0 | 1,000 | 0 |
| Total | 10,000 | 0 | 1,000 | 0 |

EMPLOYEE RELATIONS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|-----------------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Contract Negotiation and Administration | 287,000 | 13,000 | 63,000 | 28,000 |
| Management Confidential Affairs | 78,000 | 3,000 | 3,000 | 0 |
| Total | 365,000 | 16,000 | 66,000 | 28,000 |

| Program | Travel | | Contractual Services | |
|-----------------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Contract Negotiation and Administration | 32,000 | 1,000 | 192,000 | (16,000) |
| Management Confidential Affairs | 4,000 | 0 | 71,000 | 3,000 |
| Total | 36,000 | 1,000 | 263,000 | (13,000) |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-----------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Contract Negotiation and Administration | 2,893,000 | 156,000 | 1,605,000 | 109,000 |
| Total | 2,893,000 | 156,000 | 1,605,000 | 109,000 |

| Program | Nonpersonal Service | |
|-----------------------------------------|----------------------------|---------------|
| | Amount | Change |
| Contract Negotiation and Administration | 1,288,000 | 47,000 |
| Total | 1,288,000 | 47,000 |

EXECUTIVE CHAMBER

MISSION

The Executive Chamber is the Office of the Governor and includes the immediate staff that assists in managing State government.

ORGANIZATION AND STAFFING

The Office of the Governor is located in the State Capitol in Albany and also has offices in New York City and Washington, D.C. This budget represents programs directly related to the Governor's Office and is supported by General Fund revenues.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$20.7 million All Funds (\$20.6 million General Fund, \$100,000 Other Funds)** and a staffing level of **189 FTEs** for the Executive Chamber. Both appropriation and staffing levels remain unchanged from 2007-08.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 20,700,000 | 20,700,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 20,700,000 | 20,700,000 | 0 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------|---------------------------------------|---------------------------------------|------------|
| Executive Chamber | | | |
| General Fund | 189 | 189 | 0 |
| Total | 189 | 189 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------|
| General Fund | 20,600,000 | 20,600,000 | 0 |
| Special Revenue Funds - Other | 100,000 | 100,000 | 0 |
| Total | 20,700,000 | 20,700,000 | 0 |

EXECUTIVE CHAMBER

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------|
| Executive Chamber | | | |
| General Fund | 20,600,000 | 20,600,000 | 0 |
| Special Revenue Funds - Other | 100,000 | 100,000 | 0 |
| Total | 20,700,000 | 20,700,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-------------------|------------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Executive Chamber | 14,650,000 | 0 | 14,250,000 | 0 |
| Total | 14,650,000 | 0 | 14,250,000 | 0 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Executive Chamber | 200,000 | 0 | 200,000 | 0 |
| Total | 200,000 | 0 | 200,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-------------------|-----------|--------|------------------------|---------|
| | Amount | Change | Amount | Change |
| Executive Chamber | 5,950,000 | 0 | 300,000 | 100,000 |
| Total | 5,950,000 | 0 | 300,000 | 100,000 |

| Program | Travel | | Contractual Services | |
|-------------------|---------|---------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Executive Chamber | 500,000 | 100,000 | 4,500,000 | (300,000) |
| Total | 500,000 | 100,000 | 4,500,000 | (300,000) |

| Program | Equipment | | Maintenance Undistributed | |
|-------------------|-----------|---------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Executive Chamber | 350,000 | 100,000 | 300,000 | 0 |
| Total | 350,000 | 100,000 | 300,000 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Maintenance Undistributed | |
|-------------------|---------|--------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Executive Chamber | 100,000 | 0 | 100,000 | 0 |
| Total | 100,000 | 0 | 100,000 | 0 |

OFFICE OF THE LIEUTENANT GOVERNOR

In addition to assisting the Governor with other issues in 2008-09, the Lieutenant Governor is responsible for leading the State's efforts in advancing and funding stem cell research, developing renewable energy, combating domestic violence, and ensuring full participation of minority- and women-owned businesses in our economy.

The Executive Budget recommends **\$1.4 million in General Fund** appropriations and a staffing level of **15 FTEs** for the Office of the Lieutenant Governor. Both appropriation and staffing levels remain unchanged from 2007-08.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 1,378,000 | 1,378,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,378,000 | 1,378,000 | 0 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 15 | 15 | 0 |
| Total | 15 | 15 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------|
| General Fund | 1,378,000 | 1,378,000 | 0 |
| Total | 1,378,000 | 1,378,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|----------------------|------------------------|--------|
| Administration | | | |
| General Fund | 1,378,000 | 1,378,000 | 0 |
| Total | 1,378,000 | 1,378,000 | 0 |

EXECUTIVE CHAMBER

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-----------|----------|-----------------------------------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 1,191,000 | (47,000) | 1,174,000 | (44,000) |
| Total | 1,191,000 | (47,000) | 1,174,000 | (44,000) |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------|-------------------------------------------|--------|-------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 10,000 | 0 | 7,000 | (3,000) |
| Total | 10,000 | 0 | 7,000 | (3,000) |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------|---------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 187,000 | 47,000 | 10,000 | 0 |
| Total | 187,000 | 47,000 | 10,000 | 0 |

| Program | Travel | | Contractual Services | |
|----------------|---------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 105,000 | 40,000 | 66,000 | 16,000 |
| Total | 105,000 | 40,000 | 66,000 | 16,000 |

| Program | Equipment | |
|----------------|-----------|---------|
| | Amount | Change |
| Administration | 6,000 | (9,000) |
| Total | 6,000 | (9,000) |

OFFICE OF GENERAL SERVICES

MISSION

The Office of General Services (OGS) mission is to manage and lease real property, design build and operate facilities, contract for goods, services and technology, and deliver a wide array of support services, enabling the State of New York to function optimally. The unifying goal throughout all of the Office's varied operations is to assure the efficient use of State resources for all of their customers, whether they are other State agencies, local governments, non-governmental organizations, or the public. As OGS influences the spending of approximately \$7 billion in public funds, it is essential that they continually strive to increase efficiencies and overall effectiveness

ORGANIZATION AND STAFFING

OGS is headed by a Commissioner, appointed by the Governor, with a central executive staff and is structured around customer-focused business enterprises: Real Property Management and Development; Procurement Services; Design and Construction; and Support Services.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$498.5 million All Funds (including \$159.3 million General Fund \$225.1 million Internal Service Funds, and \$114.1 million Other Funds)** to support ongoing agency activities. This is an increase of **\$10.6 million All Funds (an increase of \$2.1 million in the General Fund, \$9.8 million in Internal Service Funds, and a decrease of \$1.3 million Other Funds)** from the 2007-08 budget. This change primarily reflects expansion of efforts to reduce State costs by managing the use of overtime and insourcing building repair and maintenance whenever feasible. The Executive Budget recommends staff of 1,776 for the Office of General Services in 2008-09, an increase of 25 FTEs. A total of 19 FTE's reflect the insourcing of tradespeople to achieve savings, and 6 staff are added to assist localities in identifying contracts that localities can share, thereby reducing their costs.

Major budget action:

- **Procurement Modernization:** Legislation accompanies the Executive budget that makes permanent the Procurement Stewardship Act. It will also to expand the role of the State Procurement Council to focus more on the establishment of policies governing how State agencies procure commodities, services and technology. OGS will also undertake a study of the State's current procurement practices to ensure that its clients will get the best value at the lowest possible price. The agency will also expand its use of "aggregate buy" under which the State leverages its broad buying power by contracting for large quantities at once, on behalf of all state agencies and local governments. Similar efforts have already saved State agencies \$60 million and local governments \$140 million for technology procurements alone.

GENERAL SERVICES

PROGRAM HIGHLIGHTS

EXECUTIVE DIRECTION

This program provides the day-to-day management of the agency, helps State agencies to acquire vehicle insurance, administers financing for the State equipment purchasing program and coordinates the centralized purchase of electricity from the Power Authority of the State of New York.

REAL PROPERTY MANAGEMENT AND DEVELOPMENT

This program is responsible for providing for the safe and efficient operation of approximately 54 major and 76 ancillary State-owned and operated buildings. Services provided by this program include building management, operation, maintenance, cleaning and security for facilities encompassing 17.1 million interior gross square feet with a replacement value estimated at \$6.2 billion. Employees assigned to this program also manage building renovation projects, administer service contracts for the maintenance and operation of certain heating, ventilation and air conditioning systems, and negotiate agreements as needed for leased space.

PROCUREMENT SERVICES

The Procurement Services Group manages the statewide procurement of commodities and services, which have an annual value exceeding \$5 billion. This group establishes standards for each purchase item by developing detailed specifications, evaluating bids, and monitoring vendor performance and quality control. Eligible local governments, schools and not-for-profit organizations may use these centralized contracts, which generally offer the best prices because of the State's purchasing power, to reduce their own operating costs. Recent utilization of the "aggregate buy" method of procurement, where a specified amount of product or service is bid for, has generated significant savings for both State agencies and local governments. OGS will continue to explore how to make even wider use of this procurement tool.

DESIGN AND CONSTRUCTION

This group provides architectural, engineering, planning, and design and construction management services to State agencies (including OGS) that operate State-owned facilities, and has projects valued at approximately \$1.3 billion in design and \$900 million under construction. The program will be focusing on enhancing energy efficiency, the use of renewable energy sources wherever feasible, and the utilization of environmentally friendly material in all the new construction and rehabilitation projects it undertakes for its State agency clients.

SUPPORT SERVICES

Employees in this group provide and manage the delivery of interagency mail, employee and visitor parking and the transfer of Federal and State surplus property. These employees also warehouse federally donated food and distribute it to school districts and food pantries.

GENERAL SERVICES

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 405,384,000 | 418,469,000 | 13,085,000 | 6,315,000 |
| Aid To Localities | 168,800 | 0 | (168,800) | 0 |
| Capital Projects | 82,350,000 | 80,000,000 | (2,350,000) | 251,314,000 |
| Total | 487,902,800 | 498,469,000 | 10,566,200 | 257,629,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Design and Construction | | | |
| Internal Service Funds | 420 | 420 | 0 |
| Executive Direction | | | |
| General Fund | 113 | 113 | 0 |
| Internal Service Funds | 26 | 26 | 0 |
| Procurement Services | | | |
| General Fund | 161 | 167 | 6 |
| Special Revenue Funds - Other | 18 | 18 | 0 |
| Internal Service Funds | 78 | 78 | 0 |
| Real Property Management and Development | | | |
| General Fund | 819 | 838 | 19 |
| Special Revenue Funds - Other | 55 | 55 | 0 |
| Enterprise Funds | 12 | 12 | 0 |
| Internal Service Funds | 49 | 49 | 0 |
| Total | 1,751 | 1,776 | 25 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|------------|
| General Fund | 157,208,000 | 159,266,000 | 2,058,000 |
| Special Revenue Funds - Federal | 8,230,000 | 8,230,000 | 0 |
| Special Revenue Funds - Other | 22,446,000 | 23,103,000 | 657,000 |
| Enterprise Funds | 1,976,000 | 2,006,000 | 30,000 |
| Internal Service Funds | 215,274,000 | 225,114,000 | 9,840,000 |
| Fiduciary Funds | 250,000 | 750,000 | 500,000 |
| Total | 405,384,000 | 418,469,000 | 13,085,000 |

| | |
|----------------------|-------------|
| Adjustments: | |
| Transfer(s) From | |
| Special Pay Bill | |
| General Fund | (130,000) |
| Appropriated 2007-08 | 405,254,000 |

GENERAL SERVICES

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------------------|----------------------|------------------------|------------|
| Curatorial Services Program | | | |
| Fiduciary Funds | 250,000 | 750,000 | 500,000 |
| Design and Construction | | | |
| General Fund | 130,000 | 0 | (130,000) |
| Internal Service Funds | 59,027,000 | 60,260,000 | 1,233,000 |
| Executive Direction | | | |
| General Fund | 13,166,000 | 13,321,000 | 155,000 |
| Special Revenue Funds - Other | 1,217,000 | 1,240,000 | 23,000 |
| Enterprise Funds | 89,000 | 89,000 | 0 |
| Internal Service Funds | 95,293,000 | 98,074,000 | 2,781,000 |
| Procurement Services | | | |
| General Fund | 11,693,000 | 11,746,000 | 53,000 |
| Special Revenue Funds - Federal | 8,230,000 | 8,230,000 | 0 |
| Special Revenue Funds - Other | 5,034,000 | 5,108,000 | 74,000 |
| Internal Service Funds | 42,945,000 | 44,138,000 | 1,193,000 |
| Real Property Management and Development | | | |
| General Fund | 132,219,000 | 134,199,000 | 1,980,000 |
| Special Revenue Funds - Other | 16,195,000 | 16,755,000 | 560,000 |
| Enterprise Funds | 1,887,000 | 1,917,000 | 30,000 |
| Internal Service Funds | 18,009,000 | 22,642,000 | 4,633,000 |
| Total | 405,384,000 | 418,469,000 | 13,085,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|---------------------------------------------|------------|-----------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Design and Construction | 0 | (130,000) | 0 | (93,000) |
| Executive Direction | 6,805,000 | 0 | 6,774,000 | 0 |
| Procurement Services | 9,929,000 | 0 | 9,899,000 | 0 |
| Real Property Management and Development | 40,155,000 | 759,000 | 36,221,000 | 2,504,000 |
| Total | 56,889,000 | 629,000 | 52,894,000 | 2,411,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|---------------------------------------------|-------------------------------------------|----------|-------------------------------------------|-------------|
| | Amount | Change | Amount | Change |
| Design and Construction | 0 | (2,000) | 0 | (35,000) |
| Executive Direction | 0 | 0 | 31,000 | 0 |
| Procurement Services | 0 | 0 | 30,000 | 0 |
| Real Property Management and Development | 2,468,000 | (50,000) | 1,466,000 | (1,695,000) |
| Total | 2,468,000 | (52,000) | 1,527,000 | (1,730,000) |

GENERAL SERVICES

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|------------------------------------------|-------------|-----------|------------------------|----------|
| | Amount | Change | Amount | Change |
| Executive Direction | 6,516,000 | 155,000 | 103,000 | (69,000) |
| Procurement Services | 1,817,000 | 53,000 | 35,000 | 0 |
| Real Property Management and Development | 94,044,000 | 1,221,000 | 7,966,000 | 865,000 |
| Total | 102,377,000 | 1,429,000 | 8,104,000 | 796,000 |

| Program | Travel | | Contractual Services | |
|------------------------------------------|---------|--------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Executive Direction | 72,000 | 22,000 | 6,264,000 | 367,000 |
| Procurement Services | 72,000 | 28,000 | 1,633,000 | 54,000 |
| Real Property Management and Development | 204,000 | 6,000 | 85,236,000 | 2,303,000 |
| Total | 348,000 | 56,000 | 93,133,000 | 2,724,000 |

| Program | Equipment | |
|------------------------------------------|-----------|-------------|
| | Amount | Change |
| Executive Direction | 77,000 | (165,000) |
| Procurement Services | 77,000 | (29,000) |
| Real Property Management and Development | 638,000 | (1,953,000) |
| Total | 792,000 | (2,147,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|------------------------------------------|-------------|------------|------------------|---------|
| | Amount | Change | Amount | Change |
| Curatorial Services Program | 750,000 | 500,000 | 0 | 0 |
| Design and Construction | 60,260,000 | 1,233,000 | 26,557,000 | 57,000 |
| Executive Direction | 99,403,000 | 2,804,000 | 2,013,000 | 0 |
| Procurement Services | 57,476,000 | 1,267,000 | 4,371,000 | 59,000 |
| Real Property Management and Development | 41,314,000 | 5,223,000 | 6,537,000 | 782,000 |
| Total | 259,203,000 | 11,027,000 | 39,478,000 | 898,000 |

| Program | Nonpersonal Service | |
|------------------------------------------|---------------------|------------|
| | Amount | Change |
| Curatorial Services Program | 750,000 | 500,000 |
| Design and Construction | 33,703,000 | 1,176,000 |
| Executive Direction | 97,390,000 | 2,804,000 |
| Procurement Services | 53,105,000 | 1,208,000 |
| Real Property Management and Development | 34,777,000 | 4,441,000 |
| Total | 219,725,000 | 10,129,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|-----------|
| General Fund | 168,800 | 0 | (168,800) |
| Total | 168,800 | 0 | (168,800) |

GENERAL SERVICES

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------|------------------------------|--------------------------------|------------------|
| Community Projects | | | |
| General Fund | 168,800 | 0 | (168,800) |
| Total | <u>168,800</u> | <u>0</u> | <u>(168,800)</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|----------------------------------------------|------------------------------|--------------------------------|--------------------|-------------------------------------|
| Design and Construction Supervision | | | | |
| Capital Projects Fund | 12,600,000 | 12,600,000 | 0 | 17,640,000 |
| Maintenance and Improvement of Real Property | | | | |
| Facilities | | | | |
| Capital Projects Fund | 58,450,000 | 57,400,000 | (1,050,000) | 197,597,000 |
| Capital Projects Fund - Advances | 0 | 0 | 0 | 5,409,000 |
| Capital Projects Fund - Authority Bonds | 11,300,000 | 10,000,000 | (1,300,000) | 30,668,000 |
| Total | <u>82,350,000</u> | <u>80,000,000</u> | <u>(2,350,000)</u> | <u>251,314,000</u> |

OFFICE OF HOMELAND SECURITY

MISSION

The Office of Homeland Security is responsible for the development and implementation of a comprehensive statewide strategy to detect, protect against and respond to terrorist threats and events. Established as a permanent office by anti-terror legislation enacted in July 2004, the Office maintains strong partnerships with relevant State and local agencies, as well as Federal security-related agencies including the Department of Homeland Security. Among its responsibilities are assessments of vulnerability of critical assets, systems and material; policy development; the allocation of Federal homeland security and related funds; cyber readiness and the prevention and detection of cyber events. Additionally, the Office is required to coordinate the collection and dissemination of counter-terrorism information, as well as the development and implementation of a statewide strategy for disaster preparedness training.

ORGANIZATION AND STAFFING

The Office of Homeland Security has its permanent office in Albany with a satellite office in New York City, and a State Preparedness Training Center in Oriskany, New York. The Director, appointed by the Governor, provides counsel on counter-terrorism affairs and coordinates a myriad of activities with Federal, state, and local organizations to better prepare the state to respond to threats and terrorist-related incidents. The Office has two programs, Administration and Cyber Security.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$373 million All Funds (\$11 General Fund, \$362 million Other Funds)** for the Office of Homeland Security. This is a net decrease of **\$9.3 million (a \$0.3 million General Fund decrease; a \$1 million increase in Other Funds and a \$10 million decrease in Federal Local Assistance funds)** from the 2007-2008 budget. This net change primarily reflects operating efficiencies, and the elimination of unneeded Federal appropriations. The Office will continue to take a leadership role in maximizing Federal funding and ensuring distribution of that funding in an effective manner which supports the State's comprehensive security strategy. Federal funds anticipated from the State Homeland Security Grant and Urban Area Security Initiative programs will continue to be appropriated under the auspices of the Office.

The Executive Budget recommends a staffing level of **192 FTEs** for the Office of Homeland Security, an increase of 6 from the 2007-2008 budget. This reflects the creation of a local audit unit to better monitor and assist municipalities that receive Federal Homeland Security grants.

Major budget actions include:

- **Public Safety Interoperability Coordination (PSIC) Grant:** Beginning in 2008-09, the Office of Homeland Security will award \$60.7 million in Federal PSIC grant funds to locals as part of the Federal Homeland Security Grant Program. This program will enhance Statewide interoperable communications capabilities among State and local public safety agencies.
- **Local Grant Audit Unit:** The 2008-09 Executive Budget recommends the addition of six new positions within the Office of Homeland Security that will function as a local grant audit unit to oversee Federal grant expenditures in an effort

HOMELAND SECURITY

to streamline the distribution and allocation process. The addition of this unit was mandated by the Federal Department of Homeland Security and will be entirely supported by Federal grants.

- **Support for Aviation Fuel Pipeline Security:** By Chapter 630 of the Laws of 2007, the responsibilities of the Office of Homeland Security were broadened to include aviation fuel pipeline security. The Executive Budget includes \$0.3 million for this purpose.
- **Operating efficiencies:** The Office will achieve an estimated \$1 million in NPS savings associated with technology consolidations and administrative streamlining.

PROGRAM HIGHLIGHTS

Since its creation, the Office has pursued a comprehensive, coordinated strategy for domestic counter-terrorism preparedness in the State. Agencies and organizations from each jurisdictional level, and representing various disciplines, have been brought together to formulate and implement a comprehensive approach to public security for New York.

The Office continues to take steps toward consolidating its Counter-Terrorism Network, the first of its kind in the nation, with the Integrated Justice Portal. The network is used to notify local law enforcement and other government agencies of terrorism and security-related alerts. The Office's Critical Infrastructure Assessment Teams are also conducting security assessments of critical infrastructure in New York State, including large scale reviews of security measures at energy generation and transmission plants, chemical, general aviation facilities, and pipe-line sites. The State Preparedness Training Center is undergoing extensive renovations to accommodate additional training space for first responders, with various training courses already scheduled for 2008-09.

The Office of Cyber Security and Critical Infrastructure Coordination (CSCIC) has developed a comprehensive cyber security strategy that includes the private sector along with local and Federal jurisdictions. The Office chairs the Public/Private Sector Cyber Security Workgroup and continues to play a leadership role in the Multi-State Information Sharing and Analysis Center (MS-ISAC), founded in 2003. The MS-ISAC coordinates cyber readiness and response efforts among all fifty states and is the primary point of contact between the states and Federal government on cyber security issues. These efforts have been lauded by the Federal Department of Homeland Security as exemplary.

CSCIC continues to update the statewide imagery program for state agencies and local government. Similarly, CSCIC provides State agencies with 7x24 cyber-intrusion detection monitoring services and has recently expanded this operational center to become the first nationwide cyber security operations center for state and local governments.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 22,425,000 | 23,084,000 | 659,000 | 154,580,000 |
| Aid To Localities | 360,000,000 | 350,000,000 | (10,000,000) | 1,050,000,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 382,425,000 | 373,084,000 | (9,341,000) | 1,204,580,000 |

HOMELAND SECURITY

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------------|----------------------------|----------------------------|------------|
| Program | 2007-08 | 2008-09 | FTE Change |
| | Estimated FTEs 03/31/08 | Estimated FTEs 03/31/09 | |
| Administration | | | |
| General Fund | 110 | 110 | 0 |
| Cyber Security and Critical Infrastructure | | | |
| Coordination Program | | | |
| Special Revenue Funds - Federal | 4 | 4 | 0 |
| Special Revenue Funds - Other | 42 | 42 | 0 |
| Homeland Security Program | | | |
| Special Revenue Funds - Federal | 30 | 36 | 6 |
| Total | 186 | 192 | 6 |

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

| Fund Type | Available | Recommended | Change |
|-------------------------------|------------|-------------|-----------|
| | 2007-08 | 2008-09 | |
| General Fund | 11,382,000 | 11,041,000 | (341,000) |
| Special Revenue Funds - Other | 9,543,000 | 10,543,000 | 1,000,000 |
| Internal Service Funds | 1,500,000 | 1,500,000 | 0 |
| Total | 22,425,000 | 23,084,000 | 659,000 |

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

| Program | Available | Recommended | Change |
|--------------------------------------------|------------|-------------|-----------|
| | 2007-08 | 2008-09 | |
| Administration | | | |
| General Fund | 11,382,000 | 11,041,000 | (341,000) |
| Cyber Security and Critical Infrastructure | | | |
| Coordination Program | | | |
| Special Revenue Funds - Other | 9,543,000 | 10,543,000 | 1,000,000 |
| Internal Service Funds | 1,500,000 | 1,500,000 | 0 |
| Total | 22,425,000 | 23,084,000 | 659,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-----------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 4,513,000 | 290,000 | 4,234,000 | 357,000 |
| Total | 4,513,000 | 290,000 | 4,234,000 | 357,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------|-------------------------------------------|----------|-------------------------------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 262,000 | (18,000) | 17,000 | (49,000) |
| Total | 262,000 | (18,000) | 17,000 | (49,000) |

HOMELAND SECURITY

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------|-----------|-----------|------------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 6,528,000 | (631,000) | 1,131,000 | (66,000) |
| Total | 6,528,000 | (631,000) | 1,131,000 | (66,000) |

| Program | Contractual Services | | Equipment | |
|----------------|----------------------|-----------|-----------|--------|
| | Amount | Change | Amount | Change |
| Administration | 4,349,000 | (565,000) | 1,048,000 | 0 |
| Total | 4,349,000 | (565,000) | 1,048,000 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------------------------------------------|------------|-----------|------------------|-----------|
| | Amount | Change | Amount | Change |
| Cyber Security and Critical Infrastructure Coordination Program | 12,043,000 | 1,000,000 | 2,543,000 | (296,000) |
| Total | 12,043,000 | 1,000,000 | 2,543,000 | (296,000) |

| Program | Nonpersonal Service | |
|--------------------------------------------------------------------|---------------------|-----------|
| | Amount | Change |
| Cyber Security and Critical Infrastructure Coordination Program | 9,500,000 | 1,296,000 |
| Total | 9,500,000 | 1,296,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| | | | |
| Special Revenue Funds - Federal | 360,000,000 | 350,000,000 | (10,000,000) |
| Total | 360,000,000 | 350,000,000 | (10,000,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------------|
| | | | |
| Homeland Security Program | | | |
| Special Revenue Funds - Federal | 360,000,000 | 350,000,000 | (10,000,000) |
| Total | 360,000,000 | 350,000,000 | (10,000,000) |

OFFICE OF THE STATE INSPECTOR GENERAL

MISSION

The Office of the State Inspector General is responsible for detecting, investigating, eliminating and deterring fraud, corruption, criminal activity, conflicts of interest and abuse in State government. Its mission is designed to ensure that State government maintains the highest standards of integrity and accountability.

ORGANIZATION AND STAFFING

The Office of the State Inspector General consolidates most of the State's inspector general activities in a single office that replaced what were formerly separate, semi-independent deputy inspectors general located within in the agencies they served. Led by the Inspector General who is appointed by the Governor, the Office is headquartered in Albany and has offices in New York City and Buffalo.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommendations provide over **\$7.2 million in (\$7.1 million General Fund, \$0.1 million All Other Funds)**. This is a **\$0.2 million General Fund increase** from the 2007-08 budget and reflects ongoing costs to meet the demands of increasingly sophisticated investigations of alleged fraudulent activity within State government. The Office will have a workforce of **70 FTEs** in 2008-09, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

The Office of the State Inspector General has handled more than 10,804 complaints of fraud, criminal activity, waste and abuse involving State employees and resources. The Office focuses its investigative efforts on major cases involving theft, bribery, contract fraud, abuse of authority and other serious allegations of corruption. The Office's investigators work jointly with local, State and Federal law enforcement personnel and prosecutors on significant matters of public concern. The Office's investigations have uncovered instances of theft, bid rigging, bribery, creation of fraudulent documents, misuse of computers, construction industry fraud, and systemic abuse and waste in various agencies that have resulted in the arrest of more than over 520 individuals, and referrals for discipline in numerous other cases. In addition, many cases have resulted in recommendations for administrative or policy changes. Equally important, the Office's investigations have, in many instances, cleared agencies and individuals of allegations that were unfounded or unsubstantiated.

INSPECTOR GENERAL

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 7,015,000 | 7,225,000 | 210,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 7,015,000 | 7,225,000 | 210,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------|---------------------------------------|---------------------------------------|------------|
| Inspector General | | | |
| General Fund | 70 | 70 | 0 |
| Total | 70 | 70 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| General Fund | 6,915,000 | 7,125,000 | 210,000 |
| Special Revenue Funds - Other | 100,000 | 100,000 | 0 |
| Total | 7,015,000 | 7,225,000 | 210,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Inspector General | | | |
| General Fund | 6,915,000 | 7,125,000 | 210,000 |
| Special Revenue Funds - Other | 100,000 | 100,000 | 0 |
| Total | 7,015,000 | 7,225,000 | 210,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-------------------|-----------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Inspector General | 6,249,000 | 38,000 | 6,238,000 | 38,000 |
| Total | 6,249,000 | 38,000 | 6,238,000 | 38,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Inspector General | 8,000 | 0 | 3,000 | 0 |
| Total | 8,000 | 0 | 3,000 | 0 |

INSPECTOR GENERAL

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Supplies and Materials | |
|-------------------|---------|---------|------------------------|----------|
| | Amount | Change | Amount | Change |
| Inspector General | 876,000 | 172,000 | 100,000 | (92,000) |
| Total | 876,000 | 172,000 | 100,000 | (92,000) |

| Program | Travel | | Contractual Services | |
|-------------------|---------|----------|----------------------|---------|
| | Amount | Change | Amount | Change |
| Inspector General | 150,000 | (47,000) | 526,000 | 341,000 |
| Total | 150,000 | (47,000) | 526,000 | 341,000 |

| Program | Equipment | |
|-------------------|-----------|----------|
| | Amount | Change |
| Inspector General | 100,000 | (30,000) |
| Total | 100,000 | (30,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Nonpersonal Service | |
|-------------------|---------|--------|---------------------|--------|
| | Amount | Change | Amount | Change |
| Inspector General | 100,000 | 0 | 100,000 | 0 |
| Total | 100,000 | 0 | 100,000 | 0 |

INTEREST ON LAWYER ACCOUNT

MISSION

The Interest on Lawyer Account (IOLA) Fund was established in 1983 to finance civil legal services for the indigent. Revenues are derived from the interest earned on small trust accounts in which attorneys hold certain funds for their clients. Banks transfer the interest earned on these IOLA escrow accounts to the Interest on Lawyer Account to fund grants to not-for-profit, tax-exempt entities providing civil legal services to the indigent, elderly, disabled and others. Legislation enacted in 1988 made participation in IOLA mandatory for attorneys in private practice who hold nominal short-term escrow accounts for clients.

ORGANIZATION AND STAFFING

A 15 member board of trustees appointed by the Governor administers the Interest on Lawyer Account. Board members serve without compensation. Day-to-day operations are located in New York City.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$72.1 million All Funds**, an increase of \$50.3 million. IOLA will have a workforce of **13 FTEs**, an increase of **4 FTEs** from 2007-08. IOLA is completely supported by revenue generated by the interest earned on IOLA escrow accounts. In August 2007, new regulations initiated by the Governor were issued to ensure that banking institutions pay a fair interest rate on IOLA escrow accounts – one that is not less than that paid on similar types of bank accounts. The result has been a significant increase in funds that will be available for civil legal services and improvement of administration justice grants.

Major budget initiative:

- **Expanding grants to civil legal service providers:** Legislation accompanying the Executive Budget creates a more transparent process to award grants and encourages the maintenance of a statewide service system. Four new positions are added to assist in the distribution of these significantly increased grant resources.

PROGRAM HIGHLIGHTS

Under legislation submitted with the Executive Budget, at least 80 percent of the grants from the Interest on Lawyer Account special revenue fund must be used for the delivery of civil legal services to the indigent. The balance must be allocated to purposes related to the improvement of the administration of justice, including the provision of civil legal services to underserved groups such as the elderly and disabled and administrative overhead. For the 2008 calendar year, the board administering the Interest on Lawyer Account has awarded \$25 million in grants to date to over 60 organizations statewide providing civil legal services to the indigent and underserved populations of New York.

INTEREST ON LAWYER

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|------------|--------------------------------------------|
| State Operations | 1,822,000 | 2,134,000 | 312,000 | 0 |
| Aid To Localities | 20,000,000 | 70,000,000 | 50,000,000 | 3,000,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 21,822,000 | 72,134,000 | 50,312,000 | 3,000,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------|---------------------------------------|---------------------------------------|------------|
| New York Interest on Lawyer Account | | | |
| Special Revenue Funds - Other | 9 | 13 | 4 |
| Total | 9 | 13 | 4 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Special Revenue Funds - Other | 1,822,000 | 2,134,000 | 312,000 |
| Total | 1,822,000 | 2,134,000 | 312,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|----------------------|------------------------|---------|
| New York Interest on Lawyer Account | | | |
| Special Revenue Funds - Other | 1,822,000 | 2,134,000 | 312,000 |
| Total | 1,822,000 | 2,134,000 | 312,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------|-----------|---------|------------------|---------|
| | Amount | Change | Amount | Change |
| New York Interest on Lawyer Account | 2,134,000 | 312,000 | 818,000 | 184,000 |
| Total | 2,134,000 | 312,000 | 818,000 | 184,000 |

| Program | Nonpersonal Service | |
|-------------------------------------|---------------------|---------|
| | Amount | Change |
| New York Interest on Lawyer Account | 1,316,000 | 128,000 |
| Total | 1,316,000 | 128,000 |

INTEREST ON LAWYER

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 3,000,000 | 0 | (3,000,000) |
| Special Revenue Funds - Other | 17,000,000 | 70,000,000 | 53,000,000 |
| Total | 20,000,000 | 70,000,000 | 50,000,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|------------------------------|--------------------------------|---------------|
| New York Interest on Lawyer Account | | | |
| General Fund | 3,000,000 | 0 | (3,000,000) |
| Special Revenue Funds - Other | 17,000,000 | 70,000,000 | 53,000,000 |
| Total | 20,000,000 | 70,000,000 | 50,000,000 |

TEMPORARY STATE COMMISSION OF INVESTIGATION

MISSION

Established in 1958, the Temporary State Commission of Investigation has served as a bipartisan fact-finding agency, investigating and reporting on organized crime and racketeering, the conduct of public officers and other matters affecting public peace, safety and justice.

ORGANIZATION AND STAFFING

The Commission has six salaried members, two each appointed by the Governor, the Temporary President of the Senate and the Speaker of the Assembly. The Commission's main office is in New York City.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$3.9 million All Fund (\$3.7 million General Fund, \$0.3 million Other Funds)**. This is an increase of **\$47,000 General Fund** over the 2007-08 budget, reflecting inflationary adjustments. In addition to the 6 commissioners, there is a staff of **26 FTEs** at the Commission, which is unchanged from 2007-08. The 2007-08 budget extended the life of the Temporary State Commission of Investigation for an additional year, sunsetting the Commission on September 1, 2008. Legislation submitted with the Executive Budget extends the Commission an additional seven months to coincide its sunset with the close of the fiscal year, and to allow the Commission adequate time to complete ongoing investigations.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 3,929,000 | 3,976,000 | 47,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 3,929,000 | 3,976,000 | 47,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------|---------------------------------------|---------------------------------------|------------|
| Investigation | | | |
| General Fund | 32 | 32 | 0 |
| Total | 32 | 32 | 0 |

INVESTIGATION

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 3,642,000 | 3,689,000 | 47,000 |
| Special Revenue Funds - Other | 287,000 | 287,000 | 0 |
| Total | 3,929,000 | 3,976,000 | 47,000 |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Investigation | | | |
| General Fund | 3,642,000 | 3,689,000 | 47,000 |
| Special Revenue Funds - Other | 287,000 | 287,000 | 0 |
| Total | 3,929,000 | 3,976,000 | 47,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Personal Service Regular (Annual Salaried)</u> | |
|----------------|---------------|---------------|-------------------------------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Investigation | 2,760,000 | 0 | 2,760,000 | 0 |
| Total | 2,760,000 | 0 | 2,760,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Supplies and Materials</u> | |
|----------------|---------------|---------------|-------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Investigation | 929,000 | 47,000 | 42,000 | 2,000 |
| Total | 929,000 | 47,000 | 42,000 | 2,000 |

| <u>Program</u> | <u>Travel</u> | | <u>Contractual Services</u> | |
|----------------|---------------|---------------|-----------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Investigation | 84,000 | 4,000 | 766,000 | 39,000 |
| Total | 84,000 | 4,000 | 766,000 | 39,000 |

| <u>Program</u> | <u>Equipment</u> | |
|----------------|------------------|---------------|
| | <u>Amount</u> | <u>Change</u> |
| Investigation | 37,000 | 2,000 |
| Total | 37,000 | 2,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total</u> | | <u>Nonpersonal Service</u> | |
|----------------|---------------|---------------|----------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Investigation | 287,000 | 0 | 287,000 | 0 |
| Total | 287,000 | 0 | 287,000 | 0 |

JUDICIAL COMMISSIONS

MISSION

New York State's three Judicial Commissions play important roles in maintaining the integrity of the court system. The Commission on Judicial Nomination and the Judicial Screening Committees screen potential nominees for high-level judicial appointments by the Governor. The Commission on Judicial Conduct investigates and acts upon allegations of judicial misconduct.

COMMISSION ON JUDICIAL CONDUCT

The State Constitution established the Commission on Judicial Conduct, which is responsible for investigating complaints of misconduct against State judges and local justices. The Commission has disciplinary powers, which include the authority to remove judges and justices from office for serious misconduct, subject to review by the Court of Appeals.

The Commission on Judicial Conduct has 11 members, 4 of whom are appointed by the Governor, 3 by the Chief Judge of the Court of Appeals and the remaining 4 by the Legislature. Commission members serve without pay and meet periodically to consider complaints, hear testimony and determine the disposition of cases. The Commission will have a staff of **55 FTEs** in fiscal year 2008-09, which is unchanged from 2007-08. Its main office is in New York City, with branches in Albany and Rochester. The recommended 2008-09 budget of approximately **\$5.2 million General Fund** grows **\$0.4 million**, reflecting inflationary increases. .

COMMISSION ON JUDICIAL NOMINATION

The State Constitution established the Commission on Judicial Nomination to evaluate candidates and make recommendations to the Governor for appointment to the Court of Appeals, the State's highest court.

The Commission on Judicial Nomination has 12 members appointed by the Governor, the Chief Judge of the Court of Appeals and the Legislature. These members serve without pay and conduct the search for qualified candidates upon formal notification of a vacancy on the Court of Appeals.

GOVERNOR'S JUDICIAL SCREENING COMMITTEES

The Governor's Judicial Screening Committees are established by Executive Order to evaluate the qualifications of candidates and make recommendations to the Governor for appointment to judgeships other than those on the Court of Appeals. The Committees are located throughout the State.

JUDICIAL COMMISSIONS

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|---------|--------------------------------------------|
| State Operations | 4,843,000 | 5,241,000 | 398,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 4,843,000 | 5,241,000 | 398,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|------------------|---------------------------------------|---------------------------------------|------------|
| Judicial Conduct | | | |
| General Fund | 55 | 55 | 0 |
| Total | 55 | 55 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|---------|
| General Fund | 4,843,000 | 5,241,000 | 398,000 |
| Total | 4,843,000 | 5,241,000 | 398,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------|----------------------|------------------------|---------|
| Judicial Conduct | | | |
| General Fund | 4,795,000 | 5,173,000 | 378,000 |
| Judicial Nomination, Commission on | | | |
| General Fund | 10,000 | 30,000 | 20,000 |
| Judicial Screening Committees | | | |
| General Fund | 38,000 | 38,000 | 0 |
| Total | 4,843,000 | 5,241,000 | 398,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | Personal Service Regular (Annual Salaried) Amount | Change |
|-------------------------------|-----------------|----------|---------------------------------------------------------|----------|
| Judicial Conduct | 3,847,000 | (92,000) | 3,847,000 | (92,000) |
| Judicial Screening Committees | 13,000 | 0 | 13,000 | 0 |
| Total | 3,860,000 | (92,000) | 3,860,000 | (92,000) |

JUDICIAL COMMISSIONS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|------------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Judicial Conduct | 1,326,000 | 470,000 | 54,000 | (4,000) |
| Judicial Nomination, Commission on | 30,000 | 20,000 | 0 | 0 |
| Judicial Screening Committees | 25,000 | 0 | 0 | 0 |
| Total | 1,381,000 | 490,000 | 54,000 | (4,000) |

| Program | Travel | | Contractual Services | |
|------------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Judicial Conduct | 100,000 | 46,000 | 1,077,000 | 402,000 |
| Judicial Nomination, Commission on | 30,000 | 20,000 | 0 | 0 |
| Judicial Screening Committees | 10,000 | 0 | 15,000 | 0 |
| Total | 140,000 | 66,000 | 1,092,000 | 402,000 |

| Program | Equipment | |
|------------------------------------|------------------|---------------|
| | Amount | Change |
| Judicial Conduct | 95,000 | 26,000 |
| Judicial Nomination, Commission on | 0 | 0 |
| Judicial Screening Committees | 0 | 0 |
| Total | 95,000 | 26,000 |

DEPARTMENT OF LAW

MISSION

The Department of Law was created in 1926 and is headed by the State Attorney General, who is elected by the people. The Department is responsible for protecting the legal rights of New York State and its citizens by representing the State in litigation and in other legal affairs.

In implementing its constitutional responsibilities, the Department performs a wide range of functions. Major activities of the Department include prosecuting or defending actions and proceedings for or against the State and its departments; prosecuting certain criminal violations of the Labor, Workers' Compensation and Unemployment Insurance laws; investigating and prosecuting other criminal cases at the request of the Governor or the commissioners of State departments; investigating the activities of organized crime; bringing civil and/or criminal actions against polluters, violators of antitrust laws and those who defraud consumers or investors; mediating consumer complaints; and investigating and prosecuting cases of Medicaid fraud.

ORGANIZATION AND STAFFING

The legal functions and administrative functions of the Department of Law are divided into eight major divisions: Administration, Appeals and Opinions, Counsel for the State, Criminal Justice, Economic Justice Investigations, Social Justice and Regional Offices. Each division consists of smaller bureaus or specialized units dealing with specific issues.

The Department's main offices are located in Albany and New York City, with regional offices in Binghamton, Poughkeepsie, Syracuse, Buffalo, Plattsburgh, Rochester, Watertown, Mineola, Hauppauge, Harlem, Utica, Brooklyn, Pearl River and White Plains.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$249.6 million All Funds (including \$134.4 million General Fund; \$75.8 million Federal funds and \$39.4 million Other Funds)** for the Department of Law. This is an increase of **\$9.6 million (\$7.6 million Other Funds, \$1.9 million Federal funds)**. This increase reflects inflationary adjustments for operating costs, increased Federal funding for investigating and prosecuting Medicaid provider fraud, funding to expand Project Sunlight, an initiative to prevent illegal use of rental property (Nowhere to Hide), and an expansion of the Real Estate Finance Bureau. The Department of Law will have a work force of **2,032 FTEs**, which is a **61 FTE** increase from 2007-08. The increase reflects 35 FTEs for Medicaid Fraud Prevention; 12 FTEs for Project Sunlight; 10 FTEs for the Real Estate Finance Bureau; and 4 FTEs for Nowhere to Hide.

Major budget actions include:

- **Project Sunlight — Version 2.0:** Last year, Project Sunlight created a single database that combines information maintained on disparate databases by multiple State agencies, into a single reference point for easy access by the public, thereby improving the transparency of government in New York State. Next year, the next generation — Version 2.0 — will double the number of databases in the search, provide a more comprehensive database, improve searches, and will include a Spanish language version.

- **Nowhere to Hide:** This initiative, to hold landlords accountable when they allow their property to be used by tenants for drug dealing and other criminal activity, will: (1) strengthen relationships with local law enforcement, local prosecutors, and local community groups to identify target properties; (2) establish criteria for application of resources; (3) dedicate four new full-time investigative resources to collect the evidence necessary to support a case; and (4) assign OAG attorneys to advance the lawsuits.
- **Expanded Support for the Real Estate Finance Bureau:** The Attorney General has proposed legislation, S.6540/A.9546, that will increase the fees paid by the real estate development community under Article 23A of the General Business Law for the Office of the Attorney General's review of plans to build or convert existing buildings to, co-ops or condominiums. The Department of Law is to review such plans within 30 days. However, the number of such filings have increased 265 percent since 2002, (from 239 per year in 2002 to 873 in 2006). The increased fee revenues will support the additional staff needed to complete the reviews on time.
- **Enhance investigation and prosecution of Medicaid provider fraud:** The Executive Budget expands the Medicaid Fraud Control Unit by adding 35 new investigators and auditors, who are expected to increase prosecutions.

PROGRAM HIGHLIGHTS

Agency divisions perform the following functions:

- The Administration Division provides budget, personnel, operations and technology services for the Agency;
- The Division of Appeals and Opinions handles appellate litigation in both State and Federal courts. The Division also prepares opinions, both formal and informal, interpreting State laws for State agencies and municipalities;
- The Criminal Division investigates and prosecutes criminal cases, including those involving Medicaid fraud, auto insurance fraud, white collar and organized crime cases involving multi-county, multi-state and even multi-national criminal activities occurring within New York State;
- The Investigations Division provides investigative support for legal divisions throughout the Department, and works cooperatively with State, local and Federal law enforcement agencies on cases that cross jurisdictional lines.
- The Division of State Counsel provides State agencies, the Governor, other State officials and the Legislature with counsel and representation in legal proceedings. It recoups non tax revenue on behalf of State taxpayers and provides legal assistance to State agencies in connection with the acquisition and disposition of public land;
- The Division of Economic Justice defends and protects the public interest in the courts. It enforces laws to prevent restraint of trade, protects consumers from fraudulent and/or deceptive business practices, regulates the sale of securities, and addresses people's concerns about criminal online activities;
- The Division of Social Justice also defends and protects the public interest in the courts. It ensures compliance with the State's health care and environmental laws, enforces State Labor and Workers' Compensation Laws, protects charitable donors and beneficiaries, and enforces laws prohibiting discrimination;

- The Regional Offices' Division provides satellite offices across the State to ensure that all New York agencies have cost-effective representation in all local and Federal courts, and that citizens have full access to the programs and services of the Department.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|------------------|-----------------------------------------------------|
| State Operations | 239,992,000 | 249,595,000 | 9,603,000 | 79,096,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 239,992,000 | 249,595,000 | 9,603,000 | 79,096,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 181 | 181 | 0 |
| Appeals and Opinions | | | |
| General Fund | 63 | 63 | 0 |
| Counsel for the State | | | |
| General Fund | 403 | 403 | 0 |
| Special Revenue Funds - Other | 258 | 274 | 16 |
| Criminal Investigations | | | |
| General Fund | 100 | 100 | 0 |
| Economic Justice | | | |
| General Fund | 134 | 134 | 0 |
| Special Revenue Funds - Other | 6 | 16 | 10 |
| Social Justice | | | |
| General Fund | 156 | 156 | 0 |
| Capital Projects Funds - Other | 7 | 7 | 0 |
| Criminal Prosecutions | | | |
| General Fund | 99 | 99 | 0 |
| Special Revenue Funds - Other | 68 | 68 | 0 |
| Medicaid Fraud Control | | | |
| Special Revenue Funds - Federal | 259 | 285 | 26 |
| Special Revenue Funds - Other | 86 | 95 | 9 |
| Regional Offices | | | |
| General Fund | 151 | 151 | 0 |
| Total | 1,971 | 2,032 | 61 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 134,360,000 | 134,360,000 | 0 |
| Special Revenue Funds - Federal | 37,480,000 | 39,434,000 | 1,954,000 |
| Special Revenue Funds - Other | 68,152,000 | 75,801,000 | 7,649,000 |
| Total | 239,992,000 | 249,595,000 | 9,603,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| General Fund | 32,202,000 | 32,202,000 | 0 |
| Appeals and Opinions | | | |
| General Fund | 5,815,000 | 5,815,000 | 0 |
| Counsel for the State | | | |
| General Fund | 42,564,000 | 42,564,000 | 0 |
| Special Revenue Funds - Other | 49,223,000 | 55,687,000 | 6,464,000 |
| Criminal Investigations | | | |
| General Fund | 8,982,000 | 8,982,000 | 0 |
| Economic Justice | | | |
| General Fund | 11,933,000 | 11,933,000 | 0 |
| Special Revenue Funds - Other | 0 | 1,200,000 | 1,200,000 |
| Social Justice | | | |
| General Fund | 11,933,000 | 11,933,000 | 0 |
| Criminal Prosecutions | | | |
| General Fund | 7,992,000 | 7,992,000 | 0 |
| Special Revenue Funds - Other | 4,904,000 | 4,904,000 | 0 |
| Medicaid Fraud Control | | | |
| Special Revenue Funds - Federal | 37,480,000 | 39,434,000 | 1,954,000 |
| Special Revenue Funds - Other | 14,025,000 | 14,010,000 | (15,000) |
| Regional Offices | | | |
| General Fund | 12,939,000 | 12,939,000 | 0 |
| Total | <u>239,992,000</u> | <u>249,595,000</u> | <u>9,603,000</u> |

STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-------------------------|-------------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 11,038,000 | 0 | 10,001,000 | 0 |
| Appeals and Opinions | 4,988,000 | 0 | 4,986,000 | 0 |
| Counsel for the State | 31,107,000 | 0 | 30,842,000 | 0 |
| Criminal Investigations | 8,442,000 | 0 | 8,329,000 | 0 |
| Economic Justice | 11,933,000 | 0 | 11,841,000 | 0 |
| Social Justice | 11,933,000 | 0 | 11,842,000 | 0 |
| Criminal Prosecutions | 7,525,000 | 0 | 7,387,000 | 0 |
| Regional Offices | 11,662,000 | 0 | 11,626,000 | 0 |
| Total | <u>98,628,000</u> | <u>0</u> | <u>96,854,000</u> | <u>0</u> |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-------------------------|---------------------------------------------------|---------------|---------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 980,000 | 0 | 57,000 | 0 |
| Appeals and Opinions | 0 | 0 | 2,000 | 0 |
| Counsel for the State | 220,000 | 0 | 45,000 | 0 |
| Criminal Investigations | 113,000 | 0 | 0 | 0 |
| Economic Justice | 0 | 0 | 92,000 | 0 |
| Social Justice | 0 | 0 | 91,000 | 0 |
| Criminal Prosecutions | 106,000 | 0 | 32,000 | 0 |
| Regional Offices | 12,000 | 0 | 24,000 | 0 |
| Total | <u>1,431,000</u> | <u>0</u> | <u>343,000</u> | <u>0</u> |

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Supplies and Materials | |
|-------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 21,164,000 | 0 | 5,100,000 | 0 |
| Appeals and Opinions | 827,000 | 0 | 0 | 0 |
| Counsel for the State | 11,457,000 | 0 | 0 | 0 |
| Criminal Investigations | 540,000 | 0 | 0 | 0 |
| Criminal Prosecutions | 467,000 | 0 | 5,000 | 0 |
| Regional Offices | 1,277,000 | 0 | 0 | 0 |
| Total | 35,732,000 | 0 | 5,105,000 | 0 |

| Program | Travel | | Contractual Services | |
|-------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 257,000 | 0 | 14,385,000 | 0 |
| Appeals and Opinions | 0 | 0 | 827,000 | 0 |
| Counsel for the State | 399,000 | 0 | 11,058,000 | 0 |
| Criminal Investigations | 228,000 | 0 | 312,000 | 0 |
| Criminal Prosecutions | 192,000 | 0 | 270,000 | 0 |
| Regional Offices | 350,000 | 0 | 927,000 | 0 |
| Total | 1,426,000 | 0 | 27,779,000 | 0 |

| Program | Equipment | |
|-------------------------|------------------|---------------|
| | Amount | Change |
| Administration | 1,422,000 | 0 |
| Appeals and Opinions | 0 | 0 |
| Counsel for the State | 0 | 0 |
| Criminal Investigations | 0 | 0 |
| Criminal Prosecutions | 0 | 0 |
| Regional Offices | 0 | 0 |
| Total | 1,422,000 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)

| Program | Total | | Personal Service | |
|------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Counsel for the State | 55,687,000 | 6,464,000 | 18,545,000 | 2,040,000 |
| Economic Justice | 1,200,000 | 1,200,000 | 803,000 | 803,000 |
| Criminal Prosecutions | 4,904,000 | 0 | 0 | 0 |
| Medicaid Fraud Control | 53,444,000 | 1,939,000 | 28,899,000 | 2,568,000 |
| Total | 115,235,000 | 9,603,000 | 48,247,000 | 5,411,000 |

| Program | Nonpersonal Service | |
|------------------------|----------------------------|---------------|
| | Amount | Change |
| Counsel for the State | 37,142,000 | 4,424,000 |
| Economic Justice | 397,000 | 397,000 |
| Criminal Prosecutions | 4,904,000 | 0 |
| Medicaid Fraud Control | 24,545,000 | (629,000) |
| Total | 66,988,000 | 4,192,000 |

DIVISION OF MILITARY AND NAVAL AFFAIRS

MISSION

The Division of Military and Naval Affairs (DMNA) has two primary missions. Through the State's militia, DMNA maintains a well-trained military force ready to respond to civil emergencies, natural disasters, and threats to the nation's security. Through the State Emergency Management Office (SEMO), the Division prepares the State and local governments to deal effectively with potential disasters and coordinates the State's response to disasters.

ORGANIZATION AND STAFFING

The Division of Military and Naval Affairs operates under the direction of the Adjutant General, who is appointed by the Governor. The Division consists of the New York Army National Guard, the New York Air National Guard, the Naval Militia, the New York Guard and the State Emergency Management Office (SEMO). Coordinated through the State headquarters in Albany, the Division operates 57 armories as well as 21 Field and Combined Support Maintenance facilities, 6 Air National Guard bases, and 3 Aviation Support facilities.

SEMO serves as the operational component of the Disaster Preparedness Commission, which is responsible for State disaster preparedness plans and the coordination of State disaster operations. In addition to the Albany headquarters, SEMO operates 5 regional emergency management facilities. In 2008-09, DMNA and SEMO will have a combined workforce of 654.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$127 million All Funds (\$25 million General Fund, \$102 million Other Funds)** for the Division of Military and Naval Affairs including the State Emergency Management Office. This is a net decrease of **\$394 million** from the 2007-08 budget, which primarily reflects the completion of disaster aid. These amounts reflect a \$6.2 million increase in support for the Division, primarily to support growth in the military readiness and special services programs.

The Executive Budget recommends a staffing level of **654 FTEs** for the Division of Military and Naval Affairs, an **increase of two** from 2007-08, to establish permanent state coordinators for FEMA Assistance.

Major budget actions include:

- **Support for Empire Shield:** The 2008-09 Executive Budget includes approximately \$16 million to support a force of 268 National Guard for the Empire Shield mission in the New York City metro area. Beginning in 2008-09, Empire Shield will be headquartered at Fort Hamilton, and the mission of existing units will change from standing patrols at specific locations, to flexible threat-based, rapid response units. Support for this initiative is appropriated within the All State Agencies/All Funds Homeland Security Miscellaneous appropriation.
- **Funding for NY Alert emergency notification system:** The 2008-09 Executive Budget recommends that \$5.4 million in Federal emergency preparedness funds, an increase of \$4.3 million from 2007-08, be made available to the State Emergency

MILITARY AND NAVAL AFFAIRS

Management Office to continue development of the New York Alert emergency notification system. Next, NY Alert will offer rapid emergency alert capabilities to all SUNY campuses. Public schools and citizens throughout the State will also have the ability to access and utilize this state-of-the-art emergency notification system.

- **Permanent Disaster Assistance Coordinators:** Support for 2 permanent disaster coordinators is recommended in an effort to provide additional on-site direction to communities and State agency representatives during disaster recovery operations around the State.
- **Additional support for New York Guard:** The Division of Military and Naval Affairs is provided an additional \$205,000 for costs associated with the New York Guard as directed by the Adjutant General.
- **Proposed Article VII to recoup State costs associated with security missions at nuclear generating facilities:** An Article VII bill to establish an assessment on power plant operators for costs associated with National Guard and Naval Militia missions at nuclear facilities accompanies the 2008-09 Executive Budget. This proposal will reimburse up to \$11.7 million in recurring General Fund costs annually.

The Division's Aid to Localities budget of \$9.7 million in new State and Federal disaster assistance appropriations is available to provide support in the event of future disasters. Appropriations are also provided for annual Federal grants and to expend fees collected from nuclear power plant operators for local radiological emergency preparedness planning.

PROGRAM HIGHLIGHTS

MILITARY READINESS

The Military Readiness program is the core of the Division's operations. It includes the New York Army National Guard, the New York Air National Guard, the New York Naval Militia and the New York Guard. With a combined force of nearly 20,000 members, the Readiness program has mounted a sustained activation since the terrorist attacks of September, 2001 to safeguard the State's citizenry from emerging security threats, while simultaneously meeting its obligations to support the Federal government. Other critical responses to civilian emergencies in recent years have included the abatement and mitigation of the effects of floods, blizzards, tornados, and forest fires. Beginning in 2008-09, the Division will fully implement the Empire Shield mission, headquartered at Fort Hamilton in New York City. This mission will more effectively make use of State resources by transforming the nature of National Guard deployments in the metro area from maintaining a routine presence to making resources available for immediate response to threats.

EMERGENCY MANAGEMENT AND DISASTER ASSISTANCE

The State Emergency Management Office is the operational component of the Disaster Preparedness Commission, and coordinates the State's preparation for and response to natural and man-made disasters and emergencies. In times of emergency or disaster, SEMO activates the Emergency Operations Center to quickly match State, Federal and private resources with the needs of the affected localities. SEMO also provides training to

emergency and response personnel to be better able to mitigate against, prepare for, respond to, and recover from disastrous incidents while protecting lives, property, and the environment.

Beginning in 2007-08, SEMO initiated a statewide solution to emergency notifications, benefiting schools, SUNY campuses, and citizens across the State known as New York Alert. The 2008-09 Executive Budget makes \$5.4 million in Federal funds available to SEMO to further improve and expand this rapid emergency notification system. Upon completion of the project's next phase in 2008-09, New York Alert will be capable of accepting more enrollments, dispersing emergency notifications faster, and providing alert information through additional communication mediums.

The Office administers the Disaster Assistance Program, which provides State and federally supported financial relief to localities and individuals affected by disasters. Recent disasters have included the June 2006 flooding across the south-central portion of the State and the October 2006 snowstorm in western New York. SEMO is also responsible for the development, testing and revision of radiological emergency plans at the State and county levels to deal with possible radiological accidents at nuclear powered electric generating facilities. Additionally, through participation in the national Emergency Management Assistance Compact, SEMO coordinates disaster assistance missions to other states.

SPECIAL SERVICES

Established in 1996, the Recruitment Incentive and Retention Program provides qualified individuals and active National Guard members with a tuition benefit for undergraduate study. The program has proven successful in helping to stabilize the Guard's troop strength and significantly improved member morale in recent years.

Another important element of DMNA's special services is "GuardHELP," an innovative program to link Federal Guard resources with current community volunteer, youth activity, and environmental needs. Additionally, the Special Services program includes the activities associated with armory rentals.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 82,050,000 | 86,977,000 | 4,927,000 | 24,486,000 |
| Aid To Localities | 403,074,150 | 9,650,000 | (393,424,150) | 849,811,000 |
| Capital Projects | 36,100,000 | 30,700,000 | (5,400,000) | 111,358,000 |
| Total | 521,224,150 | 127,327,000 | (393,897,150) | 985,655,000 |

MILITARY AND NAVAL AFFAIRS

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|---------------------------------------|---------------------------------------|------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| General Fund | 62 | 62 | 0 |
| Emergency Management | | | |
| General Fund | 30 | 32 | 2 |
| Special Revenue Funds - Federal | 75 | 75 | 0 |
| Special Revenue Funds - Other | 18 | 18 | 0 |
| Military Readiness | | | |
| General Fund | 164 | 164 | 0 |
| Special Revenue Funds - Federal | 292 | 292 | 0 |
| Special Service | | | |
| Special Revenue Funds - Other | 11 | 11 | 0 |
| Total | 652 | 654 | 2 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 24,766,000 | 24,671,000 | (95,000) |
| Special Revenue Funds - Federal | 46,419,000 | 46,041,000 | (378,000) |
| Special Revenue Funds - Other | 10,865,000 | 16,265,000 | 5,400,000 |
| Total | 82,050,000 | 86,977,000 | 4,927,000 |

| | |
|---------------------------------------------------------------------------|------------|
| Adjustments: | |
| Transfer(s) From | |
| Parks, Recreation and Historic Preservation, Office of General Fund | (390,000) |
| Appropriated 2007-08 | 81,660,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| General Fund | 4,004,000 | 4,004,000 | 0 |
| Disaster Assistance | | | |
| Special Revenue Funds - Federal | 4,843,000 | 4,861,000 | 18,000 |
| Emergency Management | | | |
| General Fund | 4,384,000 | 4,584,000 | 200,000 |
| Special Revenue Funds - Federal | 966,000 | 575,000 | (391,000) |
| Special Revenue Funds - Other | 2,000,000 | 7,400,000 | 5,400,000 |
| Military Readiness | | | |
| General Fund | 15,488,000 | 15,693,000 | 205,000 |
| Special Revenue Funds - Federal | 40,610,000 | 40,605,000 | (5,000) |
| Special Service | | | |
| General Fund | 890,000 | 390,000 | (500,000) |
| Special Revenue Funds - Other | 8,865,000 | 8,865,000 | 0 |
| Total | 82,050,000 | 86,977,000 | 4,927,000 |

MILITARY AND NAVAL AFFAIRS

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------------|------------|---------|-----------------------------------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 3,546,000 | (5,000) | 3,531,000 | (6,000) |
| Emergency Management | 2,100,000 | 217,000 | 2,063,000 | 215,000 |
| Military Readiness | 7,996,000 | 6,000 | 7,172,000 | (45,000) |
| Special Service | 137,000 | 0 | 137,000 | 0 |
| Total | 13,779,000 | 218,000 | 12,903,000 | 164,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 0 | 0 | 15,000 | 1,000 |
| Emergency Management | 0 | 0 | 37,000 | 2,000 |
| Military Readiness | 733,000 | 13,000 | 91,000 | 38,000 |
| Special Service | 0 | 0 | 0 | 0 |
| Total | 733,000 | 13,000 | 143,000 | 41,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------------|------------|-----------|------------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 458,000 | 5,000 | 91,000 | 9,000 |
| Emergency Management | 2,484,000 | (17,000) | 137,000 | (40,000) |
| Military Readiness | 7,697,000 | 199,000 | 1,045,000 | 66,000 |
| Special Service | 253,000 | (500,000) | 66,000 | 0 |
| Total | 10,892,000 | (313,000) | 1,339,000 | 35,000 |

| Program | Travel | | Contractual Services | |
|----------------------|---------|---------|----------------------|----------|
| | Amount | Change | Amount | Change |
| Administration | 19,000 | (9,000) | 230,000 | (47,000) |
| Emergency Management | 101,000 | (5,000) | 1,802,000 | (15,000) |
| Military Readiness | 140,000 | 47,000 | 6,089,000 | 50,000 |
| Special Service | 12,000 | 0 | 101,000 | 0 |
| Total | 272,000 | 33,000 | 8,222,000 | (12,000) |

| Program | Equipment | | Maintenance Undistributed | |
|----------------------|-----------|-----------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 118,000 | 52,000 | 0 | 0 |
| Emergency Management | 404,000 | 3,000 | 40,000 | 40,000 |
| Military Readiness | 218,000 | (169,000) | 205,000 | 205,000 |
| Special Service | 74,000 | 0 | 0 | (500,000) |
| Total | 814,000 | (114,000) | 245,000 | (255,000) |

MILITARY AND NAVAL AFFAIRS

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|----------------------|------------|-----------|------------------|----------|
| | Amount | Change | Amount | Change |
| Disaster Assistance | 4,861,000 | 18,000 | 2,650,000 | (13,000) |
| Emergency Management | 7,975,000 | 5,009,000 | 1,416,000 | 0 |
| Military Readiness | 40,605,000 | (5,000) | 12,459,000 | (31,000) |
| Special Service | 8,865,000 | 0 | 681,000 | (3,000) |
| Total | 62,306,000 | 5,022,000 | 17,206,000 | (47,000) |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|----------------------|---------------------|-----------|---------------------------|---------|
| | Amount | Change | Amount | Change |
| Disaster Assistance | 2,211,000 | 31,000 | 0 | 0 |
| Emergency Management | 6,559,000 | 5,009,000 | 0 | 0 |
| Military Readiness | 28,146,000 | 26,000 | 0 | 0 |
| Special Service | 7,746,000 | (435,000) | 438,000 | 438,000 |
| Total | 44,662,000 | 4,631,000 | 438,000 | 438,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|---------------|
| General Fund | 90,013,150 | 0 | (90,013,150) |
| Special Revenue Funds - Federal | 311,411,000 | 8,000,000 | (303,411,000) |
| Special Revenue Funds - Other | 1,650,000 | 1,650,000 | 0 |
| Total | 403,074,150 | 9,650,000 | (393,424,150) |

Adjustments:

Prior Year Deficiency

Military and Naval Affairs, Division of

General Fund

85,000,000

Special Revenue Funds - Federal

255,000,000

Appropriated 2007-08

743,074,150

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|---------------|
| Disaster Assistance | | | |
| General Fund | 90,000,000 | 0 | (90,000,000) |
| Special Revenue Funds - Federal | 300,000,000 | 0 | (300,000,000) |
| Emergency Management | | | |
| Special Revenue Funds - Federal | 11,411,000 | 8,000,000 | (3,411,000) |
| Special Revenue Funds - Other | 1,650,000 | 1,650,000 | 0 |
| Community Projects | | | |
| General Fund | 13,150 | 0 | (13,150) |
| Total | 403,074,150 | 9,650,000 | (393,424,150) |

MILITARY AND NAVAL AFFAIRS

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|--------------------|-------------------------------------|
| Design and Construction Supervision | | | | |
| Capital Projects Fund | 4,500,000 | 4,500,000 | 0 | 10,252,000 |
| Federal Capital Projects Fund | 7,500,000 | 3,600,000 | (3,900,000) | 11,344,000 |
| Maintenance and Improvements | | | | |
| Capital Projects Fund | 5,600,000 | 8,600,000 | 3,000,000 | 22,063,000 |
| Federal Capital Projects Fund | 18,500,000 | 14,000,000 | (4,500,000) | 67,699,000 |
| Total | <u>36,100,000</u> | <u>30,700,000</u> | <u>(5,400,000)</u> | <u>111,358,000</u> |

DIVISION OF PAROLE

MISSION

The Division of Parole, which consists of the Board of Parole and Division staff, is responsible for preparing eligible offenders to be released from prison, allowing for their release and setting the conditions of release, supervising those offenders in the community, and providing parolees with assistance to help them successfully reintegrate into society.

ORGANIZATION AND STAFFING

The 19 members of the Board of Parole are appointed by the Governor, and confirmed by the Senate, for six-year terms. One member is designated by the Governor to serve as the Board's Chair and Chief Executive Officer of the Division. Board members review the cases of offenders eligible for parole release and determine if and under what conditions the offender should be released to parole supervision.

Parole Operations staff are located across the state in 38 community-based field supervision offices and 70 correctional institutions. The Division's administrative staff and executive team are located at its central office in Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$226.3 million All Funds (\$215.7 million General Fund, \$9.3 million Internal Services Funds, \$1.3 M Other Funds)** for the Division of Parole. This is a \$2 million increase over the prior year which primarily reflects increases for implementation of the Sex Offender Management and Treatment Act of 2007 and an expansion of re-entry services, offset in part by lower payments to local governments to board parole violators in local jails due to reform initiatives begun last year.

The Executive Budget recommends a staffing level of **2,273 FTEs** for the Division of Parole, an increase of 119 from the 2007-08 budget. This primarily reflects new staff for supervising parolees in the community, with a particular emphasis on sex offenders, and the expansion of re-entry services.

Major budget actions include:

- **Creating a More Effective Process for Parole Violators:** Through a cooperative effort with the Department of Correctional Services, the Edgecombe Correctional Facility, located in Manhattan, will be used as a dedicated facility for parole violators. Next year, Edgecombe will hold — for up to 30 days — an estimated 1,100 parolees who have committed low level technical violations. This approach will give Parole Officers an additional tool to deal with parolees who are exhibiting negative behaviors that would have otherwise resulted in a violation of their conditions of parole, and a return to prison for an additional sentence. This new approach builds on changes to the parole violator process instituted last year, at a savings of more than \$9 million. The Division will continue to work with counties to make the process more efficient and reduce the average number of days parole violators are housed in local jails.
- **Safer Communities Through Effective Supervision of Sex Offenders:** Parole's budget contains additional support of \$7 million to implement the Sex Offender Management and Treatment Act. Significant resources are provided for field Parole Officers to utilize strict and intensive supervision of the most at-risk sex

PAROLE

offenders, as determined by the Courts and the Division. Furthermore, Parole's budget includes nearly \$6 million in funding to provide temporary housing for sex offenders released from prison. As increasing numbers of local ordinances restrict housing options for sex offenders, it has become a growing challenge for Parole to find residences which have not been deemed off limits by local ordinances.

- **Increased Focus on Re-entry Services:** In the coming year, the Division of Parole will concentrate on the successful reintegration of parolees back into the community. This will be accomplished through the investment of 19 new staff who will focus exclusively on linking parolees to appropriate services. Additional staff are also provided for the Re-entry Unit at the Orleans Correctional Facility and three additional Units that will be opened during 2008-09.

PROGRAM HIGHLIGHTS

The state parole system involves three major activities: preparing inmates for re-entry into the community; assisting the Board in making release determinations and setting conditions; and supervising parolees released from prison while supporting their successful reintegration into the community.

Institutional Parole staff, assigned to correctional facilities, assist the Board by preparing an assessment of an inmate's readiness for release based on his or her case history. Facility Parole Officers assess an inmate's rehabilitation progress, family background and community connections, as well as housing and employment prospects for the Board's consideration. Working in cooperation with Field Parole Officers, Facility Parole Officers attempt to obtain housing, employment and other services for inmates that are to be released into the community.

Immediately upon being released from prison, parolees are assigned to a Field Parole Officer. Field Parole Officers supervise parolees by monitoring behavior, reviewing employment, evaluating treatment progress and administering drug tests. In addition to closely monitoring offenders in the community, the Division helps parolees avoid reverting to a life of crime by contracting for various services to support their return to society, such as substance abuse counseling and treatment, supportive housing and employment training.

Intensive supervision is provided for sex offenders, violent felony offenders, offenders with severe mental health conditions, and for those parolees who graduate from the Shock Incarceration program or complete the drug treatment program at the Willard Drug Treatment Campus. The Division continues its efforts to ensure that sex offenders under parole supervision are strictly monitored and kept away from the most vulnerable members of the community. In addition to an intensive level of parole officer supervision, electronic monitoring and polygraphs are used to track these offenders and deter their predatory behavior.

As part of the effort to reduce recidivism through a focus on community re-entry, the Division of Parole will continue its cooperative efforts with Department of Correctional Services to expand re-entry programs. The goal is to create a more seamless system for assessing the needs of offenders, ensuring access to services, maintaining accurate records of offender information, and addressing other factors essential to successful community re-entry.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|------------------|-----------------------------------------------------|
| State Operations | 168,696,000 | 175,241,000 | 6,545,000 | 0 |
| Aid To Localities | 55,596,000 | 51,100,000 | (4,496,000) | 8,375,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 224,292,000 | 226,341,000 | 2,049,000 | 8,375,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 112 | 112 | 0 |
| Parole Operations | | | |
| General Fund | 2,042 | 2,161 | 119 |
| Total | 2,154 | 2,273 | 119 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| General Fund | 167,371,000 | 173,916,000 | 6,545,000 |
| Special Revenue Funds - Federal | 500,000 | 500,000 | 0 |
| Special Revenue Funds - Other | 825,000 | 825,000 | 0 |
| Total | 168,696,000 | 175,241,000 | 6,545,000 |

Adjustments:

Transfer(s) From

 Special Pay Bill

 General Fund

Appropriated 2007-08

(340,000)

168,356,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|------------------|
| Administration | | | |
| General Fund | 8,954,000 | 9,033,000 | 79,000 |
| Parole Operations | | | |
| General Fund | 158,417,000 | 164,883,000 | 6,466,000 |
| Special Revenue Funds - Federal | 500,000 | 500,000 | 0 |
| Special Revenue Funds - Other | 825,000 | 825,000 | 0 |
| Total | 168,696,000 | 175,241,000 | 6,545,000 |

PAROLE

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-------------------|-------------|-----------|-----------------------------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 7,278,000 | 48,000 | 7,254,000 | 51,000 |
| Parole Operations | 123,569,000 | 3,831,000 | 118,975,000 | 3,750,000 |
| Total | 130,847,000 | 3,879,000 | 126,229,000 | 3,801,000 |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-------------------|-------------------------------------------|--------|-------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 4,000 | 4,000 | 20,000 | (7,000) |
| Parole Operations | 98,000 | 6,000 | 4,496,000 | 75,000 |
| Total | 102,000 | 10,000 | 4,516,000 | 68,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-------------------|------------|-----------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 1,755,000 | 31,000 | 48,000 | 0 |
| Parole Operations | 41,314,000 | 2,635,000 | 1,319,000 | 66,000 |
| Total | 43,069,000 | 2,666,000 | 1,367,000 | 66,000 |

| Program | Travel | | Contractual Services | |
|-------------------|-----------|---------|----------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 363,000 | 13,000 | 1,305,000 | 17,000 |
| Parole Operations | 4,542,000 | 168,000 | 32,061,000 | 1,963,000 |
| Total | 4,905,000 | 181,000 | 33,366,000 | 1,980,000 |

| Program | Equipment | |
|-------------------|-----------|---------|
| | Amount | Change |
| Administration | 39,000 | 1,000 |
| Parole Operations | 3,392,000 | 438,000 |
| Total | 3,431,000 | 439,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Nonpersonal Service | |
|-------------------|-----------|--------|---------------------|--------|
| | Amount | Change | Amount | Change |
| Parole Operations | 1,325,000 | 0 | 825,000 | 0 |
| Total | 1,325,000 | 0 | 825,000 | 0 |

| Program | Maintenance Undistributed | |
|-------------------|---------------------------|--------|
| | Amount | Change |
| Parole Operations | 500,000 | 0 |
| Total | 500,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 46,346,000 | 41,850,000 | (4,496,000) |
| Internal Service Funds | 9,250,000 | 9,250,000 | 0 |
| Total | 55,596,000 | 51,100,000 | (4,496,000) |

Adjustments:

Transfer(s) To

Criminal Justice Services, Division of

General Fund

Appropriated 2007-08

2,000,000

57,596,000

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------|------------------------------|--------------------------------|---------------|
| Parole Operations | | | |
| General Fund | 46,346,000 | 41,850,000 | (4,496,000) |
| Internal Service Funds | 9,250,000 | 9,250,000 | 0 |
| Total | 55,596,000 | 51,100,000 | (4,496,000) |

DIVISION OF PROBATION AND CORRECTIONAL ALTERNATIVES

MISSION

The Division of Probation and Correctional Alternatives oversees county probation departments and community correction programs. It establishes standards and provides training and technical assistance related to the supervision and treatment of offenders.

ORGANIZATION AND STAFFING

Headed by a State Director appointed by the Governor, the Division is located in Albany. The Division will operate in 2008-09 with a staff of 37.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$80.4 million General Fund** for the Division of Probation and Correctional Alternatives. This is an increase of **\$4.4 million** from the 2007-08 budget. This net change primarily reflects: an increase of \$3 million in State Aid for local probation departments; the transfer of \$4 million in funds that were previously provided through the Temporary Assistance for Needy Families (TANF) program in the Office of Temporary and Disability Assistance to the Division; \$200,000 for a risk needs assessment instrument for local probation departments; and other adjustments.

PROGRAM HIGHLIGHTS

The Division of Probation and Correctional Alternatives will continue to focus on evidence-based practices, performance measurement, enhanced training and education for local providers, and improved technology. The Division currently maintains two automated offender risk assessment-screening instruments, the Youth Assessment and Screening Instrument (YASI) and the Correctional Offender Management Profiling for Alternative Sanctions Instrument (COMPAS), along with Prober and Caseload Explorer, two automated case management tools for counties. The Division will continue to enhance and expand these systems.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 2,158,000 | 2,671,000 | 513,000 | 0 |
| Aid To Localities | 73,862,631 | 77,716,000 | 3,853,369 | 30,879,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 76,020,631 | 80,387,000 | 4,366,369 | 30,879,000 |

PROBATION AND CORRECTIONAL ALTERNATIVES

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|---------------------------------------|---------------------------------------|------------|
| Community Corrections | | | |
| General Fund | 33 | 37 | 4 |
| Special Revenue Funds - Federal | 4 | 0 | (4) |
| Total | 37 | 37 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|---------|
| General Fund | 2,158,000 | 2,671,000 | 513,000 |
| Total | 2,158,000 | 2,671,000 | 513,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------|----------------------|------------------------|---------|
| Community Corrections | | | |
| General Fund | 2,158,000 | 2,671,000 | 513,000 |
| Total | 2,158,000 | 2,671,000 | 513,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------|-----------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Community Corrections | 2,031,000 | 285,000 | 2,031,000 | 285,000 |
| Total | 2,031,000 | 285,000 | 2,031,000 | 285,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-----------------------|---------|---------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Community Corrections | 640,000 | 228,000 | 31,000 | 1,000 |
| Total | 640,000 | 228,000 | 31,000 | 1,000 |

| Program | Travel | | Contractual Services | |
|-----------------------|--------|--------|----------------------|---------|
| | Amount | Change | Amount | Change |
| Community Corrections | 63,000 | 2,000 | 536,000 | 225,000 |
| Total | 63,000 | 2,000 | 536,000 | 225,000 |

| Program | Equipment | |
|-----------------------|-----------|--------|
| | Amount | Change |
| Community Corrections | 10,000 | 0 |
| Total | 10,000 | 0 |

PROBATION AND CORRECTIONAL ALTERNATIVES

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 73,862,631 | 77,716,000 | 3,853,369 |
| Total | 73,862,631 | 77,716,000 | 3,853,369 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------|------------------------------|--------------------------------|---------------|
| Community Corrections | | | |
| General Fund | 71,716,000 | 77,716,000 | 6,000,000 |
| Community Projects | | | |
| General Fund | 2,146,631 | 0 | (2,146,631) |
| Total | 73,862,631 | 77,716,000 | 3,853,369 |

OFFICE FOR THE PREVENTION OF DOMESTIC VIOLENCE

MISSION

The Office for the Prevention of Domestic Violence (OPDV) leads New York State's efforts to prevent domestic violence, advising the Governor and Legislature, developing statewide policies, and conducting domestic violence prevention training for judges, prosecutors, police, attorneys, probation and parole personnel, social services and health care providers.

ORGANIZATION AND STAFFING

The Office, headed by an Executive Director appointed by the Governor, has its central office in the Capital District and one field office in New York City.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.6 million All Funds (\$2.5 million General Fund, \$890,000 Internal Service Fund, and \$170,000 Other Funds)** for the Office. This represents an increase of **\$23,000 General Fund** from the 2007-08 budget. The Executive Budget recommends a staffing level of **33 FTEs** which is unchanged from the 2007-08 budget.

PROGRAM HIGHLIGHTS

The Office was created in 1992 to advise the Governor and Legislature on the most effective ways for State government to respond to the problem of domestic violence and to improve the response of various State and local public agencies to families affected by domestic violence. In cooperation with other agencies, the Office develops domestic violence policies and provides training and information about domestic violence. These programs clarify professional and legal responsibility to promote the safety of victims of domestic violence and to hold offenders accountable for their actions. Each training program provides an in-depth examination of the nature and dynamics of domestic violence.

The Office also serves as a clearinghouse for information about domestic violence, receiving more than 4,000 calls a year from social service and health care agencies, police departments, domestic violence shelters, local violence prevention programs and domestic violence victims.

During 2007-08, the office:

- Re-convened the Domestic Violence Advisory Council which had been dormant since 2000. The Council consists of 13 State agencies and 9 appointed members that will develop a domestic “dashboard” to measure prevalence and response so that New York State can begin to track its success in reducing domestic violence.
- Implemented Executive Order 19, which requires all New York State agencies and authorities to adopt domestic violence workplace policies. OPDV is working with New York State employee assistance professionals to ensure that all agency policies and staff trained to implement them will be in place by August, 2008.

PREVENTION OF DOMESTIC VIOLENCE

- Launched a statewide, multi-media campaign that invites men to help prevent domestic violence. The campaign includes information about how men can teach their sons to respect women; and
- Distributed over 70,000 posters to middle and high schools to spread awareness on the issue of teen dating violence and provide information about a statewide information hotline.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 2,659,000 | 2,682,000 | 23,000 | 0 |
| Aid To Localities | 927,000 | 927,000 | 0 | 112,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 3,586,000 | 3,609,000 | 23,000 | 112,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 15 | 15 | 0 |
| Internal Service Funds | 18 | 18 | 0 |
| Total | 33 | 33 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 1,599,000 | 1,622,000 | 23,000 |
| Special Revenue Funds - Federal | 100,000 | 100,000 | 0 |
| Special Revenue Funds - Other | 70,000 | 70,000 | 0 |
| Internal Service Funds | 890,000 | 890,000 | 0 |
| Total | 2,659,000 | 2,682,000 | 23,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Administration | | | |
| General Fund | 1,599,000 | 1,622,000 | 23,000 |
| Special Revenue Funds - Federal | 100,000 | 100,000 | 0 |
| Special Revenue Funds - Other | 70,000 | 70,000 | 0 |
| Internal Service Funds | 890,000 | 890,000 | 0 |
| Total | 2,659,000 | 2,682,000 | 23,000 |

PREVENTION OF DOMESTIC VIOLENCE

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-----------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 1,150,000 | 11,000 | 1,150,000 | 11,000 |
| Total | 1,150,000 | 11,000 | 1,150,000 | 11,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------|---------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 472,000 | 12,000 | 50,000 | 2,000 |
| Total | 472,000 | 12,000 | 50,000 | 2,000 |

| Program | Travel | | Contractual Services | |
|----------------|--------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 42,000 | 1,000 | 362,000 | 9,000 |
| Total | 42,000 | 1,000 | 362,000 | 9,000 |

| Program | Equipment | |
|----------------|-----------|--------|
| | Amount | Change |
| Administration | 18,000 | 0 |
| Total | 18,000 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|----------------|-----------|--------|------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 1,060,000 | 0 | 770,000 | 0 |
| Total | 1,060,000 | 0 | 770,000 | 0 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|----------------|---------------------|--------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 190,000 | 0 | 100,000 | 0 |
| Total | 190,000 | 0 | 100,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------|
| General Fund | 927,000 | 927,000 | 0 |
| Total | 927,000 | 927,000 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|----------------------|------------------------|--------|
| Administration | | | |
| General Fund | 927,000 | 927,000 | 0 |
| Total | 927,000 | 927,000 | 0 |

PUBLIC EMPLOYMENT RELATIONS BOARD

MISSION

The Public Employment Relations Board resolves labor disputes between public employers and employees. The Board provides mediation, fact-finding and arbitration in contract disputes for approximately 4,760 negotiating units in New York State. In addition, the Board settles questions of union representation, conducts hearings on charges of improper practices, designates Management/Confidential positions, and acts as a clearinghouse for information on wages, benefits and employment practices.

ORGANIZATION AND STAFFING

The Board consists of a full-time Chair and two part-time members nominated by the Governor for six-year terms. The Board's jurisdiction includes State, county and local governments, certain special service districts, school districts and public authorities. Central offices are in Albany, with additional staff in Buffalo and Brooklyn.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$4.3 million All Funds (\$4 million General Fund, \$0.3 million Other Funds)** for the Public Employment Relations Board. This is an increase of **\$0.2 million General Fund** from the 2007-08 budget. This net change primarily reflects growth for inflation and normal personal service increases, offset by a reduction for management efficiencies.

The Executive Budget recommends a staffing level of **37 FTEs** for the Public Employment Relations Board, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

The Board provides three principal services: conciliation, settlement of petitions involving representation and rulings on charges of improper practices.

CONCILIATION

The Board provided assistance in approximately 333 of the 2,327 State and local contracts negotiated in 2006-2007. The Board has followed many of these cases through the full range of impasse resolution steps: mediation, followed by either fact-finding or arbitration and conciliation.

REPRESENTATION

Through its Office of Public Employment Practices and Representation, the Board reviews all petitions from public employee unions and employers requesting the creation of new negotiating units or the transfer of members between units. It also reviews requests to remove positions from negotiating units and may designate them management or confidential. In 2006-2007, the Board received 117 petitions raising questions about representation and conducted eleven elections for representation.

PUBLIC EMPLOYMENT RELATIONS

EMPLOYMENT PRACTICES

The Board conducts hearings and renders decisions on improper practice charges, and received 807 charges of improper employment and negotiating practices in the previous year. In 2006-2007, the agency wrote 134 decisions and closed, either by decision or settlement, over 628 improper practice cases. Each case must be addressed in a pre-hearing conference attended by the affected parties. If a case cannot be resolved, a Board administrative law judge must rule on the charge after conducting a formal hearing. The Board also addresses matters of bargaining unit changes through unit clarification/placement and management/confidential applications. In 2006-2007, 83 such applications were received by the Board. During that year a total of 71 such cases were resolved; 44 after a conference was conducted and 27 by issuing a decision.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 4,143,000 | 4,298,000 | 155,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 4,143,000 | 4,298,000 | 155,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|------------------------------------------------|------------------------------------------------|-------------------|
| Administration | | | |
| General Fund | 37 | 37 | 0 |
| Total | 37 | 37 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 3,886,000 | 4,041,000 | 155,000 |
| Special Revenue Funds - Other | 257,000 | 257,000 | 0 |
| Total | 4,143,000 | 4,298,000 | 155,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Administration | | | |
| General Fund | 3,886,000 | 4,041,000 | 155,000 |
| Special Revenue Funds - Other | 257,000 | 257,000 | 0 |
| Total | 4,143,000 | 4,298,000 | 155,000 |

PUBLIC EMPLOYMENT RELATIONS

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-----------|---------|-----------------------------------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 3,471,000 | 117,000 | 3,113,000 | 112,000 |
| Total | 3,471,000 | 117,000 | 3,113,000 | 112,000 |

| Program | Temporary Service (Nonannual Salaried) | |
|----------------|-------------------------------------------|--------|
| | Amount | Change |
| Administration | 358,000 | 5,000 |
| Total | 358,000 | 5,000 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|----------------|---------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 570,000 | 38,000 | 83,000 | 0 |
| Total | 570,000 | 38,000 | 83,000 | 0 |

| Program | Travel | | Contractual Services | |
|----------------|--------|--------|----------------------|---------|
| | Amount | Change | Amount | Change |
| Administration | 72,000 | 0 | 363,000 | (5,000) |
| Total | 72,000 | 0 | 363,000 | (5,000) |

| Program | Equipment | |
|----------------|-----------|--------|
| | Amount | Change |
| Administration | 52,000 | 43,000 |
| Total | 52,000 | 43,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|----------------|---------|--------|------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 257,000 | 0 | 140,000 | 0 |
| Total | 257,000 | 0 | 140,000 | 0 |

| Program | Nonpersonal Service | |
|----------------|---------------------|--------|
| | Amount | Change |
| Administration | 117,000 | 0 |
| Total | 117,000 | 0 |

COMMISSION ON PUBLIC INTEGRITY

MISSION

Established in 2007 by the merger of the State Ethics Commission and the Temporary State Commission on Lobbying, the Commission on Public Integrity is charged with the responsibility of administering and enforcing the State's ethics and lobbying statutes along with the new anti-nepotism law and the New York State "little Hatch Act." Building upon the strong foundations established by the Temporary State Commission on Lobbying and the State Ethics Commission, the new Commission combines all powers, duties, functions, and staff of both Commissions into a single independent agency to ensure compliance with the ethical standards that public officials and lobbyists must observe in order to foster public trust and confidence in government.

ORGANIZATION AND STAFFING

The Public Employee Ethics Reform Act sets forth the administrative and enforcement responsibilities of the 13 - member Commission. The Commission's office is in Albany.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$5.8 million All Funds (\$5.8 million General Fund)** for the Commission on Public Integrity. This is an increase of **\$0.8 million** from the combined 2007-08 budgets of the two formerly separate agencies. This change reflects an increase of five additional staff, rent at the new office location, and inflationary adjustments. For 2008-09, the Commission will have a workforce of **62 FTEs**, an increase of **5 positions** from the combined 2007-08 staff of the prior agencies.

Major budget initiative:

- **Mandated Expansion of Jurisdiction:** The budget provides 5 FTEs and \$150,000 to enable the Commission to conduct ongoing investigations in a more timely manner and address an increase in anticipated cases as a result of its expanded jurisdiction.

PROGRAM HIGHLIGHTS

The Commission has jurisdiction over 250,000 executive branch employees and officials filing over 26,000 financial disclosure statements annually, as well as approximately 5,000 lobbyists representing 3,000 clients that reported spending \$151 million in lobbying efforts. The Commission is responsible for issuing formal and informal advisory opinions to those under its jurisdiction, providing comprehensive outreach and education programs, administering a website that offers online filing for all lobbyists, state employees and officials, managing the disclosure of all information that is required to be made available to the public, and conducting investigations and holding hearings to enforce the laws under the Commission's mandate.

PUBLIC INTEGRITY

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 4,946,000 | 5,779,000 | 833,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 4,946,000 | 5,779,000 | 833,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Commission on Public Integrity | | | |
| General Fund | 57 | 62 | 5 |
| Total | 57 | 62 | 5 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 4,946,000 | 5,779,000 | 833,000 |
| Total | 4,946,000 | 5,779,000 | 833,000 |

Adjustments:

Transfer(s) From

Lobbying, Temporary State Commission
on

General Fund

(2,701,000)

State, Department of

General Fund

(2,245,000)

Appropriated 2007-08

0

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------|------------------------------|--------------------------------|---------------|
| Commission on Public Integrity | | | |
| General Fund | 4,946,000 | 5,779,000 | 833,000 |
| Total | 4,946,000 | 5,779,000 | 833,000 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|--------------------------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Commission on Public Integrity | 4,250,000 | 170,000 | 4,200,000 | 170,000 |
| Total | 4,250,000 | 170,000 | 4,200,000 | 170,000 |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|--------------------------------|---------------------------------------------------|---------------|
| | Amount | Change |
| Commission on Public Integrity | 50,000 | 0 |
| Total | 50,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|--------------------------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Commission on Public Integrity | 1,529,000 | 663,000 | 50,000 | 1,400 |
| Total | 1,529,000 | 663,000 | 50,000 | 1,400 |

| Program | Travel | | Contractual Services | |
|--------------------------------|---------------|---------------|-----------------------------|---------------|
| | Amount | Change | Amount | Change |
| Commission on Public Integrity | 26,000 | 700 | 1,350,000 | 658,500 |
| Total | 26,000 | 700 | 1,350,000 | 658,500 |

| Program | Equipment | |
|--------------------------------|------------------|---------------|
| | Amount | Change |
| Commission on Public Integrity | 103,000 | 2,400 |
| Total | 103,000 | 2,400 |

OFFICE OF REAL PROPERTY SERVICES

MISSION

The Office of Real Property Services is statutorily charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration including the necessary review and equalization of local assessments for purposes of taxation. Through targeted local assistance programs and incentives, the Office is committed to improving and transforming the local property tax system in New York State into a highly efficient, equitable and cost-effective operation, statewide.

ORGANIZATION AND STAFFING

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is the responsibility of an Executive Director appointed by the Board. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$66.9 million in All Funds appropriations (\$3.8 million General Fund, \$63.1 million Other Funds)** for the Office of Real Property Services. This is an increase of **\$1.3 million** from the 2007-08 budget consisting of a \$17.0 million reduction in the General Fund offset by an \$18.3 million increase in Other Funds. This net change primarily reflects a restructuring of local assistance funding as part of an overall effort to reform local property tax administration.

The Executive Budget recommends a staffing level of **384 FTEs** for the Office of Real Property Services, a decrease of eight FTEs from the 2007-08 budget that is largely attributable to reduced staffing needs resulting from restructuring agency administrative support functions.

Major budget actions include:

- **Investments to Reform Local Property Tax Administration:** The Executive Budget includes new financial incentives and technology investments to improve local property tax administration based on recommendations of the Commission on Local Government Efficiency and Competitiveness. This initiative will encourage the consolidation of property assessment and tax collection functions at the county level to bring greater efficiency, equity and transparency to property tax administration.
- **Targeted Fee Increases:** The Executive Budget recommends increases in the real property transfer fee to: support new local assessment incentives and technology investments; consolidate funding for most agency Local Assistance programs within the Agency's Special Revenue account; and ensure adequate support for agency operating expenses. The fee will be modified from a flat charge of \$75 for residential property purchases and \$165 for commercial property purchases to a priced-based assessment, with the increases targeted to higher priced real estate

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sales and ranging up to \$400 for residential property sales over \$1 million and \$575 for commercial property sales over \$1 million. Under this new targeted fee structure, more than half of all purchasers will not incur added costs over the present fee structure.

- **Administrative Efficiencies:** The Executive Budget will seek greater operational efficiencies for the Office through a host agency arrangement intended to reduce overall costs for administrative support functions.

PROGRAM HIGHLIGHTS

IMPROVING LOCAL PROPERTY TAX ADMINISTRATION

The Office of Real Property Services is charged with managing a property tax system that is one of the most complex and confusing in the nation. Consistent with the recommendations of the Commission on Local Government Efficiency and Competitiveness, the Executive Budget supports statewide reform of the local property tax assessing and collection function. This reform will be accomplished through expanded agency programs designed to encourage and engage cities, towns and counties in cooperative efforts to bring greater efficiency, equity and transparency to the administration of this keystone element of local government and school finance.

The core components of the Executive Budget's reform and reinvestment include:

- Expansion of local aid incentives to encourage coordinated and consolidated assessing and tax collecting programs, emphasizing county leadership with available funding totaling \$6 million;
- Proposed legislation to phase out elected assessors, make all tax collecting officers appointive, and remove villages as assessing units;
- Expansion of technology systems to standardize and centralize assessment data and property tax collection; and
- Measurement of the cost, quality and transparency of property tax administration to demonstrate progress in this reform effort.

In furthering the State-local partnership in property tax administration, the Office will continue to administer additional State aid programs in support of local assessment administration and property tax relief, including:

- Annual aid of up to \$5 per parcel for assessing units that meet State standards, including annual revisions of assessments and comprehensive re-inventory and revaluation at least once every six years;
- Targeted state assistance to affected municipalities pursuant to the 2002 Railroad Infrastructure Act;
- Assessor training aid to reimburse county, city and town assessment officials for their cost of attending State-mandated training and continuing-education courses;
- Software support which includes the development, maintenance, training and consulting relating to a state-of-the-art software program to facilitate cost-efficient administration of local property taxes;
- Advisory appraisals for certain complex properties — such as utilities and large manufacturing plants — which require highly specialized resources that are not available to most local assessors; and
- STAR administration aid that will provide \$3.3 million to local governments in 2008-09. This aid will be fully phased out by 2010-11 given the reduced local need to incur STAR-related administrative costs.

EQUALIZATION OF MUNICIPAL FULL VALUE

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. At present, State law does not require assessing at full market value (100 percent), so long as the percentage is uniform throughout the local assessing unit. Every assessing unit is required, however, to indicate its assessment ratio — i.e., the ratio of the assessed value to the full value of properties — on the assessment roll and tax bills. Due to the numerous differences in percentage of full value between local assessing units, the Office must establish equalization rates for every applicable unit.

By adhering to statewide standards, the Office ensures that equalization rates can be used to estimate full values of properties in a consistent manner. Full value estimates are necessary to distribute taxes for counties and school districts when tax levies are based upon assessments by more than one assessing unit. They are also used as indicators of local fiscal capacity for several purposes, including allocation of State aid.

Increased coordination between the Office and local assessing units, as well as improvements in local assessment and reporting practices, has resulted in several notable enhancements in the equalization program. Recent accomplishments include the following:

- In 2007, the assessment ratios supplied by 87 percent of local assessors were adopted without change as State equalization rates and that rate of adoption is expected to increase again in 2008;
- Preparation of equalization rates has been accelerated so that all school districts across the State can now use current equalization rates for their school tax levies, instead of using modified rates from prior years;
- As a result of the acceleration of the preparation of equalization rates, localities and the State can now analyze market data on the same cycle, creating opportunities for efficiencies in intergovernmental collaboration;
- The number of complaints on preliminary equalization rates by local officials has dropped, resulting in reduced costs for rate complaint hearings and improved State-local relations. The percentage of cities and towns that filed complaints was approximately 1.5 percent in 2007, as compared to 36 percent in the early 1990's;
- The Office has integrated nationally accepted standards and techniques, such as computer assisted appraisal studies and residential sales studies within its equalization rate process, thereby reducing its reliance on costly appraisals. The percentage of localities where residential appraisals are needed has been reduced from 100 percent in 1994 to 10 percent in 2007; and
- Since 1994-95, the continuing base cost of the Office's equalization program has been reduced from \$17 million to \$14 million.

OTHER SERVICES AND RESPONSIBILITIES

The Office of Real Property Services maintains inventory and valuation data on approximately 4 million acres of State-owned land and conservation easements that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

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Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas. The Office also plays a vital role with the administration of the State's Middle Class STAR Rebate program.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 44,808,000 | 45,043,000 | 235,000 | 0 |
| Aid To Localities | 20,800,000 | 21,834,000 | 1,034,000 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 65,608,000 | 66,877,000 | 1,269,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|--------------------------------------------|---------------------------------------|---------------------------------------|------------|
| Policy and Organizational Support Services | | | |
| Special Revenue Funds - Other | 392 | 384 | (8) |
| Total | 392 | 384 | (8) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|---------|
| Special Revenue Funds - Other | 44,808,000 | 45,043,000 | 235,000 |
| Total | 44,808,000 | 45,043,000 | 235,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------|----------------------|------------------------|---------|
| Policy and Organizational Support Services | | | |
| Special Revenue Funds - Other | 44,808,000 | 45,043,000 | 235,000 |
| Total | 44,808,000 | 45,043,000 | 235,000 |

REAL PROPERTY SERVICES

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|--------------------------------------------|---------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Policy and Organizational Support Services | 45,043,000 | 235,000 | 24,705,000 | 0 |
| Total | 45,043,000 | 235,000 | 24,705,000 | 0 |

| Program | Nonpersonal Service | |
|--------------------------------------------|----------------------------|---------------|
| | Amount | Change |
| Policy and Organizational Support Services | 20,338,000 | 235,000 |
| Total | 20,338,000 | 235,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 20,800,000 | 3,825,000 | (16,975,000) |
| Special Revenue Funds - Other | 0 | 18,009,000 | 18,009,000 |
| Total | 20,800,000 | 21,834,000 | 1,034,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------|------------------------------|--------------------------------|---------------|
| Policy and Organizational Support Services | | | |
| General Fund | 20,800,000 | 3,825,000 | (16,975,000) |
| Special Revenue Funds - Other | 0 | 18,009,000 | 18,009,000 |
| Total | 20,800,000 | 21,834,000 | 1,034,000 |

DIVISION OF STATE POLICE

MISSION

The mission of the Division of State Police is to promote highway safety and protect our citizens from crime. The Division is responsible for patrolling roads and highways outside major urban centers, and providing specialty and investigative police services throughout the State. Their responsibilities range from traditional patrol duties to sophisticated investigations of drug traffickers, internet predators and other criminals.

ORGANIZATION AND STAFFING

The Division, headed by a Superintendent who is appointed by the Governor, is organized into 11 Troops, which are overseen and supported by a Division Headquarters located in Albany. Each Troop encompasses a geographic area of the State, with the exception of Troop T which is dedicated to providing police services on the New York State Thruway. Troop NYC provides specialized investigative and support services in the five boroughs of New York City, while the remaining nine Troops provide patrol coverage and criminal investigation services appropriate to local conditions. Factors which affect the extent of State Police services include the area's population, highway mileage and availability of county and local law enforcement agencies.

BUDGET HIGHLIGHTS

The Executive Budget recommends approximately **\$668 million All Funds (\$426 million General Fund, \$231 million Other Operating Funds, and \$11 million Capital Funds)** for the Division. This is a net decrease of **\$67 million All Funds (\$52 million General Fund decrease, \$36 million Other Operating Funds increase and \$51 million Capital funds decrease)** from the 2007-08 budget. The changes in operating funds primarily reflect offsetting General Fund support of Patrol operations with additional Motor Vehicle Law Enforcement fee revenue, eliminating support for one-time spending and discontinued contracts, and savings from operational efficiencies.

The Executive Budget recommends a staffing level of **5,989 FTE** for the Division, including 4,939 sworn police officers. These levels are unchanged from 2007-08.

Major Budget Actions Include:

- **Redeployment:** The Executive Budget recommends the redeployment of Troopers from School Resource Officer assignments and Investigators from Video Lottery Units to other duties. These and other actions will permit the use of 200 Troopers to enhance crime reduction efforts as part of Operation IMPACT.
- **Increase Surcharge on Vehicle Insurance:** The Executive Budget includes legislation to raise the annual fee on insurance policies for all registered motor vehicles to support State Police public and highway safety operations. The current fee of \$5 is raised to \$20, with one-half of all revenue dedicated to the State Police and local anti-auto-theft programs.
- **Eliminate Funding for Contract with the Northeast Regional Forensic Institute at SUNY Albany:** For the past two years, the Division has had an annual \$2 million contract with SUNY to support training forensic lab technicians related to the rapid expansion of DNA testing throughout the State, particularly for those

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being hired to work at the State Police forensics center. However, staff recruitment is no longer an issue, and given the State's fiscal constraints, State Police cannot afford to continue support for this program.

PROGRAM HIGHLIGHTS

The Division is divided into two principal branches, the Uniform Force and the Bureau of Criminal Investigation. Each of these branches fulfills specific law enforcement assignments and cooperates with local and county law enforcement agencies. The Division also plays a significant role in Homeland Security initiatives.

UNIFORM FORCE

The Uniform Force has two primary responsibilities: protecting life and property and promoting highway safety. In many areas of the State, Uniform Troopers are the primary law enforcement agency, and respond to all types of calls including burglaries, missing children, assaults, robberies and homicides. State Troopers also provide essential support to local police departments.

BUREAU OF CRIMINAL INVESTIGATION

The Bureau of Criminal Investigation (BCI) is the plain clothes investigative branch of the Division. BCI Investigators concentrate on cases related to narcotics, child abuse, auto theft, consumer product tampering, organized crime, violent crimes and terrorism. In addition to conducting their own investigations, investigators regularly assist local and county law enforcement agencies that lack the resources or expertise needed for major crime investigations.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|---------------------------------------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 672,900,000 | 656,708,000 | (16,192,000) | 34,252,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 62,200,000 | 11,500,000 | (50,700,000) | 86,829,000 |
| Total | 735,100,000 | 668,208,000 | (66,892,000) | 121,081,000 |

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

| Full-Time Equivalent Positions (FTE) | | | |
|--------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
| Administration | | | |
| General Fund | 147 | 147 | 0 |
| Criminal Investigation Activities | | | |
| General Fund | 1,373 | 1,373 | 0 |
| Special Revenue Funds - Other | 107 | 107 | 0 |
| Patrol Activities | | | |
| General Fund | 3,200 | 3,200 | 0 |
| Special Revenue Funds - Federal | 41 | 41 | 0 |
| Special Revenue Funds - Other | 28 | 28 | 0 |
| State Highway Safety Program | | | |
| Special Revenue Funds - Other | 4 | 4 | 0 |
| Policing the Thruway | | | |
| Special Revenue Funds - Other | 310 | 310 | 0 |
| Technical Police Services | | | |
| General Fund | 779 | 779 | 0 |
| Total | <u>5,989</u> | <u>5,989</u> | <u>0</u> |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------------|
| General Fund | 478,678,000 | 426,145,000 | (52,533,000) |
| Special Revenue Funds - Federal | 12,700,000 | 7,235,000 | (5,465,000) |
| Special Revenue Funds - Other | 181,522,000 | 223,328,000 | 41,806,000 |
| Total | <u>672,900,000</u> | <u>656,708,000</u> | <u>(16,192,000)</u> |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Special Pay Bill | | | |
| General Fund | (1,329,000) | | |
| State Police, Division of | | | |
| Special Revenue Funds - Other | (3,990,000) | | |
| Transfer(s) To | | | |
| State Police, Division of | | | |
| General Fund | 3,990,000 | | |
| Appropriated 2007-08 | <u>671,571,000</u> | | |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------|----------------------|------------------------|--------------|
| Administration | | | |
| General Fund | 16,389,000 | 16,389,000 | 0 |
| Special Revenue Funds - Other | 508,000 | 308,000 | (200,000) |
| Criminal Investigation Activities | | | |
| General Fund | 155,557,000 | 155,557,000 | 0 |
| Special Revenue Funds - Other | 16,391,000 | 16,719,000 | 328,000 |
| Patrol Activities | | | |
| General Fund | 215,495,000 | 165,928,000 | (49,567,000) |
| Special Revenue Funds - Federal | 10,000,000 | 5,500,000 | (4,500,000) |
| Special Revenue Funds - Other | 68,793,000 | 117,018,000 | 48,225,000 |
| Policing the Thruway | | | |
| Special Revenue Funds - Other | 50,520,000 | 49,185,000 | (1,335,000) |
| Technical Police Services | | | |
| General Fund | 91,237,000 | 88,271,000 | (2,966,000) |
| Special Revenue Funds - Federal | 2,700,000 | 1,735,000 | (965,000) |
| Special Revenue Funds - Other | 45,310,000 | 40,098,000 | (5,212,000) |
| Total | 672,900,000 | 656,708,000 | (16,192,000) |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-----------------------------------|-------------|--------------|-----------------------------------------------|--------------|
| | Amount | Change | Amount | Change |
| Administration | 15,615,000 | 0 | 13,943,000 | 0 |
| Criminal Investigation Activities | 139,336,000 | 0 | 134,111,000 | 0 |
| Patrol Activities | 158,713,000 | (47,467,000) | 145,646,000 | (47,467,000) |
| Technical Police Services | 41,710,000 | 0 | 36,684,000 | 0 |
| Total | 355,374,000 | (47,467,000) | 330,384,000 | (47,467,000) |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|-----------------------------------|-------------------------------------------|--------|-------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 682,000 | 0 | 990,000 | 0 |
| Criminal Investigation Activities | 0 | 0 | 5,225,000 | 0 |
| Patrol Activities | 295,000 | 0 | 12,772,000 | 0 |
| Technical Police Services | 2,363,000 | 0 | 2,663,000 | 0 |
| Total | 3,340,000 | 0 | 21,650,000 | 0 |

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STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-----------------------------------|------------|-------------|------------------------|-----------|
| | Amount | Change | Amount | Change |
| Administration | 774,000 | 0 | 95,000 | 0 |
| Criminal Investigation Activities | 16,221,000 | 0 | 1,380,000 | 0 |
| Patrol Activities | 7,215,000 | (2,100,000) | 2,806,000 | 220,000 |
| Technical Police Services | 46,561,000 | (2,966,000) | 4,473,000 | 1,034,000 |
| Total | 70,771,000 | (5,066,000) | 8,754,000 | 1,254,000 |

| Program | Travel | | Contractual Services | |
|-----------------------------------|-----------|--------|----------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 80,000 | 0 | 524,000 | 0 |
| Criminal Investigation Activities | 112,000 | 0 | 3,276,000 | 0 |
| Patrol Activities | 1,225,000 | 0 | 1,696,000 | (604,000) |
| Technical Police Services | 0 | 0 | 26,524,000 | (4,000,000) |
| Total | 1,417,000 | 0 | 32,020,000 | (4,604,000) |

| Program | Equipment | |
|-----------------------------------|------------|-------------|
| | Amount | Change |
| Administration | 75,000 | 0 |
| Criminal Investigation Activities | 11,453,000 | 0 |
| Patrol Activities | 1,488,000 | (1,716,000) |
| Technical Police Services | 15,564,000 | 0 |
| Total | 28,580,000 | (1,716,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------------------|-------------|-------------|------------------|------------|
| | Amount | Change | Amount | Change |
| Administration | 308,000 | (200,000) | 0 | 0 |
| Criminal Investigation Activities | 16,719,000 | 328,000 | 10,235,000 | 300,000 |
| Patrol Activities | 122,518,000 | 43,725,000 | 102,581,000 | 48,225,000 |
| Policing the Thruway | 49,185,000 | (1,335,000) | 32,795,000 | 0 |
| Technical Police Services | 41,833,000 | (6,177,000) | 4,000,000 | 0 |
| Total | 230,563,000 | 36,341,000 | 149,611,000 | 48,525,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------------------|---------------------|-------------|---------------------------|-------------|
| | Amount | Change | Amount | Change |
| Administration | 308,000 | (200,000) | 0 | 0 |
| Criminal Investigation Activities | 6,484,000 | 28,000 | 0 | 0 |
| Patrol Activities | 14,437,000 | 0 | 5,500,000 | (4,500,000) |
| Policing the Thruway | 16,390,000 | (1,335,000) | 0 | 0 |
| Technical Police Services | 36,098,000 | (5,212,000) | 1,735,000 | (965,000) |
| Total | 73,717,000 | (6,719,000) | 7,235,000 | (5,465,000) |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|----------------------------------------------------|----------------------|------------------------|--------------|-----------------------------|
| Maintenance and Improvement of Existing Facilities | | | | |
| Capital Projects Fund | 6,200,000 | 5,500,000 | (700,000) | 13,414,000 |
| Capital Projects Fund - Authority Bonds | 0 | 6,000,000 | 6,000,000 | 0 |
| New Facilities | | | | |
| Capital Projects Fund - Authority Bonds | 56,000,000 | 0 | (56,000,000) | 73,415,000 |
| Total | 62,200,000 | 11,500,000 | (50,700,000) | 86,829,000 |

OFFICE FOR TECHNOLOGY

MISSION

Since its inception in 1997, the Office for Technology (“OFT” or “the Office”) has evolved from an organization that plans and coordinates the State’s investments regarding information technology into an organization with significant operational responsibilities. The Office’s mission today is to provide centralized technology services, shape technology policy, and coordinate statewide technology related initiatives to improve the efficiency of New York State government.

ORGANIZATION AND STAFFING

The Office is located in Albany and is overseen by the Chief Information Officer. The Office is supported with State tax dollars from the General Fund, payments from other State agencies, and Special Revenue Funds.

BUDGET HIGHLIGHTS

The 2008-09 Executive Budget recommends **\$431.3 million All Funds (including \$30.5 million General Fund, \$319.2 million Internal Service Funds, and \$81.6 million Other Funds)** to support ongoing agency activities. This is an increase of **\$108 million All Funds (an increase of \$4.9 million in the General Fund, \$53 million in Internal Service Funds, and \$50.1 million Other Funds)** from the 2007-08 budget. This change primarily reflects expansion of efforts to implement Universal Broadband, progression of the Statewide Wireless Network (SWN) project, the maintenance of adequate State data center facilities, and centralization of procurement for strategically selected information technology services. The Executive Budget recommends a staffing level of **749 FTEs** for the Office for Technology, an **increase of 20** from the 2007-08 budget. This reflects staff augmentation to better serve customer agencies and implement statewide technology policies.

Major budget actions include:

- **Universal Broadband Access Initiative:** This ongoing effort seeks to ensure that every New Yorker has access to affordable, high-speed broadband service. The agency continues to lead this effort and the Executive Budget recommends \$15 million (\$5 million General Fund, \$10 million Capital Projects Fund) in new funding to support this project.
- **Implementation of SWN:** Development of the Statewide Wireless Network is projected to continue in 2008-09. In addition to a new \$40 million capital appropriation to support system development costs and acquire user equipment, operating funds of \$21 million are also recommended to support the project. The recommended appropriations reflect an \$11 million decrease from the appropriations enacted for 2007-08. In April, the State is scheduled to determine whether Phase 1 of the system meets the benchmarks required under the contract for the project. This budget assumes the project continues on schedule.
- **Interim Data Center Space:** The Executive Budget incorporates \$11 million in capital funding to renovate existing state-owned office space. This additional space is necessary to accommodate projected agency demand for additional data center space, while construction on the new consolidated data center is ongoing.

TECHNOLOGY

- **Existing Data Center Facilities Improvements:** A \$4.1 million General Fund appropriation is recommended for repairs at the current four State data center facilities. These repairs are needed in order to continue to provide reliable services to agency customers.
- **New Consolidated State Data Center:** A \$99.1 million Capital Projects re-appropriation is recommended for the construction of a new Consolidated Data Center that will permit the safe and secure operation of the State's mainframe computers and servers at a single, efficient primary site.
- **Additional Centralization of Technology Services:** A new \$50 million Internal Service Fund appropriation is recommended for the centralized procurement and delivery of selected technology services for customers.

PROGRAM HIGHLIGHTS

The Office for Technology's primary objectives for fiscal year 2008-09 include four significant priorities for improving the State's technology infrastructure: completing the design and beginning construction of a new, consolidated data center to meet the growing needs for secure space with adequate power and cooling; rehabilitation and repair of existing data center space and renovation of available State-owned office space to provide additional data center capacity, as current projected needs for power and cooling will exceed what is available before construction of the new facility can be completed; continuing with the design and primary regional build-out of the Statewide Wireless Network; and moving forward with the Universal Broadband Access initiative. The Office will also continue to work with OGS to coordinate acquisitions of information technology and services to ensure that State agencies receive the best value at the lowest possible price.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-------------|--------------------------------------------|
| State Operations | 318,363,000 | 365,384,000 | 47,021,000 | 0 |
| Aid To Localities | 5,000,000 | 5,000,000 | 0 | 5,000,000 |
| Capital Projects | 0 | 61,000,000 | 61,000,000 | 99,100,000 |
| Total | 323,363,000 | 431,384,000 | 108,021,000 | 104,100,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Statewide Technology Program | | | |
| Special Revenue Funds - Other | 47 | 47 | 0 |
| Technology | | | |
| General Fund | 138 | 158 | 20 |
| Internal Service Funds | 544 | 544 | 0 |
| Total | 729 | 749 | 20 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|-------------------|
| General Fund | 20,614,000 | 25,551,000 | 4,937,000 |
| Special Revenue Funds - Other | 31,549,000 | 20,573,000 | (10,976,000) |
| Internal Service Funds | 266,200,000 | 319,260,000 | 53,060,000 |
| Total | <u>318,363,000</u> | <u>365,384,000</u> | <u>47,021,000</u> |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|-------------------|
| Statewide Technology Program | | | |
| Special Revenue Funds - Other | 31,549,000 | 20,573,000 | (10,976,000) |
| Technology | | | |
| General Fund | 20,614,000 | 25,551,000 | 4,937,000 |
| Internal Service Funds | 266,200,000 | 319,260,000 | 53,060,000 |
| Total | <u>318,363,000</u> | <u>365,384,000</u> | <u>47,021,000</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|-------------------|------------------|-------------------------------------------------------|------------------|
| | Amount | Change | Amount | Change |
| Technology | 10,548,000 | 1,059,000 | 10,338,000 | 1,109,000 |
| Total | <u>10,548,000</u> | <u>1,059,000</u> | <u>10,338,000</u> | <u>1,109,000</u> |

| Program | Temporary Service (Nonannual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|----------------|---------------------------------------------------|-----------------|---------------------------------------------------|-----------------|
| | Amount | Change | Amount | Change |
| Technology | 180,000 | (20,000) | 30,000 | (30,000) |
| Total | <u>180,000</u> | <u>(20,000)</u> | <u>30,000</u> | <u>(30,000)</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------|-------------------|------------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Technology | 15,003,000 | 3,878,000 | 290,000 | 30,000 |
| Total | <u>15,003,000</u> | <u>3,878,000</u> | <u>290,000</u> | <u>30,000</u> |

| Program | Travel | | Contractual Services | |
|----------------|---------------|---------------|-----------------------------|----------------|
| | Amount | Change | Amount | Change |
| Technology | 50,000 | 5,000 | 9,520,000 | 600,000 |
| Total | <u>50,000</u> | <u>5,000</u> | <u>9,520,000</u> | <u>600,000</u> |

| Program | Equipment | |
|----------------|------------------|------------------|
| | Amount | Change |
| Technology | 5,143,000 | 3,243,000 |
| Total | <u>5,143,000</u> | <u>3,243,000</u> |

TECHNOLOGY

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|------------------------------|-------------|--------------|------------------|---------|
| | Amount | Change | Amount | Change |
| Statewide Technology Program | 20,573,000 | (10,976,000) | 3,600,000 | 330,000 |
| Technology | 319,260,000 | 53,060,000 | 32,987,000 | 231,000 |
| Total | 339,833,000 | 42,084,000 | 36,587,000 | 561,000 |

| Program | Nonpersonal Service | |
|------------------------------|---------------------|--------------|
| | Amount | Change |
| Statewide Technology Program | 16,973,000 | (11,306,000) |
| Technology | 286,273,000 | 52,829,000 |
| Total | 303,246,000 | 41,523,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------|
| General Fund | 5,000,000 | 5,000,000 | 0 |
| Total | 5,000,000 | 5,000,000 | 0 |

| | |
|----------------------|-------------|
| Adjustments: | |
| Transfer(s) From | |
| Universal Broadband | |
| General Fund | (5,000,000) |
| Appropriated 2007-08 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------|----------------------|------------------------|--------|
| Statewide Technology Program | | | |
| General Fund | 5,000,000 | 5,000,000 | 0 |
| Total | 5,000,000 | 5,000,000 | 0 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|----------------------|------------------------|------------|-----------------------------|
| New Facilities | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 99,100,000 |
| Maintenance and Improvement of Facilities | | | | |
| Capital Projects Fund | 0 | 40,000,000 | 40,000,000 | 0 |
| Capital Projects Fund - Authority Bonds | 0 | 11,000,000 | 11,000,000 | 0 |
| Economic Development | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 10,000,000 | 10,000,000 | 0 |
| Total | 0 | 61,000,000 | 61,000,000 | 99,100,000 |

DIVISION OF VETERANS' AFFAIRS

MISSION

The Division of Veterans' Affairs assists veterans, members of the armed forces and their families and dependents in securing benefits earned through military service. The Division coordinates veterans' programs and services offered by other State agencies, works closely with the Federal Department of Veterans' Affairs and advocates State and Federal actions to meet veterans' needs. The Division serves 1.1 million New Yorkers who are veterans, as well as their dependents and those on active duty.

ORGANIZATION AND STAFFING

The Division is headed by a Director who is appointed by the Governor. The Division's central office is in Albany, with regional offices in New York City and Buffalo. The Division staffs a network of approximately 70 community based access points in nearly all of the State's counties and New York City. The Office of General Services will continue to provide administrative support, permitting the Division to focus on its main mission.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$18 million in All Funds (\$15.7 million General Fund, \$2.3 million Other Funds)** in new appropriations for the Division of Veterans' Affairs. This is an increase of **\$900,000 (increase of \$2.6 million General Fund and \$1.7 million decrease in the Community Projects Fund)** from the 2007-08 budget. This net change primarily reflects additional payments to veterans and families of deceased veterans.

The Executive Budget recommends a staffing level of 113 for the Division of Veterans Affairs, an increase from the 2007-08 budget of one position to manage two new veterans' benefits programs.

Major budget actions include:

- **Blind Veteran Annuity**: The 2008-09 Executive Budget includes a \$220,000 General Fund increase for the Blind Veteran Annuity Assistance Program to accommodate the annual cost-of-living increase to benefits.
- **Gold Star Parent Annuity**: Chapter 399 of the Laws of 2007 established the Gold Star Annuity to provide assistance to eligible families of deceased veterans. The 2008-09 Executive Budget includes \$650,000 for payments associated with this new benefit.
- **Merchant Marine Bonus**: Chapter 325 of the Laws of 2007 extended benefits for veterans of World War II, originally established by the laws of 1947, to merchant marines. The Division of Veterans Affairs will begin making these award payments in 2008-09.

PROGRAM HIGHLIGHTS

The Veterans' Counseling Program, the largest of the Division of Veterans' Affairs' four programs, provides benefits counseling and claims services through a statewide network of State veterans' benefits counselors. The counselors — who are all veterans — help veterans complete and file applications for Federal, State, local and private veterans'

VETERANS' AFFAIRS

benefits. Veterans' counselors also help veterans access the services provided by Veterans' Affairs Medical Centers, senior centers, State Veterans' Homes, local nursing homes and public assistance offices.

The Division of Veterans' Affairs is responsible for securing a substantial portion of the more than \$1.25 billion annually in recurring Federal VA compensation and pension payments made directly to New York State veterans and their dependents. State veterans' counselors file more than 8,600 benefit claims annually that result in approximately \$65 million in new and recurring Federal benefits. The average compensation award for each veteran represented by State veterans' counselors exceeds \$11,500 annually. State veterans' counselors also assist constituents in obtaining additional veterans benefits, including VA medical care, various other Federal, State and local economic assistance, tax exemptions and a variety of other benefits offered in recognition of military service. Additionally, with the enactment of New York Patriot Plans in 2003, 2004, and 2005, State veterans' counselors help to ensure that active duty military personnel and their families receive the supplemental benefits to which they are now entitled.

The Veterans' Counseling Program also oversees State assistance to county and city veterans' service agencies. Fifty-seven counties and seven cities receive reimbursement for a substantial portion of their costs associated with programs serving veterans.

The Blind Veteran Annuity Program provides visually impaired veterans and eligible surviving spouses with monthly assistance. In 2008-09, this program will assist more than 4,500 recipients. Legislation approved in 2004 provided for an annual cost of living increase to maintain the value of the benefit paid to each recipient.

The Veterans' Education Program certifies post-secondary educational and vocational programs as providing quality education and training to veterans eligible for Federal G. I. education benefits. The program staff reviews and approves thousands of programs for use by veterans, ensuring a wide variety of career training and educational opportunities for veterans and eligible dependents and survivors.

The Division has been tasked with administration of two new programs beginning in 2008-09: the Merchant Marine Bonus and the Gold Star Parent Annuity. Until 1988, veteran status was not conferred to merchant marines by the Federal government. In recognition of this change, Chapter 325 of the Laws of 2007 extends payment of a one time war bonus established in 1947 to merchant marines. Beginning in 2008-09, a \$250 bonus will be provided to members of the Merchant Marines who served satisfactorily on ocean going voyages during World War II but were not eligible for the original bonus. The Gold Star Parent Annuity awards payment to parents of deceased veterans who meet Federal "Gold Star" requirements.

The Division of Veterans' Affairs continues to maintain its community outreach activities through senior citizens' seminars and similar forums for women veterans. In addition, it is the driving force behind the Interagency Veterans' Council, a consortium of Federal, State and local agencies and non-profit organizations that meets periodically to address and resolve problems and concerns within the veteran community. The Division also collaborates with other State agencies to better identify veterans and their dependents on public assistance, to assist them in securing Federal veterans' benefits to which they are entitled, and to advise senior citizens of veterans' benefits and services that could improve the quality of their lives.

VETERANS' AFFAIRS

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 8,737,000 | 8,332,000 | (405,000) | 3,319,000 |
| Aid To Localities | 8,359,300 | 9,700,000 | 1,340,700 | 1,255,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 17,096,300 | 18,032,000 | 935,700 | 4,574,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 9 | 10 | 1 |
| Higher Education | | | |
| Special Revenue Funds - Federal | 12 | 12 | 0 |
| Veteran Counseling Services Program | | | |
| General Fund | 91 | 91 | 0 |
| Total | 112 | 113 | 1 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 6,383,000 | 6,478,000 | 95,000 |
| Special Revenue Funds - Federal | 2,354,000 | 1,854,000 | (500,000) |
| Total | 8,737,000 | 8,332,000 | (405,000) |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|----------------------|------------------------|-----------|
| Administration | | | |
| General Fund | 827,000 | 922,000 | 95,000 |
| Higher Education | | | |
| Special Revenue Funds - Federal | 1,854,000 | 1,854,000 | 0 |
| Veteran Counseling Services Program | | | |
| General Fund | 5,556,000 | 5,556,000 | 0 |
| Special Revenue Funds - Federal | 500,000 | 0 | (500,000) |
| Total | 8,737,000 | 8,332,000 | (405,000) |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|-------------------------------------|-----------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 767,000 | 55,000 | 767,000 | 55,000 |
| Veteran Counseling Services Program | 5,061,000 | 0 | 5,061,000 | 0 |
| Total | 5,828,000 | 55,000 | 5,828,000 | 55,000 |

VETERANS' AFFAIRS

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|-------------------------------------|---------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 155,000 | 40,000 | 11,000 | 0 |
| Veteran Counseling Services Program | 495,000 | 0 | 50,000 | 0 |
| Total | 650,000 | 40,000 | 61,000 | 0 |

| Program | Travel | | Contractual Services | |
|-------------------------------------|---------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Administration | 16,000 | 0 | 97,000 | 40,000 |
| Veteran Counseling Services Program | 119,000 | 0 | 266,000 | 0 |
| Total | 135,000 | 0 | 363,000 | 40,000 |

| Program | Equipment | |
|-------------------------------------|-----------|--------|
| | Amount | Change |
| Administration | 31,000 | 0 |
| Veteran Counseling Services Program | 60,000 | 0 |
| Total | 91,000 | 0 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-------------------------------------|-----------|-----------|------------------|--------|
| | Amount | Change | Amount | Change |
| Higher Education | 1,854,000 | 0 | 1,086,000 | 0 |
| Veteran Counseling Services Program | 0 | (500,000) | 0 | 0 |
| Total | 1,854,000 | (500,000) | 1,086,000 | 0 |

| Program | Nonpersonal Service | |
|-------------------------------------|---------------------|-----------|
| | Amount | Change |
| Higher Education | 768,000 | 0 |
| Veteran Counseling Services Program | 0 | (500,000) |
| Total | 768,000 | (500,000) |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| General Fund | 8,359,300 | 9,200,000 | 840,700 |
| Special Revenue Funds - Federal | 0 | 500,000 | 500,000 |
| Total | 8,359,300 | 9,700,000 | 1,340,700 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------|----------------------|------------------------|-------------|
| Administration | | | |
| General Fund | 200,000 | 2,550,000 | 2,350,000 |
| Blind Veteran Annuity Assistance | | | |
| General Fund | 5,500,000 | 5,720,000 | 220,000 |
| Veteran Counseling Services Program | | | |
| General Fund | 930,000 | 930,000 | 0 |
| Special Revenue Funds - Federal | 0 | 500,000 | 500,000 |
| Community Projects | | | |
| General Fund | 1,729,300 | 0 | (1,729,300) |
| Total | 8,359,300 | 9,700,000 | 1,340,700 |

WORKERS' COMPENSATION BOARD

MISSION

To protect the well-being of New York's labor force, most private and public sector employers in New York are required to carry workers' compensation and disability benefits insurance for their employees or demonstrate their ability to self-insure. The Workers' Compensation Board reviews claims for workers' compensation payments and assists in resolving disputed claims. In performing these responsibilities, the Board administers provisions of the following laws: the Workers' Compensation Law; the Disability Benefits Law; the Civil Defense Volunteers' Law; the Volunteer Firefighters' Benefit Law; and the Volunteer Ambulance Workers' Benefit Law.

ORGANIZATION AND STAFFING

The Board is headed by a Chairperson selected by the Governor and includes 12 additional full-time members nominated by the Governor and confirmed by the Senate for seven year terms. District offices are located in Albany, Binghamton, Brooklyn, Buffalo, Hauppauge, Hempstead, Manhattan, Peekskill, Queens, Rochester and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has 30 additional customer service centers located throughout the State

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$202 million All Funds** for the Workers Compensation Board, all of which is funded from assessments on businesses. This is a decrease of **\$11 million** from the 2007-08 budget. This net change primarily reflects a change in the anticipated response by the Board to defaults in group self-insured trusts. While previously, the State expected to assess self-insured employers for amounts sufficient to cover unpaid claims by defaulted groups, the 2008-09 Executive Budget relies on new legislation to be proposed by the Governor which is expected to offer the Board a variety of approaches to respond to the defaults in a manner which minimizes disruptive impacts on businesses. The budget, therefore, does not include appropriation authority to assess and pay costs associated with maintaining self insured benefits for injured workers of entities that have ceased operation. The Board will continue to have a **workforce of 1,539 positions** in 2008-09, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

The Governor's comprehensive Workers' Compensation Reform legislation has led to a more than 20 percent decrease in workers compensation costs to New Yorkers, saving businesses across the state over \$1 billion.

In response to the mandated changes within the legislation, agency staff in every program have been deeply involved in ensuring that the benefits for all parties of the workers' compensation system are fully met. To that end, the Board is increasing benefit payments for injured workers; ensuring a more coordinated approach to the oversight of the insurance compliance requirements of State law, through increased investigatory efforts and the ability to issue stop work orders and other new penalties against non-compliant employers; and establishing pharmacy and durable medical equipment fee schedules. In addition, the Board is in the process of implementing an expedited hearing process for

WORKERS' COMPENSATION

controverted cases; streamlining business rules for assembling a case; revising the core claimant, employer and medical forms; cooperating with other affected State agencies and interested parties relative to the closure of the Special Disability Fund; piloting a process for claimants to complete a report of injury over the phone; establishing a dental fee schedule; and adopting medical guidelines.

The Governor's Workers' Compensation Reform legislation mandated that the Board conduct a study to provide alternate methodologies for securing claims under the individual self insurance program. As a result, the Board's report to the Governor and the Legislature in December, 2007, recommended that the State migrate from the current process of individual deposits to a pooled approach. This new approach would allow employers to pay fees into a pool to collectively secure claims in the event of a default. This will avoid self insurers having to utilize more than \$2 billion in borrowing capacity for the remote chance that one of them may default. This new pool will continue to ensure claim payments on behalf of defaulted self insurers while allowing for a more flexible, responsive and comprehensive system of oversight and regulation by the Board. In addition, the Board is expanding the solutions identified as part of the individual self insurance study to encompass the issues faced in the group self insurance program. These programmatic changes will allow for a stronger more efficient self insurance program while mitigating the financial impact that self insured employers would otherwise have experienced.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 212,803,000 | 201,793,000 | (11,010,000) | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 212,803,000 | 201,793,000 | (11,010,000) | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|---------------------------------------|---------------------------------------|------------|
| Disability Benefits | | | |
| Special Revenue Funds - Other | 51 | 51 | 0 |
| Systems Modernization | | | |
| Special Revenue Funds - Other | 81 | 81 | 0 |
| Workers Compensation | | | |
| Special Revenue Funds - Other | 1,407 | 1,407 | 0 |
| Total | 1,539 | 1,539 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|--------------|
| Special Revenue Funds - Other | 212,803,000 | 201,793,000 | (11,010,000) |
| Total | 212,803,000 | 201,793,000 | (11,010,000) |

WORKERS' COMPENSATION

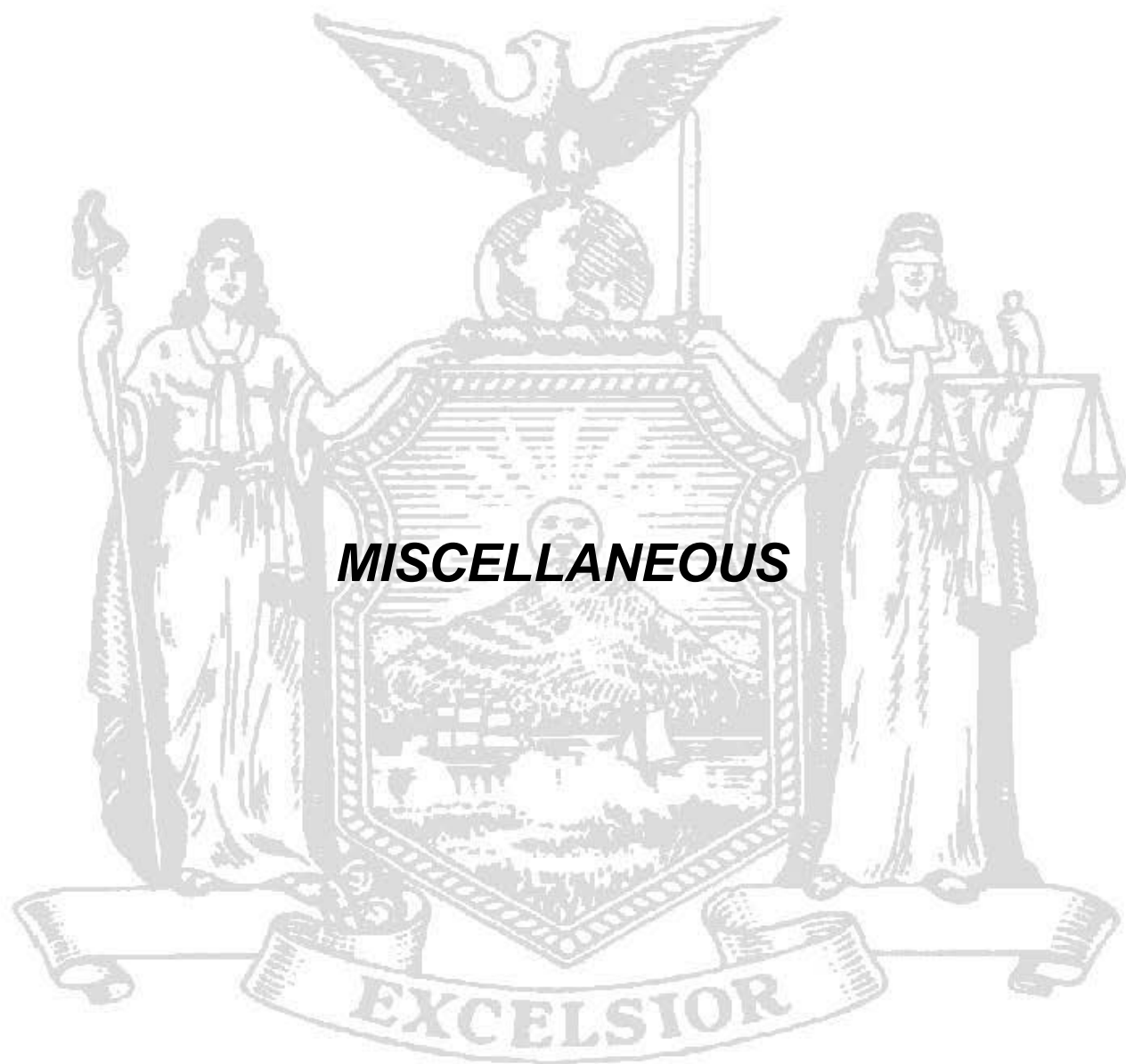
STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------------|
| Disability Benefits | | | |
| Special Revenue Funds - Other | 7,670,000 | 7,761,000 | 91,000 |
| Systems Modernization | | | |
| Special Revenue Funds - Other | 39,417,000 | 40,374,000 | 957,000 |
| Workers Compensation | | | |
| Special Revenue Funds - Other | 165,716,000 | 153,658,000 | (12,058,000) |
| Total | <u>212,803,000</u> | <u>201,793,000</u> | <u>(11,010,000)</u> |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service | |
|-----------------------|--------------------|---------------------|-------------------------|------------------|
| | Amount | Change | Amount | Change |
| Disability Benefits | 7,761,000 | 91,000 | 3,786,000 | (33,000) |
| Systems Modernization | 40,374,000 | 957,000 | 5,015,000 | 45,000 |
| Workers Compensation | 153,658,000 | (12,058,000) | 75,397,000 | (156,000) |
| Total | <u>201,793,000</u> | <u>(11,010,000)</u> | <u>84,198,000</u> | <u>(144,000)</u> |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|-----------------------|----------------------------|---------------------|----------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Disability Benefits | 3,975,000 | 124,000 | 0 | 0 |
| Systems Modernization | 35,359,000 | 912,000 | 0 | 0 |
| Workers Compensation | 77,487,000 | (11,935,000) | 774,000 | 33,000 |
| Total | <u>116,821,000</u> | <u>(10,899,000)</u> | <u>774,000</u> | <u>33,000</u> |



MISCELLANEOUS

MISCELLANEOUS

ALL STATE DEPARTMENTS AND AGENCIES

These reappropriations continue the spending authority for the expenditure of Community Projects Fund lump sum appropriations originally enacted in fiscal years 2003-04 through 2006-07. The 2008-09 Executive Budget does not advance any new appropriations for the Community Projects Fund.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|------------------------------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 300,000,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 300,000,000 |

ALL STATE DEPARTMENTS AND AGENCIES SERVICES, EXPENSES OR GRANTS

These reappropriations continue the spending authority for the expenditure of Community Projects Fund lump sum appropriations originally enacted prior to the 2003-04 fiscal year. The 2008-09 Executive Budget does not advance any new appropriations for the Community Projects Fund.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|------------------------------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 1,525,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 1,525,000 |

AUTHORITY BUDGET OFFICE

MISSION

The Authority Budget Office (ABO) was statutorily created to study, review and report on the practices of State and local public authorities, and to promote the principles of effective corporate governance. Consistent with its mission, the Authority Budget Office:

- Collects, analyzes and makes available to the public information on the finances, structure, and operations of public authorities;
- Assesses the compliance of public authorities with applicable State laws;
- Issues guidance and recommends model practices to assist public authorities adopt and adhere to the principles of accountability, transparency and full financial disclosure; and

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- Issues reports on its findings, analysis, recommendations and activities.

ORGANIZATION AND STAFFING

Since its formation in 2006, the Authority Budget Office has been administratively housed within the Division of the Budget. The Authority Budget Office is not supported by a General Fund appropriation. Rather, a portion of the assessment the State charges public authorities is used to fund its operations.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1.5 million (\$1.5 million State Operating Funds, no General Fund)** to finance the activities and responsibilities of the Authority Budget Office, including review and analysis of the operations, records and structure of public authorities, and assistance to public authorities to facilitate compliance with management and disclosure practices that are consistent with statutorily required principles of good corporate governance. This appropriation will also allow the Authority Budget Office to continue supporting the Public Authorities Reporting Information System (PARIS), the web-based electronic system jointly designed, developed, operated and funded by the Authority Budget Office and the Office of the State Comptroller, and to subsidize the mandatory training of public authority boards of directors.

Major budget actions include:

- **Staffing:** A separate personal service appropriation is specifically provided to support the cost of conducting compliance reviews, managing and analyzing information reported by public authorities, providing guidance and assistance to public authorities on corporate governance, and issuing public reports on the findings and recommendations of the Office.
- **Public Authorities Reporting Information System:** PARIS became active on November 15, 2007. From now on, public authorities are to use this system to submit information on annual budgets, independent financial audits, compensation practices, debt issuances, property and procurement transactions, and other information required to be reported by law. Sufficient funding is recommended in this Budget to support PARIS operations and maintenance costs and to enhance its functionality.
- **Board Member Training:** By law, the members of public authority boards are to participate in State-approved training focused on their fiduciary, ethical, and oversight responsibilities. Over the past two years, more than 1,600 board members and executive staff have attended training provided by the City University of New York (CUNY) and other trainers authorized by the Authority Budget Office. The budget recommends that up to \$170,000 be made available to continue providing subsidized training opportunities in 2008-09.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 700,000 | 1,500,000 | 800,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 700,000 | 1,500,000 | 800,000 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Authority Budget Office | | | |
| Special Revenue Funds - Other | 0 | 5 | 5 |
| Total | 0 | 5 | 5 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Authority Budget Office | | | |
| Special Revenue Funds - Other | 700,000 | 1,500,000 | 800,000 |
| Total | 700,000 | 1,500,000 | 800,000 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total Amount | Change | Personal Service Amount | Change |
|-------------------------|-------------------------|---------------|------------------------------------|---------------|
| Authority Budget Office | 1,500,000 | 800,000 | 580,000 | 580,000 |
| Total | 1,500,000 | 800,000 | 580,000 | 580,000 |

| Program | Nonpersonal Service Amount | Change |
|-------------------------|---------------------------------------|---------------|
| Authority Budget Office | 920,000 | 220,000 |
| Total | 920,000 | 220,000 |

AUTOMATED EXTERNAL DEFIBRILLATORS

Pursuant to Chapter 510 of the Laws of 2004, public buildings and institutions must be equipped with automated external defibrillators. The Commissioner of General Services has promulgated regulations and is working with State agencies to meet this requirement. Device installations commenced in 2006, and the implementation plan remains on schedule. The 2008-09 Executive Budget provides a reappropriation of \$15 million to support the completion of this initiative.

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ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 0 | 0 | 0 | 15,000,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 15,000,000 |

COLLECTIVE BARGAINING AGREEMENTS

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$4.6 million General Fund** for Collective Bargaining Agreements. This is a decrease of **\$15.4 million** from the 2007-08 budget. This appropriation reflects the remaining cost of prior agreements for those bargaining entities that do not have approved new contracts in place. Costs of new collective bargaining agreements will be incorporated within separate legislation.

The Executive Budget recommends a staffing level of **65 FTEs** for Collective Bargaining Agreements, which is unchanged from 2007-08

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------------|--------------------------------------------|
| State Operations | 20,042,000 | 4,600,000 | (15,442,000) | 11,810,700 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 20,042,000 | 4,600,000 | (15,442,000) | 11,810,700 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------|---------------------------------------|---------------------------------------|------------|
| Labor Management Programs | | | |
| General Fund | 65 | 65 | 0 |
| Total | 65 | 65 | 0 |

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 19,642,000 | 4,600,000 | (15,042,000) |
| Special Revenue Funds - Other | 400,000 | 0 | (400,000) |
| Total | 20,042,000 | 4,600,000 | (15,442,000) |

| | |
|----------------------|-------------|
| Adjustments: | |
| Transfer(s) From | |
| Special Pay Bill | |
| General Fund | (3,368,000) |
| Appropriated 2007-08 | 16,674,000 |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Labor Management Programs | | | |
| General Fund | 19,642,000 | 4,600,000 | (15,042,000) |
| Special Revenue Funds - Other | 400,000 | 0 | (400,000) |
| Total | 20,042,000 | 4,600,000 | (15,442,000) |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| <u>Program</u> | <u>Total</u> | | <u>Supplies and Materials</u> | |
|---------------------------|---------------|---------------|-------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Labor Management Programs | 4,600,000 | (15,042,000) | 0 | (3,928,000) |
| Total | 4,600,000 | (15,042,000) | 0 | (3,928,000) |

| <u>Program</u> | <u>Travel</u> | | <u>Contractual Services</u> | |
|---------------------------|---------------|---------------|-----------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Labor Management Programs | 0 | (375,000) | 0 | (2,832,000) |
| Total | 0 | (375,000) | 0 | (2,832,000) |

| <u>Program</u> | <u>Maintenance Undistributed</u> | |
|---------------------------|----------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> |
| Labor Management Programs | 4,600,000 | (7,907,000) |
| Total | 4,600,000 | (7,907,000) |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| <u>Program</u> | <u>Total</u> | | <u>Maintenance Undistributed</u> | |
|---------------------------|---------------|---------------|----------------------------------|---------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Labor Management Programs | 0 | (400,000) | 0 | (400,000) |
| Total | 0 | (400,000) | 0 | (400,000) |

COMMUNITY SERVICE PROVIDER ASSISTANCE PROGRAM

These reappropriations continue the spending authority for the expenditure of Community Projects Fund lump sum appropriations originally enacted in the 2001-02 budget. The 2008-09 Executive Budget does not advance any new appropriations for the Community Projects Fund.

| ALL FUNDS APPROPRIATIONS (dollars) | | | | |
|------------------------------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 4,000,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 4,000,000 |

DEFERRED COMPENSATION BOARD

MISSION

The Deferred Compensation Board oversees public employee Deferred Compensation Plans, including the State Plan and locally operated plans. The mission of the State Plan is to help employees achieve their retirement savings goals by providing quality investment options, investment educational programs and related services. Local plans are overseen by local committees, but must operate in compliance with the Board's rules.

ORGANIZATION AND STAFFING

The Board consists of three members, one each appointed by the Governor, the Senate Majority Leader and the Assembly Speaker. The Board maintains a staff of four professionals who are responsible for management of the State Plan as well as for regulatory duties for 250 local plans. Management of the State Plan includes oversight of administrative services delivered by contracted staff, monitoring the Plan's investment managers, coordination with professional services firms and direct service delivery through its main office.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$1 million All Funds (\$0.2 million General Fund, \$0.8 million Other Funds)** for the Deferred Compensation Board. This is an increase of **\$63,000 All Funds** from the 2007-08 budget. This net change primarily reflects growth for inflation and normal personal service increases.

The Executive Budget recommends a staffing level of **4 FTEs** for the Deferred Compensation Board, which is unchanged from 2007-08.

PROGRAM HIGHLIGHTS

The Board continues to pursue opportunities to improve service and further participants' ability to construct cost effective, well-diversified portfolios. The Board initiates outreach efforts to employers to encourage even greater Plan participation at both the State and local government levels. Due to these efforts, voluntary employee salary deferrals to the Plan have increased by more than \$60 million (8 percent) during the past fiscal year, and an additional 70 local governments have become participating employers in the Plan. The Board increased its outreach to local plans through additional regular mailings and will continue to provide guidance to local governments on compliance issues related to Federal statutory changes and the State's Model Deferred Compensation Plan.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 900,000 | 963,000 | 63,000 | 154,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 900,000 | 963,000 | 63,000 | 154,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Operations | | | |
| Special Revenue Funds - Other | 4 | 4 | 0 |
| Total | 4 | 4 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Operations | | | |
| General Fund | 176,000 | 182,000 | 6,000 |
| Special Revenue Funds - Other | 724,000 | 781,000 | 57,000 |
| Total | 900,000 | 963,000 | 63,000 |

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**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|------------|---------|--------|------------------------|----------|
| | Amount | Change | Amount | Change |
| Operations | 182,000 | 6,000 | 16,000 | (10,000) |
| Total | 182,000 | 6,000 | 16,000 | (10,000) |

| Program | Travel | | Contractual Services | |
|------------|--------|----------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 10,000 | (30,000) | 156,000 | 46,000 |
| Total | 10,000 | (30,000) | 156,000 | 46,000 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|------------|---------|--------|------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 781,000 | 57,000 | 380,000 | 33,000 |
| Total | 781,000 | 57,000 | 380,000 | 33,000 |

| Program | Nonpersonal Service | |
|------------|---------------------|--------|
| | Amount | Change |
| Operations | 401,000 | 24,000 |
| Total | 401,000 | 24,000 |

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

The Development Authority of the North Country was created in 1985 to institute a comprehensive, coordinated program of economic development activities in Jefferson, Lewis, and St. Lawrence Counties, which surround the United States Army base at Fort Drum. The Development Authority operates a solid waste management facility, water and wastewater facilities, an open access telecom network, and administers several business and housing loan programs. The 2008-09 Executive Budget does not advance any new appropriations for the Authority.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available | Appropriations | Change | Reappropriations |
|-------------------|-----------|------------------------|-----------|------------------------|
| | 2007-08 | Recommended 2008-09 | | Recommended 2008-09 |
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 225,000 | 0 | (225,000) | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 225,000 | 0 | (225,000) | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------|------------------------------|--------------------------------|---------------|
| Legislative Initiatives | | | |
| General Fund | 225,000 | 0 | (225,000) |
| Total | 225,000 | 0 | (225,000) |

EXTRAORDINARY UTILITY COSTS

A contingency appropriation of \$45 million is provided to cover any extraordinary energy and utility cost increases experienced by the State University of New York and the City University of New York for the 2008-09 academic fiscal year. Funds will be allocated from this appropriation upon the submission and approval of university expenditure plans documenting actual utility expenditures in excess of budgeted amounts.

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|------------------------------|--------------------------------|---------------|
| Energy Costs | | | |
| General Fund | 0 | 45,000,000 | 45,000,000 |
| Total | 0 | 45,000,000 | 45,000,000 |

GENERAL STATE CHARGES

General State Charges are primarily the costs of providing fringe benefits to most State employees, which are authorized in collective bargaining agreements and various statutes. The General State Charges budget also includes miscellaneous fixed costs such as litigation settlements and taxes on State-owned lands.

BUDGET HIGHLIGHTS

Overall appropriations for General State Charges reflect technical adjustments associated with the Medicaid restructuring initiative. After reflecting these changes, recommended appropriations for General State Charges total \$1.9 billion in 2008-09, an increase of approximately \$8 million from 2007-08. This amount will be augmented by \$886 million initially appropriated to the State University of New York for employee fringe benefits. This amount will be additionally offset by \$521 million appropriated to the Department of Mental Hygiene for the payment of employee fringe benefits.

PROGRAM HIGHLIGHTS

FRINGE BENEFITS

The State provides a comprehensive fringe benefits package to its employees. These benefits are supported primarily by General Fund revenues and supplemented with revenue

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from fringe benefit assessments on Federal and other dedicated revenue programs. In 2008-09, revenue collected from fringe benefit assessments is expected to increase by over \$1.0 billion, for a total of \$2.0 billion. The increased assessments will be paid by certain agencies, primarily those under the Department of Mental Hygiene.

Health Insurance: Through the New York State Health Insurance Program (NYSHIP), State employees and retirees have the option to participate in the Empire Plan, a health insurance program designed exclusively for New York's public employees, or one of 20 health maintenance organizations. Approximately 87 percent of State employees and retirees are enrolled in the Empire Plan.

The recommended 2008-09 General Fund appropriation for the State's employee health insurance is \$1.1 billion.

Pension Benefits: Most State employees are members of the New York State and Local Retirement System, which consists of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. With approximately \$155 billion in combined invested assets, these systems administer retirement benefits to State and local government employees. Funding for the benefits is supported by employer contributions, bi-weekly contributions from certain employees with less than ten years of service, and pension fund investment earnings.

The recommended appropriation for the State's contribution to the retirement system in 2008-09 is \$936 million. This appropriation reflects an estimated normal contribution rate of 8.8 percent of salary, and assumes a May 1 payment date.

Social Security and Medicare Taxes: In addition to employer contributions made to the retirement system, the State makes weekly tax payments to the Federal government for the Social Security and Medicare benefit programs. The Social Security tax rate is 6.2 percent, applied on wages up to \$102,000 in 2008, and the Medicare tax rate is 1.45 percent on all wages.

The recommended General Fund appropriation for Social Security and Medicare taxes in 2008-09 is \$368 million.

Workers' Compensation: The State reimburses the State Insurance Fund for actual compensation and medical claims incurred by State employees for job-related injuries. The statutory workers' compensation benefit is two-thirds of salary up to a maximum of \$550 per week. Most State employees are paid supplemental benefits pursuant to collective bargaining agreements.

The recommended General Fund appropriation for workers' compensation benefits in 2008-09 is \$177 million. Efforts to contain costs and improve program management will continue through funding the automated Accident Reporting System and a dispute resolution program.

Dental, Vision and Other Employee Benefits: State employees receive dental insurance and vision benefits either through State administered programs or benefit funds operated by public employee unions. Premiums for the State administered programs are covered in full by the State. The employee union benefit funds are supported by quarterly contributions from the State based on per capita rates authorized in collective bargaining agreements. In addition, the State funds an assortment of other benefit programs to cover losses due to death, disability and unemployment.

A total of \$114 million in General Fund appropriations is recommended in 2008-09 to fund dental, vision and other employee benefits.

Fringe Benefits for State University Employees: An \$886 million General Fund appropriation to support fringe benefits for employees of the State University will be initially included in the State University budget. Upon enactment, this amount will be transferred to the General State Charges program to be centrally administered along with the benefit programs for all State employees.

FIXED COSTS

In addition to employee fringe benefits, the State pays for a variety of fixed costs from the General State Charges budget. These costs are supported in full by General Fund revenues and include:

Taxes and Other Property Assessments on State-Owned Lands: Real Property Tax Law authorizes local governments to tax certain parcels of State-owned land. Presently, the State provides financial support to local governments by paying local and/or school property taxes on approximately 22,000 parcels covering four million acres of land throughout the State as well as transition assessments on tax-exempt State-owned lands. Other property expenses include assessments for improvements on State-owned lands and payments in lieu of taxes on certain property in the City of Albany, Cattaraugus County and other localities.

A total of \$205 million in appropriations is recommended in 2008-09 for payment of taxes and various other property assessments on State lands.

Court of Claims Judgments and Other Litigation Costs: Annual appropriations are authorized to pay for expenses related to the settlement of lawsuits and court judgments against the State. Most litigation against the State is adjudicated in the Court of Claims and involves contract disputes and tort liabilities. Other appropriations in this category support the defense and indemnification of State employees for actions that arise in the course of their official duties, litigation expenses related to Indian land claims and payments to the Property Casualty Insurance Security Fund in accordance with the terms of a multi-year settlement with the insurance industry. A total of \$127 million in appropriations is recommended in 2008-09 for these litigation expenses.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|------------------|-----------------------------------------------------|
| State Operations | 1,878,048,000 | 1,886,006,000 | 7,958,000 | 5,099,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | <u>1,878,048,000</u> | <u>1,886,006,000</u> | <u>7,958,000</u> | <u>5,099,000</u> |

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

| <u>Fund Type</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|----------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 1,653,273,000 | 1,644,706,000 | (8,567,000) |
| Fiduciary Funds | 224,775,000 | 241,300,000 | 16,525,000 |
| Total | 1,878,048,000 | 1,886,006,000 | 7,958,000 |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Special Pay Bill | | | |
| General Fund | (6,413,000) | | |
| Transfer(s) To | | | |
| Health, Department of | | | |
| General Fund (Aid To Localities) | 1,505,759,000 | | |
| Appropriated 2007-08 | 3,377,394,000 | | |

GREEN THUMB PROGRAM

The Green Thumb Program provides income-eligible elderly citizens with part-time employment in State agencies through the not-for-profit organization, Green Thumb Environmental Beautification, Inc. The 2008-09 Executive Budget recommends a General Fund appropriation of \$3,869,000, the same level of funding provided in 2007-08.

ALL FUNDS APPROPRIATIONS (dollars)

| <u>Category</u> | <u>Available 2007-08</u> | <u>Appropriations Recommended 2008-09</u> | <u>Change</u> | <u>Reappropriations Recommended 2008-09</u> |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 3,869,000 | 3,869,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 3,869,000 | 3,869,000 | 0 | 0 |

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

| <u>Program</u> | <u>Available 2007-08</u> | <u>Recommended 2008-09</u> | <u>Change</u> |
|---------------------|------------------------------|--------------------------------|---------------|
| Green Thumb Program | | | |
| General Fund | 3,869,000 | 3,869,000 | 0 |
| Total | 3,869,000 | 3,869,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| <u>Program</u> | <u>Total Amount</u> | <u>Change</u> | <u>Contractual Services Amount</u> | <u>Change</u> |
|---------------------|-------------------------|---------------|----------------------------------------|---------------|
| Green Thumb Program | 3,869,000 | 0 | 3,869,000 | 0 |
| Total | 3,869,000 | 0 | 3,869,000 | 0 |

THE GREENWAY HERITAGE CONSERVANCY OF THE HUDSON RIVER VALLEY

The Greenway Heritage Conservancy of the Hudson River Valley was established in the Hudson River Valley Greenway Act of 1991 to promote the preservation of natural and cultural resources in the Valley, serve as a land trust in the acquisition of lands important to the Greenway, and designate and develop the Hudson River Valley Greenway Trail. The 2008-09 Executive Budget recommends a General Fund appropriation of \$256,000 for operational support of the Conservancy.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 256,000 | 256,000 | 0 | 0 |
| Aid To Localities | 65,000 | 0 | (65,000) | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 321,000 | 256,000 | (65,000) | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|------------------------------|--------------------------------|---------------|
| Operations | | | |
| General Fund | 256,000 | 256,000 | 0 |
| Total | 256,000 | 256,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | Personal Service Regular (Annual Salaried) Amount | Change |
|----------------|-------------------------|---------------|------------------------------------------------------------------|---------------|
| Operations | 204,300 | 0 | 204,300 | 0 |
| Total | 204,300 | 0 | 204,300 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | General State Charges Amount | Change |
|----------------|-------------------------|---------------|-----------------------------------------|---------------|
| Operations | 51,700 | 0 | 51,700 | 0 |
| Total | 51,700 | 0 | 51,700 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------|----------------------|------------------------|----------|
| Legislative Initiatives | | | |
| General Fund | 65,000 | 0 | (65,000) |
| Total | 65,000 | 0 | (65,000) |

HEALTH INSURANCE CONTINGENCY RESERVE

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|------------|--------------------------------------------|
| State Operations | 583,525,000 | 639,976,068 | 56,451,068 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 583,525,000 | 639,976,068 | 56,451,068 | 0 |

HEALTH INSURANCE RESERVE RECEIPTS FUND

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 192,400,000 | 192,400,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 192,400,000 | 192,400,000 | 0 | 0 |

HIGHER EDUCATION

This appropriation provides funds for the Higher Education Services Corporation and the Office of the State Comptroller to jointly administer the College Choice Tuition Savings Program. This program helps families save for their children's education at accredited public and private colleges anywhere in the country with accompanying tax benefits on contributions made to, and interest earned on, college savings accounts.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 795,500 | 829,800 | 34,300 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 795,500 | 829,800 | 34,300 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|------------------------------|--------------------------------|---------------|
| Higher Education | | | |
| Special Revenue Funds - Other | 795,500 | 829,800 | 34,300 |
| Total | <u>795,500</u> | <u>829,800</u> | <u>34,300</u> |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|------------------|----------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Higher Education | 829,800 | 34,300 | 416,100 | 14,300 |
| Total | <u>829,800</u> | <u>34,300</u> | <u>416,100</u> | <u>14,300</u> |

| Program | Nonpersonal Service | |
|------------------|----------------------------|---------------|
| | Amount | Change |
| Higher Education | 413,700 | 20,000 |
| Total | <u>413,700</u> | <u>20,000</u> |

**HIGHER EDUCATION FACILITIES
CAPITAL MATCHING GRANTS PROGRAM**

The 2005-06 Budget included a new \$150 million higher education facilities capital matching grant program for private colleges in New York. Under this program, \$150 million will be awarded to private colleges based on enrollment and relative student financial need as measured by total awards provided through the Tuition Assistance Program. This program requires a three to one (non-State to State) match by institutions.

Under this program, grants are awarded by the Higher Education Capital Matching Grant Board consisting of three members (one appointed directly by the Governor with the remaining members appointed upon the recommendation of the President of the Senate and the Speaker of the Assembly) serving one year terms. Grants may be used for the design, construction or acquisition of new facilities, rehabilitation and repair of existing facilities or for any projects for targeted priorities including economic development/high technology (including wet labs), critical academic facilities, and urban renewal/historic preservation.

The 2008-09 Executive Budget continues \$150 million in reappropriation authority for grants to be determined by the Board in 2008-09. For 2008-09, commitments are projected to be \$50 million and disbursements are projected to be \$50 million reflecting the continuation of this program.

When fully implemented, this program will leverage over \$450 million in external funds to match the State's \$150 million investment, thereby providing for a combined capital program totaling \$600 million. The State's share of the program will be financed through the issuance of bonds.

MISCELLANEOUS

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

| | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|----------------------|------------------------|--------|-----------------------------|
| Comprehensive Construction Program | | | | |
| Higher Education Capital Matching Grants | | | | |
| Capital Projects Fund - Authority Bonds | 0 | 0 | 0 | 150,000,000 |
| Total | 0 | 0 | 0 | 150,000,000 |

HOMELAND SECURITY

Since fall 2001, State agencies have deployed numerous resources to detect and protect against domestic security threats. The 2008-09 Executive Budget provides appropriations of approximately \$190.9 million to support a continuation of homeland security activities throughout New York State, including a \$65 million contingency appropriation for costs of security measures implemented during periods of heightened threat alerts.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|-----------|--------------------------------------------|
| State Operations | 137,319,000 | 140,873,000 | 3,554,000 | 46,023,000 |
| Aid To Localities | 50,000,000 | 50,000,000 | 0 | 118,790,000 |
| Capital Projects | 0 | 0 | 0 | 19,672,000 |
| Total | 187,319,000 | 190,873,000 | 3,554,000 | 184,485,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|-----------|
| Domestic Anti-Terrorism Program | | | |
| Special Revenue Funds - Other | 3,000,000 | 3,000,000 | 0 |
| All Funds | 134,319,000 | 137,873,000 | 3,554,000 |
| Total | 137,319,000 | 140,873,000 | 3,554,000 |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total Amount | Change | Maintenance Undistributed Amount | Change |
|---------------------------------|-----------------|-----------|-------------------------------------|-----------|
| Domestic Anti-Terrorism Program | 140,873,000 | 3,554,000 | 140,873,000 | 3,554,000 |
| Total | 140,873,000 | 3,554,000 | 140,873,000 | 3,554,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|----------------------|------------------------|--------|
| Domestic Anti-Terrorism Program | | | |
| Special Revenue Funds - Federal | 50,000,000 | 50,000,000 | 0 |
| Total | 50,000,000 | 50,000,000 | 0 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| Homeland Security | | | | |
| Capital Projects Fund | 0 | 0 | 0 | 9,158,000 |
| Federal Capital Projects Fund | 0 | 0 | 0 | 10,514,000 |
| Total | 0 | 0 | 0 | 19,672,000 |

**HUDSON RIVER VALLEY GREENWAY
COMMUNITIES COUNCIL**

The Hudson River Valley Greenway Communities Council is a 25-member advisory board, created in 1991, which is responsible for promoting the preservation of natural and cultural resources in the Hudson River Valley.

The Council's operations are funded with State tax dollars from the General Fund. The Executive Budget recommends total appropriations of \$608,000 in 2008-09 to support the Council's administration, technical assistance, and local planning grants programs.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 404,000 | 404,000 | 0 | 0 |
| Aid To Localities | 204,000 | 204,000 | 0 | 747,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 608,000 | 608,000 | 0 | 747,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|------------------------------------------------|------------------------------------------------|-------------------|
| Operations | | | |
| General Fund | 3 | 3 | 0 |
| Total | 3 | 3 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|------------------------------|--------------------------------|---------------|
| Operations | | | |
| General Fund | 404,000 | 404,000 | 0 |
| Total | 404,000 | 404,000 | 0 |

MISCELLANEOUS

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|------------|---------|--------|-----------------------------------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 331,000 | 0 | 331,000 | 0 |
| Total | 331,000 | 0 | 331,000 | 0 |

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Supplies and Materials | |
|------------|--------|--------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 73,000 | 0 | 25,200 | 0 |
| Total | 73,000 | 0 | 25,200 | 0 |

| Program | Travel | | Contractual Services | |
|------------|--------|--------|----------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 19,900 | 0 | 18,500 | 0 |
| Total | 19,900 | 0 | 18,500 | 0 |

| Program | Equipment | |
|------------|-----------|--------|
| | Amount | Change |
| Operations | 9,400 | 0 |
| Total | 9,400 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|--------------|----------------------|------------------------|--------|
| Operations | | | |
| General Fund | 204,000 | 204,000 | 0 |
| Total | 204,000 | 204,000 | 0 |

INSURANCE AND SECURITIES FUNDS RESERVE GUARANTEE

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 1,605,000,000 | 1,605,000,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,605,000,000 | 1,605,000,000 | 0 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------------|------------------------------|--------------------------------|---------------|
| Aggregate Trust Fund | | | |
| General Fund | 220,000,000 | 220,000,000 | 0 |
| Property/Casualty Insurance Security Fund | | | |
| General Fund | 90,000,000 | 90,000,000 | 0 |
| State Insurance Fund | | | |
| General Fund | 1,295,000,000 | 1,295,000,000 | 0 |
| Total | <u>1,605,000,000</u> | <u>1,605,000,000</u> | <u>0</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total Amount | Change | Maintenance Undistributed Amount | Change |
|-------------------------------------------|-------------------------|---------------|---------------------------------------------|---------------|
| Aggregate Trust Fund | 220,000,000 | 0 | 220,000,000 | 0 |
| Property/Casualty Insurance Security Fund | 90,000,000 | 0 | 90,000,000 | 0 |
| State Insurance Fund | 1,295,000,000 | 0 | 1,295,000,000 | 0 |
| Total | <u>1,605,000,000</u> | <u>0</u> | <u>1,605,000,000</u> | <u>0</u> |

LOCAL GOVERNMENT ASSISTANCE

Local Government Assistance programs support a range of State aid and assistance for all classes of local governments. Key General Fund-supported programs include Aid and Incentives for Municipalities (AIM) which allocates direct State aid to cities, towns and villages, and the Local Government Efficiency Grant (LGEG) program; which provides grants to all classes of local governments intended to encourage municipal shared services and consolidation.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$37.9 billion in All Funds** appropriations to fund miscellaneous State aid and assistance programs including \$1.4 billion in General Fund support to local governments under several aid programs and \$36.5 billion in Fiduciary Funds to cover contingency appropriation requirements. This is an increase of **\$1.2 billion** in All Funds appropriations above the 2007-08 budget, consisting of a net \$49 million General Fund increase primarily for AIM assistance and a \$1.16 billion Fiduciary Fund increase in contingency appropriations to comply with bond covenant requirements of the New York City Municipal Assistance Corporation.

PROGRAM HIGHLIGHTS

AID AND INCENTIVES FOR MUNICIPALITIES

The Executive Budget recommends \$945.1 million for the overall AIM program in 2008-09, an increase of \$199.9 million. Major program components include:

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- \$56 million in additional aid targeted primarily to distressed municipalities, accompanied by expanded accountability requirements to encourage improved local fiscal management practices and transparency. This allocation is the second installment of a four-year commitment of additional State aid to revitalize local governments. By 2010-11, the annual AIM increases will exceed \$200 million.
- \$25 million for a Local Government Efficiency Grant (LGEG) program based on recommendations of the Commission on Local Government Efficiency and Competitiveness. The new LGEG program restructures the current Shared Municipal Services (SMSI) grant program and will feature new 21st Century Demonstration Projects intended to support comprehensive local government shared services and consolidation initiatives at the county or regional level. This initiative will also place greater emphasis on service and governmental consolidations, program evaluation, technical assistance and new State agency efforts to achieve local efficiencies.
- \$143.9 million in AIM funding for New York City that will restore the City's AIM funding to \$163.9 million in 2008-09, increasing to \$327.9 million in 2009-10 and each year thereafter.

OTHER LOCAL GOVERNMENT ASSISTANCE PROGRAMS

In addition to AIM and LGEG, Local Government Assistance appropriations fund several programs targeted to specific municipalities for a variety of purposes. In 2008-09, these include:

- \$34.2 million to support aid for municipalities with video lottery gaming facilities. The Executive Budget maintains 2008-09 aid payments at amounts received in 2007-08 and proposes to phase in a cost-reimbursement program by 2010-11 for eligible municipalities outside the City of Yonkers. Yonkers will continue to receive a \$20 million annual payment under this program to support the City's school district.
- \$10 million in Efficiency Incentive Grant funding to support cost-saving investments in Erie County and the City of Buffalo. These grants are subject to approval by each municipality's fiscal oversight authority and will be made available upon use of all prior year Efficiency Grant funding.
- \$2 million each to Oneida and Madison Counties for interim financial assistance related to land claim settlements.
- \$2.1 million for the Small Government Assistance program, which provides funding to certain counties and school districts. The \$47,500 reduction from appropriations available in 2007-08 reflects non-recurring payments to the villages of South Blooming Grove and Woodbury in Orange County.

A \$5 million appropriation authorized in 2007-08 for a one-time Flood Relief program, which supported flood-related property tax relief in a 20-county area, is no longer required in 2008-09.

FIDUCIARY FUNDS

Fiduciary appropriations totaling \$36.5 billion are recommended for the Municipal Assistance State Aid Fund, the Municipal Assistance Tax Fund, and the Stock Transfer Tax Fund to comply with New York City and the City of Troy Municipal Assistance Corporation debt service coverage requirements. This amount reflects a \$1.16 billion

increase in 2008-09. In addition, \$384.4 million is recommended as a contingency appropriation in the event State assistance is needed to meet debt service or other obligations related to the City of New York, including authorization for payments to the Municipal Assistance Corporation previously appropriated in the AIM program.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|----------------------|-----------------------------------------------------|
| State Operations | 3,243,000 | 3,243,000 | 0 | 0 |
| Aid To Localities | 36,645,063,100 | 37,854,115,600 | 1,209,052,500 | 70,615,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 36,648,306,100 | 37,857,358,600 | 1,209,052,500 | 70,615,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|-----------------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Financial Control Board, New York State | | | |
| Special Revenue Funds - Other | 17 | 17 | 0 |
| Total | 17 | 17 | 0 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------------------------|------------------------------|--------------------------------|---------------|
| Financial Control Board, New York State | | | |
| Special Revenue Funds - Other | 3,243,000 | 3,243,000 | 0 |
| Total | 3,243,000 | 3,243,000 | 0 |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service | |
|-----------------------------------------|------------------|---------------|-------------------------|---------------|
| | Amount | Change | Amount | Change |
| Financial Control Board, New York State | 3,243,000 | 0 | 1,789,000 | 0 |
| Total | 3,243,000 | 0 | 1,789,000 | 0 |

| Program | Nonpersonal Service | |
|-----------------------------------------|----------------------------|---------------|
| | Amount | Change |
| Financial Control Board, New York State | 1,454,000 | 0 |
| Total | 1,454,000 | 0 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|----------------------|
| General Fund | 1,330,914,100 | 1,379,815,600 | 48,901,500 |
| Fiduciary Funds | 35,314,149,000 | 36,474,300,000 | 1,160,151,000 |
| Total | 36,645,063,100 | 37,854,115,600 | 1,209,052,500 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------------------------------|-----------------------|------------------------|----------------------|
| Aid and Incentives for Municipalities | | | |
| General Fund | 745,235,000 | 945,129,000 | 199,894,000 |
| Contingency Appropriation for the City of New York | | | |
| General Fund | 528,300,000 | 384,355,000 | (143,945,000) |
| Efficiency Incentive Grants Program | | | |
| General Fund | 12,000,000 | 10,000,000 | (2,000,000) |
| Flood Relief | | | |
| General Fund | 5,000,000 | 0 | (5,000,000) |
| Miscellaneous Financial Assistance | | | |
| General Fund | 4,000,000 | 4,000,000 | 0 |
| Municipal Assistance State Aid Fund | | | |
| Fiduciary Funds | 563,300,000 | 563,300,000 | 0 |
| Municipal Assistance Tax Fund | | | |
| Fiduciary Funds | 19,878,849,000 | 20,463,000,000 | 584,151,000 |
| Municipalities with VLT Facilities | | | |
| General Fund | 34,200,000 | 34,200,000 | 0 |
| Small Government Assistance | | | |
| General Fund | 2,179,100 | 2,131,600 | (47,500) |
| Stock Transfer Tax Fund | | | |
| Fiduciary Funds | 14,872,000,000 | 15,448,000,000 | 576,000,000 |
| Total | <u>36,645,063,100</u> | <u>37,854,115,600</u> | <u>1,209,052,500</u> |

NATIONAL AND COMMUNITY SERVICE

MISSION

The Office of National and Community Service provides staff support to the New York State Commission on National and Community Service. The Commission qualifies the State for Federal community service grants for local not-for-profit agencies. The community service grants support programs providing youth education, assistance to individuals with disabilities, public health services and disaster preparedness.

ORGANIZATION AND STAFFING

The Office of National and Community Service is housed and staffed within the Office of Children and Family Services.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$30.4 million All Funds (\$367,000 General Fund; \$30 million Other Funds)** for the Office of National and Community Service, a **\$10,000 General Fund increase** from the 2007-08 Budget. The General Fund support of \$367,000 allows the State to meet its match requirements.

The Executive Budget recommends a staffing level of **11 FTEs** for the Office of National and Community Service, an **increase of two**, reflecting actual staffing patterns.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 30,357,000 | 30,367,000 | 10,000 | 91,453,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 30,357,000 | 30,367,000 | 10,000 | 91,453,000 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|---------------------------------|------------------------------------------------|------------------------------------------------|-------------------|
| Operations | | | |
| General Fund | 3 | 5 | 2 |
| Special Revenue Funds - Federal | 6 | 6 | 0 |
| Total | 9 | 11 | 2 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | 357,000 | 367,000 | 10,000 |
| Special Revenue Funds - Federal | 30,000,000 | 30,000,000 | 0 |
| Total | 30,357,000 | 30,367,000 | 10,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Operations | | | |
| General Fund | 357,000 | 367,000 | 10,000 |
| Special Revenue Funds - Federal | 30,000,000 | 30,000,000 | 0 |
| Total | 30,357,000 | 30,367,000 | 10,000 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Operations | 334,000 | 49,000 | 330,000 | 49,000 |
| Total | 334,000 | 49,000 | 330,000 | 49,000 |

| Holiday/Overtime Pay (Annual Salaried) | | |
|---------------------------------------------------|---------------|---------------|
| Program | Amount | Change |
| Operations | 4,000 | 0 |
| Total | 4,000 | 0 |

MISCELLANEOUS

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|------------|--------|----------|------------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 33,000 | (39,000) | 3,000 | 0 |
| Total | 33,000 | (39,000) | 3,000 | 0 |

| Program | Contractual Services | |
|------------|----------------------|----------|
| | Amount | Change |
| Operations | 30,000 | (39,000) |
| Total | 30,000 | (39,000) |

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Maintenance Undistributed | |
|------------|------------|--------|---------------------------|--------|
| | Amount | Change | Amount | Change |
| Operations | 30,000,000 | 0 | 30,000,000 | 0 |
| Total | 30,000,000 | 0 | 30,000,000 | 0 |

NORTHEASTERN QUEENS NATURE AND HISTORICAL PRESERVE COMMISSION

The Northeast Queens Nature and Historical Preserve Commission was created in 1973 to regulate publicly owned lands and wetlands in this section of Queens County. The Executive Budget recommends \$120,000 to support the Commission's operations in 2008-09, the same level of funding provided in 2007-08.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|--------|--------------------------------------------|
| State Operations | 120,000 | 120,000 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 120,000 | 120,000 | 0 | 0 |

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

Full-Time Equivalent Positions (FTE)

| Program | 2007-08 Estimated FTEs 03/31/08 | 2008-09 Estimated FTEs 03/31/09 | FTE Change |
|----------------|---------------------------------------|---------------------------------------|------------|
| Administration | | | |
| General Fund | 2 | 2 | 0 |
| Total | 2 | 2 | 0 |

MISCELLANEOUS

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|------------------------------|--------------------------------|---------------|
| Administration | | | |
| General Fund | 120,000 | 120,000 | 0 |
| Total | <u>120,000</u> | <u>120,000</u> | <u>0</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Personal Service Regular (Annual Salaried) | |
|----------------|---------------|---------------|-------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 78,000 | 0 | 78,000 | 0 |
| Total | <u>78,000</u> | <u>0</u> | <u>78,000</u> | <u>0</u> |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total | | Supplies and Materials | |
|----------------|---------------|---------------|-------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 42,000 | 0 | 32,000 | 0 |
| Total | <u>42,000</u> | <u>0</u> | <u>32,000</u> | <u>0</u> |

| Program | Travel | | Equipment | |
|----------------|---------------|---------------|------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 400 | 0 | 9,600 | 0 |
| Total | <u>400</u> | <u>0</u> | <u>9,600</u> | <u>0</u> |

PAYMENT TO THE CITY OF NEW YORK

This local assistance appropriation is required pursuant to Section 3238-a of the Public Authorities Law and is related to the refinancing of prior New York City Municipal Assistance Corporation debt by the Sales Tax Asset Receivable Corporation (STARC), a local development corporation established by the City of New York.

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|----------------|------------------------------|--------------------------------|---------------|
| STARC Payment | | | |
| General Fund | 170,000,000 | 170,000,000 | 0 |
| Total | <u>170,000,000</u> | <u>170,000,000</u> | <u>0</u> |

RACING REFORM PROGRAM

Chapter 354 of the laws of 2005 enacted a series of reform measures that relate to the State's franchise to conduct thoroughbred racing at Aqueduct, Belmont and Saratoga race tracks. That 2005 reform legislation created a five member oversight board to review the finances, contracting and administrative practices of the State's then-current franchisee, the New York Racing Association (NYRA). The legislation also established the oversight board as the legal successor to the duties and functions of the former New York State Thoroughbred Capital Investment Fund (CIF), which provided loans to NYRA for capital improvements to the Belmont, Aqueduct, and Saratoga thoroughbred racing facilities. On November 2, 2006, NYRA filed a petition for bankruptcy protection in federal bankruptcy court. As the legal successor to CIF, this action effectively made the oversight board NYRA's largest creditor with \$275 million in outstanding liabilities owed.

To protect the board's financial interests, funds from 2006-07 and 2007-08 racing reform appropriations have been allocated to pay for costs of legal services provided to the oversight board associated with the litigation of the NYRA bankruptcy case as well as administrative and contractual costs of the oversight board. The 2008-09 Executive Budget recommends a \$1 million appropriation and reappropriation of \$2 million to continue funding these expenses.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 1,000,000 | 1,000,000 | 0 | 2,000,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 1,000,000 | 1,000,000 | 0 | 2,000,000 |

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-----------------------|------------------------------|--------------------------------|---------------|
| Racing Reform Program | | | |
| General Fund | 1,000,000 | 1,000,000 | 0 |
| Total | 1,000,000 | 1,000,000 | 0 |

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| Program | Total Amount | Change | Contractual Services Amount | Change |
|-----------------------|-------------------------|---------------|----------------------------------------|---------------|
| Racing Reform Program | 1,000,000 | 0 | 1,000,000 | 0 |
| Total | 1,000,000 | 0 | 1,000,000 | 0 |

RESERVE FOR FEDERAL AUDIT DISALLOWANCES

The Reserve for Federal Audit Disallowances provides authority to the General Fund in the event of a reduction in available Federal grant awards resulting from disallowances. The 2008-09 Executive Budget recommends an increase in this appropriation, consistent with the State's risk profile.

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 150,000,000 | 200,000,000 | 50,000,000 |
| Total | 150,000,000 | 200,000,000 | 50,000,000 |

SPECIAL EMERGENCY APPROPRIATION

The Special Emergency Appropriation provides authority for the disbursement of additional State Funds in the event of an unanticipated emergency affecting the State of New York, such as a natural disaster. The 2008-09 Executive Budget recommends an increase in this appropriation of \$25,000,000 to allow the State to readily respond to emergencies.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 75,000,000 | 100,000,000 | 25,000,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 75,000,000 | 100,000,000 | 25,000,000 | 0 |

SPECIAL FEDERAL EMERGENCY APPROPRIATION

The Special Federal Emergency Appropriation provides authority for the disbursement of funds received by the Federal Government in the event of an unanticipated emergency affecting the State of New York, such as a natural disaster. The 2008-09 Executive Budget recommends an appropriation consistent with the prior year.

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Special Revenue Funds - Federal | 1,000,000,000 | 1,000,000,000 | 0 |
| Total | 1,000,000,000 | 1,000,000,000 | 0 |

SPECIAL PAY BILL

These appropriations were enacted in paybills which implemented the binding arbitration awards for Forest Rangers represented by the Agency Law Enforcement Services unit of Council 82 and for the Security Supervisors unit of Council 82. These appropriations also fund the collective bargaining agreements with the non-binding arbitration eligible employees represented by the Security Supervisors unit of Council 82 and the non-binding arbitration eligible employees represented by the New York State Correctional Officers and Police Benevolent Association.

All monies authorized by these appropriations have been allocated to the employing agencies in 2007-08 and no funding for this special pay bill agency is necessary in 2008-09.

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|------------------|------------------------------|--------------------------------|---------------|
| General Fund | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

Adjustments:

Transfer(s) To

| | |
|--------------------------------------|------------|
| Correctional Services, Department of | |
| General Fund | 16,024,000 |
| Education Department, State | |
| Special Revenue Funds - Other | 573,000 |
| Environmental Conservation, | |
| Department of | |
| General Fund | 5,530,000 |
| Special Revenue Funds - Other | 459,000 |
| General Services, Office of | |
| General Fund | 130,000 |
| General State Charges | |
| General Fund | 6,413,000 |
| Health, Department of | |
| General Fund | 327,000 |
| Special Revenue Funds - Other | 514,000 |
| Labor Management Committees | |
| General Fund | 3,368,000 |
| Labor, Department of | |
| Special Revenue Funds - Federal | 464,000 |
| Special Revenue Funds - Other | 512,000 |
| Mental Health, Office of | |
| General Fund | 23,512,000 |
| Mental Retardation and Developmental | |
| Disabilities, Office of | |
| General Fund | 4,118,000 |
| Motor Vehicles, Department of | |
| Special Revenue Funds - Other | 63,000 |
| Parks, Recreation and Historic | |
| Preservation, Office of | |
| General Fund | 3,847,000 |
| Special Revenue Funds - Federal | 35,000 |
| Special Revenue Funds - Other | 89,000 |
| Parole, Division of | |
| General Fund | 340,000 |
| State Police, Division of | |
| General Fund | 1,329,000 |
| State University of New York | |
| General Fund | 1,016,000 |
| Special Revenue Funds - Other | 3,015,000 |
| State, Department of | |
| Special Revenue Funds - Other | 12,000 |
| Appropriated 2007-08 | 71,690,000 |

ALL STATE DEPARTMENTS AND AGENCIES STATE EQUIPMENT FINANCING PROGRAM

Statewide equipment represents spending for major equipment purchases and information systems research, development, and upgrades across all State agencies.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|-------------------|-----------------------------------------------------|
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 20,000,000 | 111,000,000 | 91,000,000 | 111,398,000 |
| Total | <u>20,000,000</u> | <u>111,000,000</u> | <u>91,000,000</u> | <u>111,398,000</u> |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|-------------------|-------------------------------------|
| Program Changes and Expansion | | | | |
| Capital Projects Fund - Authority Bonds | 20,000,000 | 111,000,000 | 91,000,000 | 111,398,000 |
| Total | <u>20,000,000</u> | <u>111,000,000</u> | <u>91,000,000</u> | <u>111,398,000</u> |

STATEWIDE ENERGY IMPROVEMENT ACCOUNT

The Statewide Energy Improvement Account is utilized for the disbursement of Petroleum Overcharge Recovery Funds (POCR) to the New York Power Authority. POCR funds, received by New York State from the Federal Government as part of a petroleum overcharge settlement with several oil companies, can be utilized for energy efficiency and clean energy purposes. Due to a lack of remaining funds from the Federal Government for these purposes, the 2008-09 Executive Budget does not recommend an appropriation from the Statewide Energy Improvement Account.

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|------------------|-----------------------------------------------------|
| State Operations | 700,000 | 0 | (700,000) | 700,000 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | <u>700,000</u> | <u>0</u> | <u>(700,000)</u> | <u>700,000</u> |

MISCELLANEOUS

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

| Program | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|-----------|
| Statewide Energy Improvement | | | |
| Special Revenue Funds - Other | 700,000 | 0 | (700,000) |
| Total | 700,000 | 0 | (700,000) |

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

| Program | Total | | Maintenance Undistributed | |
|------------------------------|--------|-----------|---------------------------|-----------|
| | Amount | Change | Amount | Change |
| Statewide Energy Improvement | 0 | (700,000) | 0 | (700,000) |
| Total | 0 | (700,000) | 0 | (700,000) |

TRIBAL STATE COMPACT REVENUE

ALL FUNDS APPROPRIATIONS (dollars)

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|----------------------|------------------------------------------|------------|--------------------------------------------|
| State Operations | 0 | 0 | 0 | 0 |
| Aid To Localities | 29,300,000 | 41,600,000 | 12,300,000 | 35,300,000 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 29,300,000 | 41,600,000 | 12,300,000 | 35,300,000 |

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

| Fund Type | Available 2007-08 | Recommended 2008-09 | Change |
|-------------------------------|----------------------|------------------------|------------|
| Special Revenue Funds - Other | 29,300,000 | 41,600,000 | 12,300,000 |
| Total | 29,300,000 | 41,600,000 | 12,300,000 |

Adjustments:
Prior Year Deficiency
 Tribal State Compact Revenue
 Special Revenue Funds - Other
Appropriated 2007-08

| |
|------------|
| 1,100,000 |
| 30,400,000 |

WORKERS' COMPENSATION RESERVE

**ALL FUNDS
APPROPRIATIONS
(dollars)**

| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 22,300,000 | 22,370,000 | 70,000 | 0 |
| Aid To Localities | 0 | 0 | 0 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 |
| Total | 22,300,000 | 22,370,000 | 70,000 | 0 |

**WORLD TRADE CENTER
REBUILDING AND REVITALIZATION**

The recommended reappropriations will facilitate the continuation of New York State's efforts to revitalize the World Trade Center property and lower Manhattan. Recommendations will provide ongoing authorization for payments related to the engineering and construction of State capital projects in lower Manhattan, continued development of the public safety communications system, and expenses from related September 11th costs.

**ALL FUNDS
APPROPRIATIONS
(dollars)**

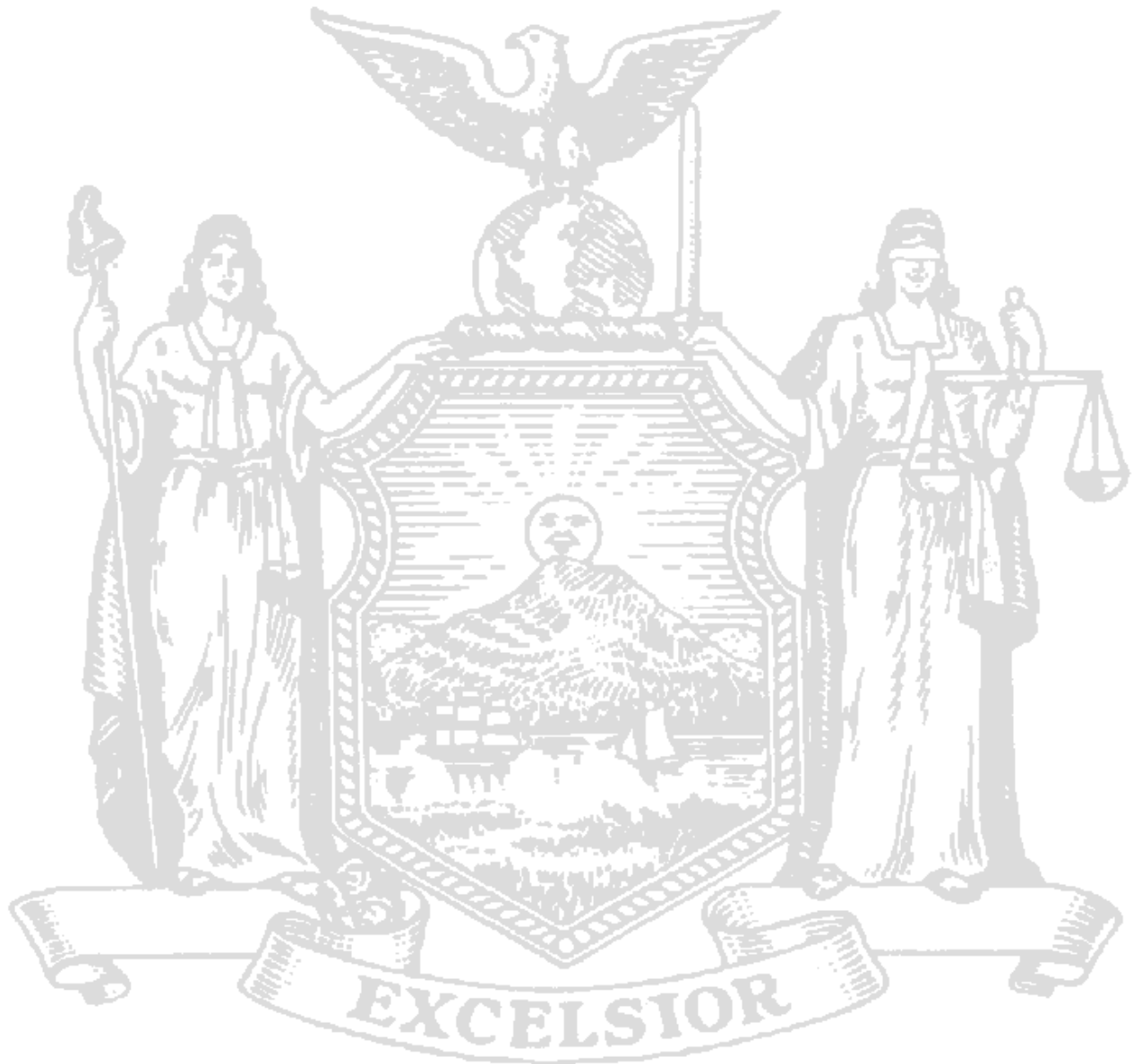
| Category | Available 2007-08 | Appropriations Recommended 2008-09 | Change | Reappropriations Recommended 2008-09 |
|-------------------|------------------------------|---------------------------------------------------|---------------|-----------------------------------------------------|
| State Operations | 0 | 0 | 0 | 200,000 |
| Aid To Localities | 0 | 0 | 0 | 60,000,000 |
| Capital Projects | 0 | 0 | 0 | 448,091,000 |
| Total | 0 | 0 | 0 | 508,291,000 |

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

| Comprehensive Construction Program | Available 2007-08 | Recommended 2008-09 | Change | Reappropriations 2008-09 |
|-------------------------------------------|------------------------------|--------------------------------|---------------|-------------------------------------|
| World Trade Center | | | | |
| Federal Capital Projects Fund | 0 | 0 | 0 | 448,091,000 |
| Total | 0 | 0 | 0 | 448,091,000 |

STATE DEBT SERVICE

PART II



STATE DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS

INTRODUCTION

The 2008-09 recommended debt service appropriations meet all of the State's potential obligations to bondholders, and reflect the maximum estimated debt service payments for outstanding bonds, including payments due on outstanding variable rate debt, interest rate exchange agreements ("swaps") and new State-supported bond issuances.

A broad overview of the State's debt management practices, debt affordability measures, and five year information and trends on State debt levels and capital costs is available in the Five Year Capital Program and Financing Plan released with the Budget.

VISION

The 2008-09 Executive Budget continues efforts to increase transparency in reporting of State debt levels and to reduce State borrowing costs and generate savings through a number of debt management efforts.

OPERATING HIGHLIGHTS

Debt financing is used to partially finance the State's capital program, providing necessary funding for transportation, education, economic development, and other major program areas. State-related debt – a comprehensive measure which includes debt issued by the State, by public authorities on behalf of the State, and other debt obligations for which the State is contractually or morally responsible – is projected to grow from \$50.0 billion in 2007-08 to \$53.3 billion by the end of 2008-09. Debt service spending – the costs of repaying those debt obligations – is projected to grow from \$4.9 billion in 2007-08 to about \$5.3 billion by the end of 2008-09.

KEY STRATEGIES

The 2008-09 Executive Budget seeks to reduce the State's costs of borrowing through a number of debt management efforts. These are expected to produce debt service savings totaling about \$31 million in 2008-09, and include the following.

- Continuing to refund higher cost debt, including refunding older service contract bonds under a consolidated credit structure, thereby enhancing efficiencies and increasing savings opportunities.
- Providing for increased efficiencies and savings opportunities with the Personal Income Tax Revenue Bond Program through enhanced issuer flexibility.
- If market conditions are favorable, reducing State borrowing costs by utilizing a portion of the State's available interest rate swaps and variable rate debt authorizations.
- Continuing recent strides for increasing the use of competitive processes, including the use of competitive bond sales for about 25 percent of State-supported debt issuances.
- For the first time ever, all State-supported bond authorizations would be reformed by comprehensively consolidating them into a single provision of law. This would ensure greater public knowledge about existing and proposed new bond

DEBT SERVICE

authorizations, permitting the public and elected officials to better understand the cumulative effect of the budget's reliance on debt financings. This approach would also ensure that all State debt authorizations and practices are conducted on a consistent and streamlined basis.

GENERAL DEBT SERVICE FUND

The General Debt Service Fund pays for debt service and related expenses on fixed and variable rate General Obligation bonds, Personal Income Tax revenue bonds, and lease-purchase and contractual obligation payments to public authorities. The General Debt Service Fund's moneys are provided from the General Fund, dedicated personal income taxes, and other available transfers and revenues. Total appropriations of \$3.95 billion are recommended from the General Debt Service Fund. These amounts include contingent appropriations for obligations related to tobacco and secured hospital financings, which are more fully discussed in the Contingent and Other Appropriations section.

General Obligation Bonds

Appropriations from the General Debt Service Fund for General Obligation bonds are recommended at \$475 million, and reflect payments on outstanding fixed rate and variable rate General Obligation bonds, and estimated payments on new bonds anticipated to be issued.

Lease Purchase Obligations

Appropriations of \$39.9 million are recommended for lease-purchase payments for various State facilities, including the Empire State Plaza in Albany, the Library for the Blind in Albany and the Department of Transportation Region One headquarters building in Schenectady.

Special Contractual Obligations

Appropriations of \$1.67 billion are recommended from the General Debt Service Fund to the following public authorities for special contractual obligations due on outstanding State appropriation-backed bonds:

- Thruway Authority, for Local Highway and Bridge service contract bonds for local transportation purposes (\$240 million). Spending from this appropriation is financed by transfers from the Dedicated Highway and Bridge Trust Fund;
- Environmental Facilities Corporation, for State Revolving Loan Fund service contract bonds, the Pipeline for Jobs Program, and the financing of parks and other environmental programs (\$35 million);
- Urban Development Corporation, for financing the construction and rehabilitation of prisons, State facilities, youth facilities, stadiums, the pine barrens land acquisition, economic development purposes, projects at various university technology centers, the Higher Education Applied Technology program, and the Onondaga Convention Center (\$371 million);
- Dormitory Authority of the State of New York, for State University of New York educational facilities, athletic facilities and upstate community colleges, State Education Department facilities, City University of New York senior and

- community colleges, RESCUE school construction, child care facilities, the Department of Health's Axelrod Laboratory, the Albany Airport, and the Department of Audit and Control building and East Garage (\$713 million);
- Housing Finance Agency, pursuant to agreements to finance the State's housing programs (\$65 million);
 - Triborough Bridge and Tunnel Authority, for the Javits Convention Center in New York City (\$43 million);
 - Metropolitan Transportation Authority, for service contract payments on bonds issued to finance transit and commuter rail projects (\$165 million);
 - Energy Research Development Authority, for service contract payments on bonds issued to finance the West Valley Project (\$1 million); and
 - Related and capital expenses (\$35 million).

Revenue Bond Tax Fund

The appropriations for 2008-09 reflect the continued use of the Personal Income Tax revenue bond program (rated AAA by Standard and Poor's) to reduce State borrowing costs. Appropriations of \$1.3 billion are recommended from the Revenue Bond Tax Fund, an account within the General Debt Service Fund that provides for the payment of Personal Income Tax Revenue bonds. These bonds are secured by the pledge of payments from the Revenue Bond Tax Fund, which receives 25 percent of State personal income tax receipts. Tax receipts in excess of debt service requirements are then transferred back to the State's General Fund.

Personal Income Tax revenue bonds are issued under broad functional areas by certain public authorities and are provided, as follows:

- Economic Development and Housing (\$350 million);
- Education (\$480 million);
- Environment (\$70 million);
- Healthcare (\$15 million);
- State Facilities and Equipment (\$200 million);
- Transportation (\$180 million); and
- Related and capital expenses (\$10 million).

HOUSING DEBT FUND

Payments from local governments and housing companies that benefit from housing and urban renewal projects funded with State General Obligation bonds are deposited in the Housing Debt Fund, and are used to pay debt service on such bonds. A \$21 million appropriation is recommended for 2008-09.

HEALTH INCOME FUND

The Department of Health has entered into contractual agreements with the Dormitory Authority of the State of New York to finance the construction and rehabilitation of State hospitals and veterans' homes. These agreements require the Department of Health to make lease-purchase rental payments to the Dormitory Authority of the State of New York. Such payments have first claim on revenues received in this Fund from patient care at the Department of Health facilities. Consistent with existing bonding pledges and statutory

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requirements, the Roswell Park Cancer Institute Corporation's moneys continue to flow into the Fund as security for payments to bondholders. As a result, the State's Financial Plan reflects the portion of the Corporation's receipts that are attributable to debt service. Lease-purchase obligations during 2008-09 require appropriations of \$34.5 million.

STATE UNIVERSITY DORMITORY INCOME FUND

This Fund receives payments from student dormitory rentals and other fees at dormitories operated by the State University of New York. Debt service on bonds issued by the Dormitory Authority of the State of New York for the construction and rehabilitation of the State University of New York dormitory facilities has first claim on all revenues deposited in the Fund. An appropriation of \$80 million is recommended for lease-purchase payments to the Dormitory Authority of the State of New York.

MENTAL HEALTH SERVICES FUND

The Dormitory Authority of the State of New York is authorized to issue bonds to finance capital programs for the Department of Mental Hygiene. Patient revenues received from care and treatment activities at State mental health facilities are deposited into the Mental Health Services Fund, and are used to make payments to the Dormitory Authority of the State of New York for debt service on mental health services bonds. These payments have first claim on moneys in the Fund. The Dormitory Authority of the State of New York also makes loans to eligible not-for-profit agencies providing mental health services. In return, these voluntary agencies make rental payments equal to the amount of debt service on bonds issued to finance their projects. These payments are also deposited in the Fund. The recommended appropriation for these obligations is \$360 million.

LOCAL GOVERNMENT ASSISTANCE TAX FUND

To eliminate the State's annual spring cash flow borrowing, 1990 legislation authorized the Local Government Assistance Corporation to issue bonds to finance payments to local governments previously funded by the State. By 1995, the Local Government Assistance Corporation had issued its entire \$4.7 billion net authorization, and its activities are primarily limited to the ongoing maintenance of those existing obligations. Revenues equal to the first cent of the four cent State sales and use tax are deposited into the Local Government Assistance Tax Fund and used to pay debt service on the Local Government Assistance Corporation bonds. The recommended appropriation of \$388 million represents anticipated debt service on all outstanding fixed and variable rate bonds, interest rate exchange agreement payments and related administrative expenses. Local aid payments due to New York City from the Local Government Assistance Tax Fund, and assigned by the City to the Sales Tax Asset Receivable Corporation, are appropriated in the local assistance portion of the budget.

SCHOOL CAPITAL FACILITIES FINANCING RESERVE FUND

An appropriation of \$40 million is recommended from the School Capital Facilities Financing Reserve Fund, a fiduciary fund, to pay debt service and related expenses on bonds issued by the Dormitory Authority of the State of New York on behalf of special act and certain other authorized local school districts. The districts have assigned their State

local assistance payments to the Dormitory Authority of the State of New York, which are deposited into the Fund and used to make debt service payments on bonds issued to finance their facilities.

DEDICATED HIGHWAY AND BRIDGE TRUST FUND

An appropriation of \$580 million is recommended to the Thruway Authority for 2008-09 debt service payments and related expenses on Dedicated Highway and Bridge Trust Fund bonds. Debt service payments for the highway program are supported by the statutory dedication of highway-related taxes and fees to the Fund.

CONTINGENT AND OTHER APPROPRIATIONS

Appropriations in this section of the debt service appropriation bill provide for the State's contingent liability to make payments on certain other types of debt instruments. These include arbitrage rebate and defeasance obligations required by Federal tax code limitations, the maximum potential variable rate, swap, termination or other payments on State-supported debt obligations, as well as contingent-contractual obligations for tobacco and secured hospital bonds. The State does not anticipate making disbursements from any of these appropriations during the 2008-09 fiscal year. Nonetheless, these appropriations are required pursuant to various bond financing agreements. Therefore, they supply appropriation authority for the unlikely event that the primary obligated parties cannot provide sufficient funds to meet their own debt service obligations, or for unforeseen additional expenses that may arise on State-supported obligations.

General Fund – State Purposes Account

An appropriation of \$20 million is recommended for the State's potential liability to rebate arbitrage earnings on General Obligation bonds to the Federal government. In addition, a \$225 million appropriation is recommended for the redemption of General Obligation bonds, should this become necessary to maintain the exemption from Federal taxation of the interest paid to General Obligation bondholders. This appropriation would only be used if the State received payments from any party found to be responsible for site contamination for which 1986 Hazardous Waste and 1996 Clean Water/Clean Air bonds were sold and disbursed to finance site clean-ups. The potential use of this appropriation is unlikely, as every effort is made to find the responsible parties prior to the issuance of bonds.

All Funds

An All Funds appropriation of \$3.6 billion provides authority for a maximum interest rate of 18 percent on both variable rate bonds and the notional amount of interest rate exchange agreements which are permitted by the limitations under Article 5-D of the State Finance Law. This appropriation is available to all issuers of State-supported debt, and provides assurances to bondholders and counterparties of interest rate exchange agreements that sufficient authorization is available to pay the maximum amounts which may become due on such variable rate and swap instruments. In addition, it provides the State the flexibility needed to comprehensively manage such instruments and State-supported obligations, including the ability to terminate swap agreements and effectively manage risk.

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Secured Hospitals

This appropriation is provided to the Dormitory Authority of the State of New York for contingent-contractual obligations related to financially distressed hospitals, in the event that hospital loan repayments and other available funds are inadequate to meet debt service and related expenses (\$76 million). Legislative authorization for new projects in this program expired in March 1998.

Tobacco Settlement Financing Corporation

This appropriation is provided to the Tobacco Settlement Financing Corporation, for contingent-contractual obligations that are available to pay debt service on tobacco bonds. Such funds would only be called upon in the unlikely event that tobacco receipts sold to the Tobacco Settlement Financing Corporation are insufficient to make such payments. As required by the contingent contract, the debt service bill includes a recommended appropriation that is equal to amounts payable on the Corporation's bonds in 2008-09 (\$391 million).

DEBT SERVICE

**ALL FUNDS FISCAL REQUIREMENTS
DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS
(dollars)**

| Fund | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------------|------------------------------|--------------------------------|---------------|
| General Fund | | | |
| State Purposes Account | | | |
| Rebates to Federal Government | 20,000,000 | 20,000,000 | 0 |
| Redemption of General Obligation Bonds | 225,000,000 | 225,000,000 | 0 |
| Subtotal | 245,000,000 | 245,000,000 | 0 |
| Fiduciary Funds | | | |
| School Capital Facilities Financing Reserve Fund | | | |
| Trust and Agency Financing | 40,000,000 | 40,000,000 | 0 |
| Subtotal | 40,000,000 | 40,000,000 | 0 |
| Debt Service Funds | | | |
| Debt Reduction Reserve Fund | | | |
| Debt Reduction | 250,000,000 | 0 | (250,000,000) |
| Mental Health Services Fund | | | |
| Financing Agreements | 330,000,000 | 360,000,000 | 30,000,000 |
| General Debt Service Fund | | | |
| General Obligation Bonds | 483,000,000 | 475,000,000 | (8,000,000) |
| Financing Agreements | 2,161,720,000 | 2,133,970,000 | (27,750,000) |
| Revenue Bond Payments | 1,167,900,000 | 1,305,000,000 | 137,100,000 |
| Lease Purchase Payments | 58,400,000 | 39,900,000 | (18,500,000) |
| Housing Debt Fund | | | |
| General Obligation Bonds | 21,000,000 | 21,000,000 | 0 |
| Health Income Fund | | | |
| Financing Agreements | 30,000,000 | 32,000,000 | 2,000,000 |
| Financing Agreements | 2,500,000 | 2,500,000 | 0 |
| State University Dormitory Income Fund | | | |
| Financing Agreements | 69,000,000 | 80,000,000 | 11,000,000 |
| Local Government Assistance Tax Fund | | | |
| Financing Agreements | 388,000,000 | 388,000,000 | 0 |
| Subtotal | 4,961,520,000 | 4,837,370,000 | (124,150,000) |
| Capital Projects Funds - Other | | | |
| Dedicated Highway and Bridge Trust Fund | | | |
| Financing Agreements | 505,200,000 | 580,200,000 | 75,000,000 |
| Subtotal | 505,200,000 | 580,200,000 | 75,000,000 |
| All Funds | | | |
| All Funds | | | |
| Contingent Appropriation | 3,550,000,000 | 3,570,000,000 | 20,000,000 |
| Subtotal | 3,550,000,000 | 3,570,000,000 | 20,000,000 |
| Total Fiscal Year | 9,301,720,000 | 9,272,570,000 | (29,150,000) |
| Appropriated 2007-08 | 9,301,720,000 | | |

PART III



APPROPRIATIONS REQUESTED BY THE JUDICIARY AND THE LEGISLATURE

COMMENTARY OF THE GOVERNOR ON THE JUDICIARY

In accordance with Article VII, Section 1 of the State Constitution, I am transmitting herewith the appropriations requested by the Judiciary for fiscal year 2008-09. As required by the Constitution, I am presenting the Judiciary budget as it has been submitted by the Chief Judge.

The Judiciary has requested appropriations totaling nearly \$2.5 billion. This includes amounts necessary to provide salary increases to judges. When adjusted for \$106 million in retroactive judicial salary payments and non-recurring capital appropriations in the current year, the increase over the current- year is \$90 million, or 3.8 percent.

The budget request submitted by the Chief Judge reflects a salary increase of 21 percent retroactive for three years, to April 1, 2005. More recently, the Chief Judge proposed new legislation providing for pay increases retroactive to April 1, 2005, with additional increases tied to the salaries of federal court judges, and a quadrennial salary commission.

Judicial salaries have remained unchanged since 1999, and establishing new compensation levels for judges is a high priority of the Chief Judge. In recognition of the importance of this issue, which has languished too long, and in support of the Chief Judge, the Executive Budget includes Article VII legislation to provide for a judicial salary increase.

The Article VII legislation I am submitting includes a judicial pay increase retroactive to April 1, 2006, at the same level recommended by the Chief Judge. In addition, my bill would increase salaries another 2.5 percent on April 1, 2008, in recognition that judicial salaries at the Federal level were raised by that amount on January 1, 2008. I strongly urge the Legislature to take action on this proposal.

I also support the Chief Judge's Action Plan for Town and Village Courts, which will provide training, technology, and security for these courts. A total of \$17 million is provided to support a multi-year plan to strengthen this part of our justice system. Ensuring that justice is fairly done within these small, community courts is a laudable goal and I am pleased to see it remain a top priority of the Chief Judge.

JUDICIARY

2008-09 BUDGET REQUEST

INTRODUCTION

THE UNIFIED COURT SYSTEM

The Judiciary is one of the three branches of New York State Government. Article VI of the State Constitution establishes a Unified Court System, defines the organization and jurisdiction of the courts and provides for the administrative supervision of the courts by a Chief Administrator on behalf of the Chief Judge of the State of New York.

The objectives of the Judiciary are to: (1) provide a forum for the peaceful, fair and prompt resolution of civil claims and family disputes, criminal charges and charges of juvenile delinquency, disputes between citizens and their government, and challenges to government actions; (2) supervise the administration of estates of decedents, consider adoption petitions, and preside over matters involving the dissolution of marriages; (3) provide legal protection for children, mentally ill persons and others entitled by law to the special protection of the courts; and, (4) regulate the admission of lawyers to the Bar and their conduct and discipline.

The New York State court system is one of the largest and busiest in the Western World. It consists of nearly 1,300 state-paid judges, 2,300 town and village justices and approximately 17,000 nonjudicial employees. Pursuant to the Unified Court Budget Act, the cost of operating the Unified Court System, excluding town and village courts, is borne by the State.

STRUCTURE AND JURISDICTION OF THE COURTS

The Unified Court System is structured as follows:

APPELLATE COURTS

TRIAL COURTS OF SUPERIOR JURISDICTION

TRIAL COURTS OF LIMITED JURISDICTION

Court of Appeals
Appellate Divisions
of the Supreme Court
Appellate Terms of the
Supreme Court
County Courts (acting as
appellate courts)

Statewide:
Supreme Court
Court of Claims
Family Court
Surrogate's Court
Outside New York City:
County Court

New York City:
Criminal Court
Civil Court
Outside New York City:
City Courts
District Courts
Town Courts*
Village Courts*

*Locally funded courts

The jurisdiction of each court is established by Article VI of the Constitution or by statute. The Courts of Original Jurisdiction, or trial courts, hear cases in the first instance, and the appellate courts hear and determine appeals from the decisions of the trial courts.

The Court of Appeals, the State's highest court, hears cases on appeal from the other appellate courts and, in some instances, from the Courts of Original Jurisdiction. The jurisdiction of the Court is established in section 3 of Article VI of the Constitution. In most cases, its review is limited to questions of law. The Court also reviews determinations of the Commission on Judicial Conduct.

There are four Appellate Divisions of the Supreme Court, one in each of the State's four judicial departments. The Appellate Divisions hear appeals from judgements or orders in civil and criminal cases. In the First and Second Departments, Appellate Terms have been established to hear appeals in criminal and civil cases determined in the Criminal and Civil Courts of the City of New York and civil and criminal cases determined in district, city, town, and village courts outside the City. In the Third and Fourth Departments, appeals from city, town and village courts are heard initially in the appropriate County Court.

The Supreme Court, which functions in each of the State's twelve judicial districts, is a trial court of unlimited, original jurisdiction, but it generally hears cases outside the jurisdiction of other courts. It exercises its civil jurisdiction statewide; in the City of New York and some other parts of the State, it also exercises jurisdiction over felony charges.

The Court of Claims is a statewide court having jurisdiction over claims for money damages against the state. Certain judges of the Court of Claims; i.e., judges appointed pursuant to paragraphs (b), (d), and (e) of subdivision 2 of section 2 of the Court of Claims Act, are assigned temporarily to the Supreme Court, primarily as trial justices in the criminal terms.

There are three county-level superior courts. The County Court is established in each county outside the City of New York. It is authorized to handle the prosecution of crimes committed within the county. In practice, however, arraignments and other preliminary proceedings on felonies, misdemeanors and minor offenses are handled by courts of limited jurisdiction, while the County Court presides over felony trials and supervises the Grand Jury. The County Court also has limited jurisdiction in civil cases with authority to entertain those involving contested amounts of up to \$25,000.

The Family Court is established in each county and in the City of New York. It has jurisdiction over matters involving children and families. Its caseload consists largely of proceedings involving support of dependent relatives, juvenile delinquency, child protection, persons in need of supervision, review and approval of foster-care placements, paternity determinations, and family offenses.

The Surrogate's Court is established in every county and hears cases involving the affairs of decedents, including the probate of wills and the administration of estates. Family Court and Surrogate's Court have concurrent jurisdiction in adoption proceedings.

The Civil Court of the City of New York tries civil cases involving amounts up to \$25,000 and other civil matters referred to it by the Supreme Court (pursuant to section 325 of the CPLR). It includes a Housing Part for landlord-tenant matters and housing code violations. It also includes a Small Claims Part and a Commercial Small Claims Part for matters not exceeding \$5,000.

The Criminal Court of the City of New York has jurisdiction over all violations, infractions and misdemeanor offenses committed within the City of New York, as well as pre-indictment processing in felony matters. Judges of the Criminal Court also act as arraigning magistrates and conduct preliminary hearings in felony cases.

There are four kinds of courts of limited jurisdiction outside the City of New York: District (established in Nassau County and in the five western towns of Suffolk County), City, Town and Village Courts. All have jurisdiction over minor criminal matters. They

also have jurisdiction over minor civil matters, including small claims and summary proceedings, although their monetary ceilings vary: \$15,000 in District and City Courts, and \$3,000 in Town and Village Courts.

The civil courts of limited jurisdiction in 31 counties are making use of compulsory arbitration with lawyer arbitrators to resolve minor civil disputes, that is, civil actions where the amount sought is \$6,000 or less in courts outside the City of New York and \$10,000 or less in courts in the City.

To address significant delays in the processing and resolution of criminal cases, the Unified Court System has undertaken an experimental reorganization of the courts of criminal jurisdiction within Bronx County. This initiative, commenced during 2004, consolidated the judicial and nonjudicial personnel resources of both the Criminal Court and the Supreme Court, Criminal Term to address both felony and misdemeanor caseloads. This reorganization has significantly reduced the backlog of misdemeanor matters in the Bronx and has shortened the time required to resolve cases. This consolidation of court parts has also resulted in various operating efficiencies with corresponding financial savings.

Over the past decade, the court system has been incorporating a variety of problem-solving strategies into mainstream court operations in the areas of Drug Treatment Courts, Integrated Domestic Violence Courts, Community Courts, Mental Health Courts and Sex Offense Courts. These problem-solving courts feature the active involvement of judges in collaboration with criminal justice, treatment and social services agencies. By addressing and seeking to resolve the underlying problems that bring people into the justice system, the courts have demonstrated that they can provide significant savings to state and local governments with regard to incarceration, public assistance and other societal costs.

ADMINISTRATIVE STRUCTURE OF THE UNIFIED COURT SYSTEM

Section 28 of Article VI of the State Constitution provides that the Chief Judge of the Court of Appeals is the Chief Judge of the State and its chief judicial officer. The Chief Judge appoints a Chief Administrator of the Courts (who is called the Chief Administrative Judge of the Courts if the appointee is a judge) with the advice and consent of the Administrative Board of the Courts. The Administrative Board consists of the Chief Judge, as chair, and the Presiding Justices of the four Appellate Divisions of the Supreme Court.

The Chief Judge establishes statewide standards and administrative policies after consultation with the Administrative Board of the Courts and promulgates them after approval by the Court of Appeals.

The Chief Administrative Judge, on behalf of the Chief Judge, is responsible for supervising the administration and operation of the trial courts and for establishing and directing an administrative office for the courts, called the Office of Court Administration (OCA). In this task, the Chief Administrative Judge is assisted by an Administrative Director and Chief of Operations; a Deputy Chief Administrative Judge for Matrimonial Matters; two Deputy Chief Administrative Judges, who supervise the day-to-day operations of the trial courts in New York City and in the rest of the State, respectively; a Deputy Chief Administrative Judge for Justice Initiatives; a Deputy Chief Administrative Judge for Court Operations and Planning; and a Counsel, who directs the legal and legislative work of the Counsel's Office.

The Office of Court Administration consists of operational divisions, with overall policy guidance and management directed by the Chief Administrative Judge, assisted by the Chief of Operations and the Administrative Director of the Courts. The Division of Human Resources is responsible for the administration of the Unified Court System's workforce diversity programs; labor management relations; career development services; employee benefits administration; and a broad range of personnel services dealing with job classification, compensation and examination issues. The Division of Financial Management coordinates the preparation and implementation of the Judiciary Budget and is responsible for payroll processing, as well as for promulgation of fiscal policies and procedures; revenue and expenditure monitoring, control and reporting; and the coordination of the fiscal aspects of the Court Facilities Aid Program. The Division of Technology is responsible for the development, implementation and oversight of all central and local automation and telecommunication services which support court operations and administrative functions. The Division of Court Operations provides centralized support for day-to-day court operations through its oversight of streamlining initiatives, procedural manual development and training programs, alternative dispute resolution programs and oversight of legal and records management services. The Division of Administrative Services provides a broad range of general support services to the courts including, but not limited to, central accounting and revenue management; attorney registration administration, centralized procurement, supply and printing, and professional development. The Division of Grants and Program Development supports the Unified Court System in the design, development, funding and evaluation of innovative, collaborative justice initiatives.

The services provided by these operational divisions are further supplemented by a Public Affairs Office which coordinates communications with other governmental entities, the press, public and bar. The Office of Court Research compiles UCS workload statistics for the courts, management and the public and conducts operational improvement studies. The Office of Justice Courts Support provides oversight of local Town and Village Courts. The Education and Training Office administers educational programs and oversees the operation of the Judicial Training Institute at Pace University. The Office of Public Safety administers the Judiciary's court security and disaster preparedness activities. The Inspector General's Office is responsible for the investigation and elimination of infractions of discipline standards, conflicts of interest, and criminal activities on the part of nonjudicial employees and persons or corporations doing business with the court system. Finally, an Office of Internal Affairs, reporting directly to the Chief Administrative Judge, conducts internal audits and investigations to support the attainment of management's long term goals and priorities.

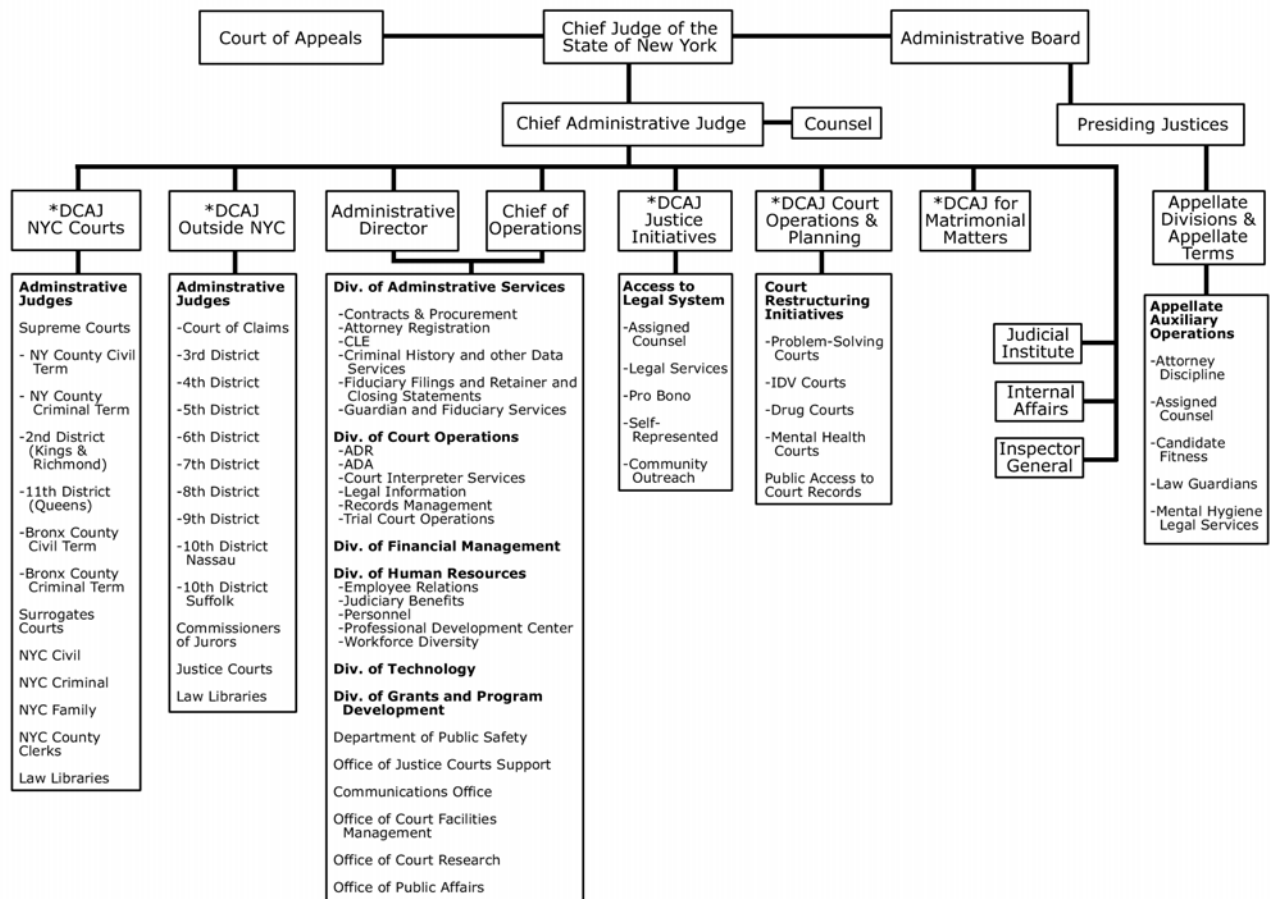
Counsel's Office prepares and analyzes legislation, represents the Unified Court System in litigation, and provides various other forms of legal assistance to the Chief Administrative Judge.

Responsibility for on-site management of the trial courts and agencies is vested with the Administrative Judges. Upstate, in each of the eight judicial districts established outside the City of New York, there is a District Administrative Judge who is responsible for all the courts and agencies operating within their respective districts except in the Tenth Judicial District, where a separate Administrative Judge is appointed for Nassau and Suffolk Counties. In the City of New York, Administrative Judges supervise each of the major trial courts, and the Deputy Chief Administrative Judge provides for management of the

complex of courts and court agencies within the City. The Administrative Judges manage not only court caseload, but are responsible as well for general administrative functions including personnel and budget administration.

The Appellate Divisions are responsible for the administration and management of their respective courts, and of the several Appellate Auxiliary Operations: Candidate Fitness, Attorney Discipline, Assigned Counsel, Law Guardians, and Mental Hygiene Legal Service.

Unified Court System Administrative Structure



*DCAJ - Deputy Chief Administrative Judge

EXECUTIVE SUMMARY

This budget requests the resources necessary for the New York State Judiciary to fulfill its constitutional duty to resolve all disputes brought before the courts in a fair and timely manner. The ongoing challenge is to fulfill this mission in the face of an ever-increasing caseload. In 2006, the total caseload of the New York courts again set a new record, with nearly 4.6 million new cases filed. Despite this workload, requests for new resources have been held to a minimum, as the courts continue to creatively and efficiently manage existing resources.

The Judiciary's General Fund State Operations and Aid to Localities request for fiscal year 2008-09 totals \$2.27 billion, an increase of approximately \$196.8 million, or 9.5% over the current year appropriation. The All Funds budget request totals \$2.52 billion, an increase of \$115.9 million, or 4.8%.

Nearly seven percent of the requested General Fund increase is attributable solely to funding for an increase in judicial compensation retroactive to April 1, 2005, the first increase in judicial salaries in nine years. Excluding funding for increased judicial compensation, the total General Fund increase is \$53.8 million, an increase of just 2.6% over the current year.

JUDICIAL SALARY REFORM

As of January 2008, it will be a full nine years since the Judges of this State last received a salary increase. During that time, the compensation of New York's judges, measured by actual buying power, has plummeted to the bottom of the rankings of judicial compensation in the nation. New York's judges have gone longer than any other judges in the country without even a cost-of-living adjustment.

Since 1999, when judicial salaries were last adjusted, the cost of living has increased over 30%, and the salaries of many State employees have risen by over 33%.

This situation is palpably unfair, imposing real hardships on Judges and their families. New York's pattern of long periods without any adjustment in compensation, followed by large and politically difficult catch-up adjustments, is just poor public policy. After nine years of stagnant salaries, the very institution of the Judiciary is in danger.

The 2008-09 Judiciary budget includes \$143 million for increased judicial compensation retroactive to April 1, 2005. Equally important, a permanent mechanism for the regular adjustment of judicial salaries should be enacted promptly.

COURT WORKLOAD AND STAFFING RESOURCES

Resources are also included in the Judiciary's budget request to address the court system's operational needs. The 4,546,080 new cases filed in the New York State courts in 2006 represent an increase of 6% over the previous year, and an increase of over 25% since 1996. In 2006, case dispositions also reached an all-time high of 4,157,643, a 9% increase over 2005.

The work of the Family Courts continues its steady growth. At the same time that the number of new cases is increasing, the Family Courts must also comply with additional statutory mandates imposed by the State's Permanency Planning Legislation and the Federal Adoption and Safe Families Act.

Felony criminal cases in the Supreme and County Courts have also increased, with a growth of 7% over 2005. Within the Criminal Courts, caseload growth in the Integrated Domestic Violence (IDV) parts has been particularly significant. New cases increased 31% (from 11,679 to 15,265) in 2006, and the number of families involved in those cases increased 24% (from 2,324 to 2,875) as the number of IDV parts has continued to increase.

Growth in new cases was most dramatic in the City and District Courts which have experienced, over the past few years, a sharp increase in no-fault auto insurance and consumer credit debt cases. While each individual case is not major or complex, in the aggregate these cases impose a significant and growing burden on the courts.

In response to this ever-mounting workload, the Judiciary will continue to make the most effective and efficient use of its existing resources. It has, however, become apparent that limited staffing increases are necessary. Accordingly, this budget request includes funding to fill 100 existing vacancies and to establish 139 new court operations positions. This funding will be used for additional staff in the most burdened courts, primarily the Family Courts and the City and District Courts, as well as for additional court security staff and staff to implement the Judiciary's expanded support of the Local Justice Courts.

LOCAL JUSTICE COURTS

New York State's Justice Courts—comprising nearly 1,300 town and village courts, presided over by nearly 2,000 judges—is a critical part of the State's justice system. Collectively, these courts handle approximately two million proceedings annually, and collect well over \$2 million in fines and fees each year.

While the town and village courts are locally funded, staffed and administered, they are constitutionally part of the Unified Court System (UCS) and are an essential element of the State's justice system. Over the years, the State Judiciary has provided increasing assistance and support to these important local courts.

A milestone in the relationship between the State Judiciary and the local Justice Courts occurred in November 2006, with the issuing of the Office of Court Administration's Action Plan for the Justice Courts. The Action Plan, developed in consultation with an advisory committee that included town and village court judges and leaders of the New York State Magistrates Association, set forth a comprehensive series of steps that the State Judiciary would take, within the existing legal structure of the Justice Courts, to ensure that these courts and their Justices have the training, resources, and other assistance necessary to fulfill the pivotal role the Justice Courts play in New York's justice system.

Using fiscal year 2007-08 resources provided by the Legislature, the Judiciary has been implementing key provisions of the Action Plan. Among the steps already taken or currently underway are:

- Supervising judges have been appointed in all judicial districts to oversee the Justice Courts;
- Recording equipment is being installed, at State expense, to ensure for the first time the electronic recording of all Justice Court proceedings;
- The training curriculum for local Justices has been revised and expanded;
- Teams of specially trained court officers are conducting on-site security and physical assessments, providing written reports and recommendations to the local courts;
- UCS has undertaken direct responsibility for providing automation services to the Justice Courts, is integrating these courts into the UCS email system, and has expanded the on-line legal research capabilities available to these courts;

- The Town and Village website has been significantly expanded and enhanced;
- With the assistance of the Executive Branch, a Justice Court credit card system for the payment of fees and fines is being implemented at no cost to local governments or litigants;
- The local assistance program for Town and Village Courts has been expanded to provide increased financial aid for facility-related projects, particularly those which enhance the security of these local courts;
- On a pilot basis, a remote court interpreting pilot is being initiated in selected Justice Courts, with UCS staff interpreters providing interpreting services by telephone; and
- The Office of Court Administration has expanded its auditing staff to enhance its capacity to audit the Justice Courts.

The 2008-09 Judiciary budget includes a total of \$17 million to address the needs of these local courts, an increase of \$7 million over the current year. This sum includes \$12 million in General Fund State Operations appropriations and \$5 million in Local Assistance funding. The additional funds requested are necessary to annualize the staffing and ongoing operating costs initiated in the current year and to provide additional staffing and equipment that will be needed to continue the efforts now underway.

FAMILY JUSTICE REFORM

Some of the most sensitive and complex cases in the court system are those heard by the Family Court. The difficulty of adjudicating these cases is compounded by the fact that many Family Court litigants are self-represented.

Finding ways of better serving families in crisis has been an ongoing priority of the New York Judiciary, and a number of successful Family Court reforms have been implemented over the years. This budget request seeks funds to further assist these families through the use of case management techniques that have proven successful for other case types. Family services coordinators would be assigned to ensure that cases progress in accordance with judicial orders and family service plans. These social work/mental health professionals would utilize screening tools to assess families and to provide the Court with information critical in tailoring orders that appropriately address the specific and unique needs of each family. The family services coordinators would maintain contact with the families between court appearances, tracking progress and compliance with Court orders, appraising the Court of progress or problems and helping to prepare the parties for their next court date. The goal is to make each court appearance as effective and meaningful as possible, to eliminate unnecessary, unproductive court appearances, and to free judges to concentrate on the resolution of legal issues.

In addition to these case management services, family law resource centers would be established to provide self-represented litigants with free, limited-scope legal representation and procedural assistance.

The 2008-09 budget includes a total \$1.8 million to address these new Family Justice initiatives. The initiatives would be introduced in the Kings Family Court, the busiest Family Court in New York State, with approximately 16,000 custody and visitation and 4,000 child protective cases annually.

PUBLIC SAFETY

Security and emergency preparedness for the courts, as for all government institutions, have become an integral part of our daily operations and planning.

In 2005, a Task Force on Court Security was convened to make recommendations for enhancing the security of New York's courts. Its recommendations were intended to ensure that security personnel are effectively trained, equipped and deployed, that appropriate and standardized public safety procedures are implemented, that courthouses and other justice system facilities are designed and maintained in a manner which facilitates safety against any foreseeable risk and to improve the court system's capabilities to quickly and adequately respond to emergencies of any type. Implementation of the Task Force's recommendations is ongoing.

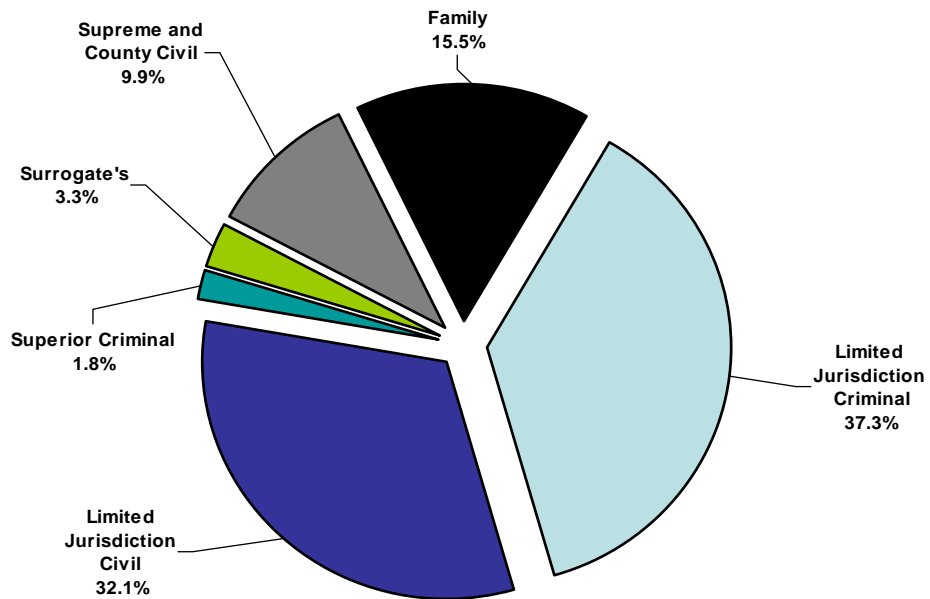
The Judiciary is also continuing its assessment of the security arrangements in each court facility of the State, and where appropriate, locally-furnished court security personnel provided pursuant to contract with the county sheriff or city police is being replaced with UCS trained and paid court security staff. During fiscal 2008-09, it is anticipated that additional conversions will be undertaken in various locales.

In recognition of the importance played by security services in overall court operations, and for purposes of budgeting transparency, the UCS resources that are committed to public safety have now been consolidated into their own budget component. This budget includes a total of \$321 million for personal service costs, for local government security contracts and other nonpersonal services related to the Judiciary's public safety programs. The requested amount represents an increase of \$.5 million over current year resources. The total includes \$2 million to continue implementation of the recommendations of the Task Force on Court Security. Funding for additional security staffing resources is also included in the trial court maintenance undistributed portion of the budget request.

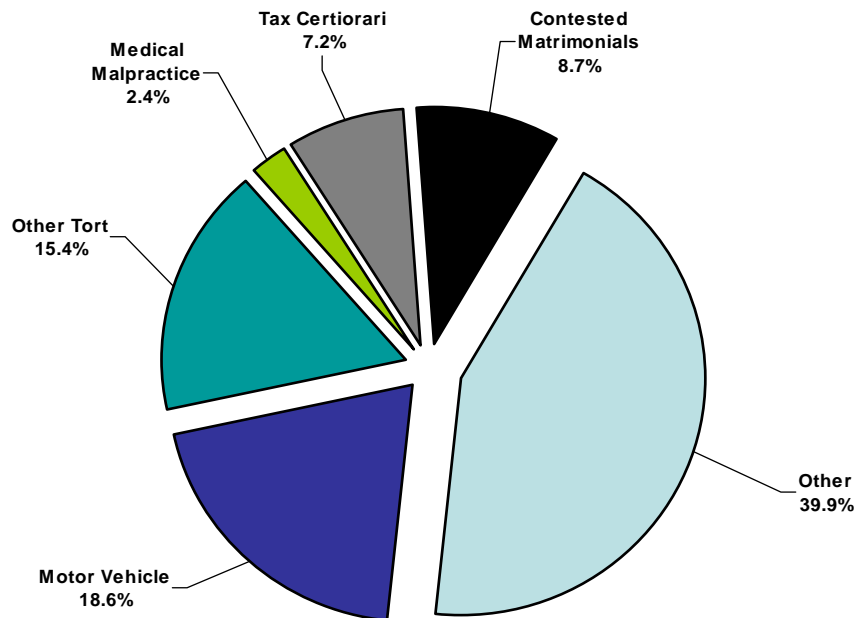
COURT SYSTEM WORKLOAD

| Trial Court Proceeding Type | 2005 Filings | 2006 Filings | Change | % Change |
|------------------------------------------------|-----------------|-----------------|----------|----------|
| Supreme and County Criminal | 74,412 | 80,210 | 5,798 | 8% |
| Criminal Court of the City of New York | 872,927 | 854,918 | (18,009) | -2% |
| City and District Courts Outside New York City | 769,870 | 784,518 | 14,648 | 2% |
| Parking Tickets | 147,870 | 154,139 | 6,269 | 4% |
| Criminal Total | 1,865,079 | 1,873,785 | 8,706 | 0% |
| Supreme Court Civil | 402,318 | 408,756 | 6,438 | 2% |
| Civil Court of the City of New York | 820,355 | 969,654 | 149,299 | 18% |
| City and District Courts Outside New York City | 325,149 | 361,475 | 36,326 | 11% |
| County Courts Civil | 30,812 | 27,532 | (3,280) | -11% |
| Court of Claims | 1,591 | 1,482 | (109) | -7% |
| Small Claims Assessment Review | 51,527 | 78,057 | 26,530 | 51% |
| Civil Total | 1,631,752 | 1,846,956 | 215,204 | 13% |
| Family Courts | 665,970 | 680,791 | 14,821 | 2% |
| Surrogate Courts | 145,492 | 144,548 | (944) | -1% |
| Grand Total | 4,308,293 | 4,546,080 | 237,787 | 6% |

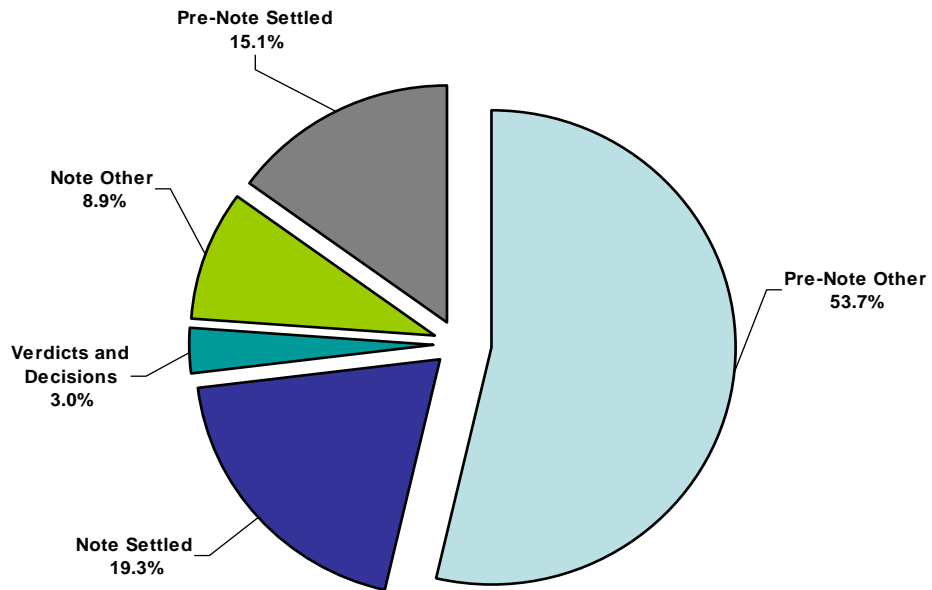
Trial Court Filings by Case Type - 2006



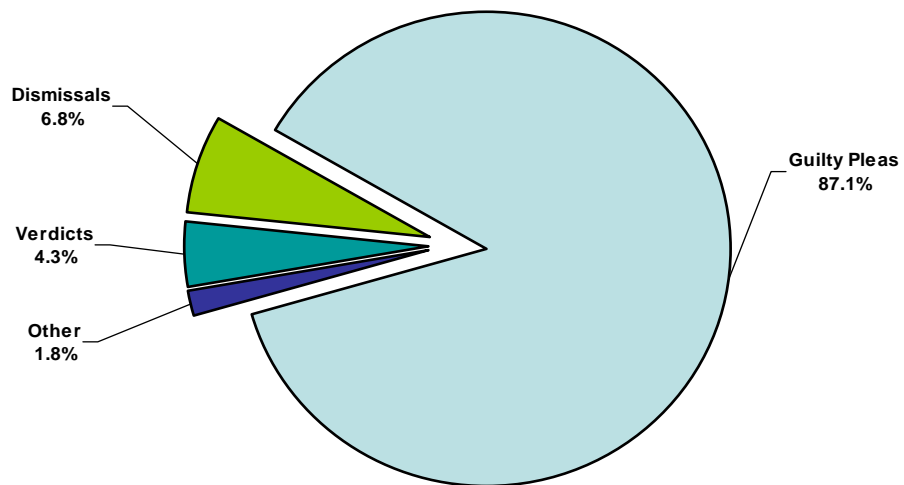
Supreme Civil Filings by Case Type - 2006



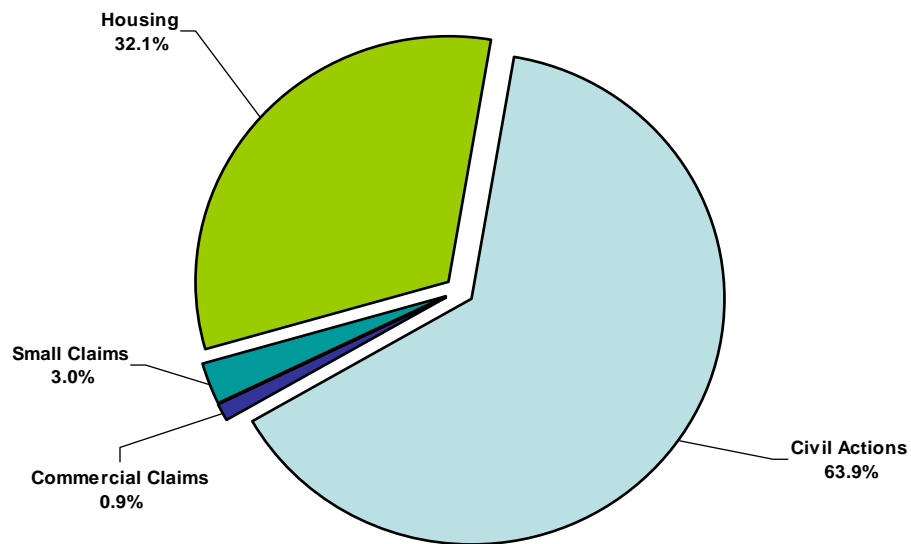
Supreme Civil Dispositions by Type - 2006



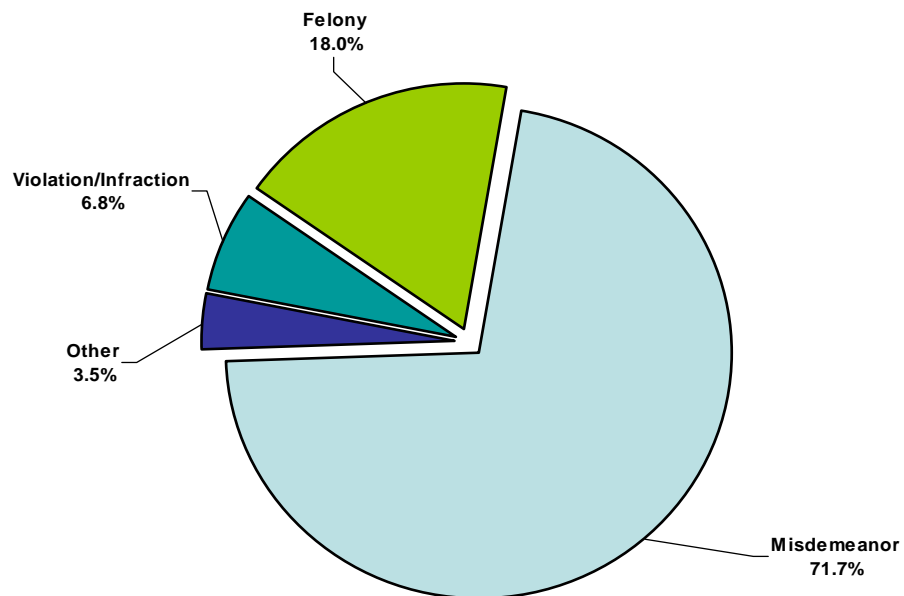
Supreme Criminal Felony Dispositions - 2006



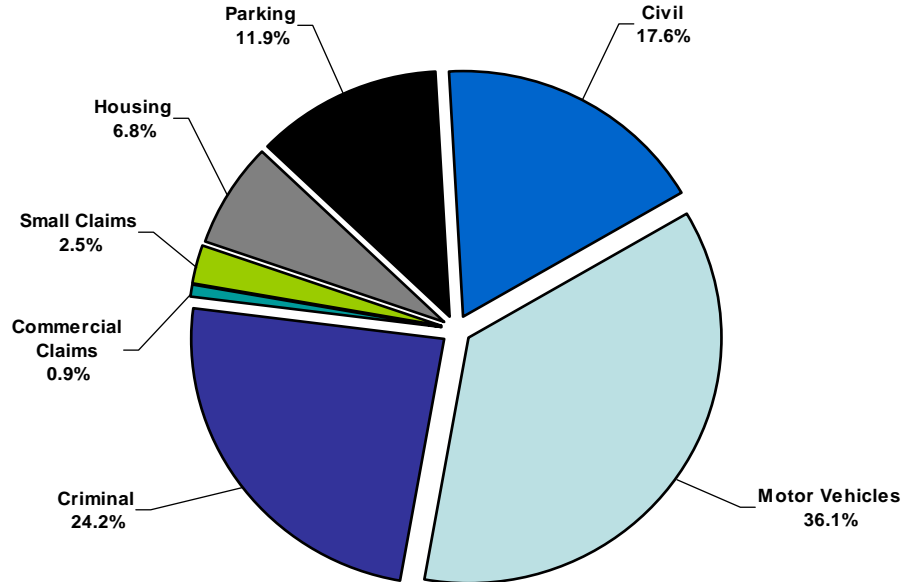
NYC Civil Court Filings by Case Type - 2006



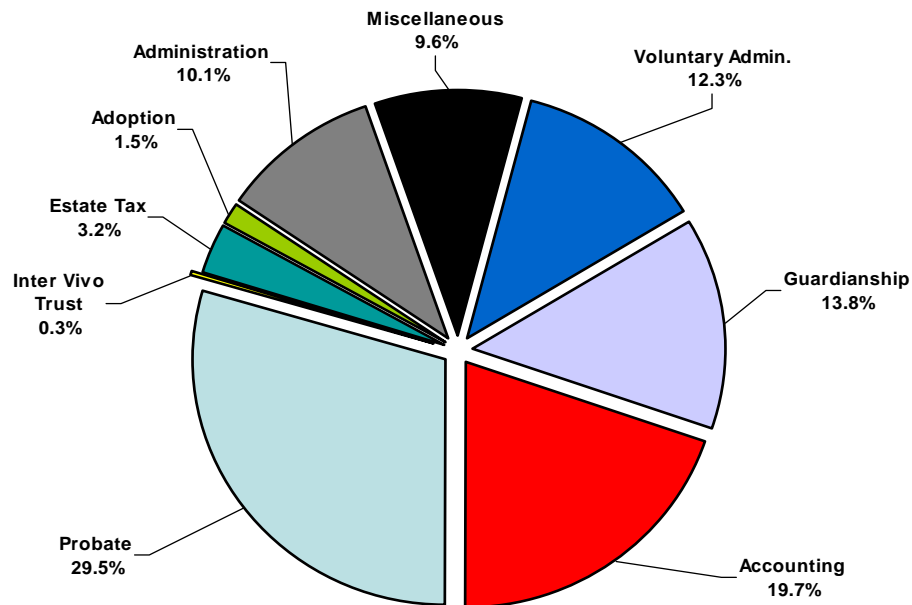
NYC Criminal Court Filings by Case Type - 2006



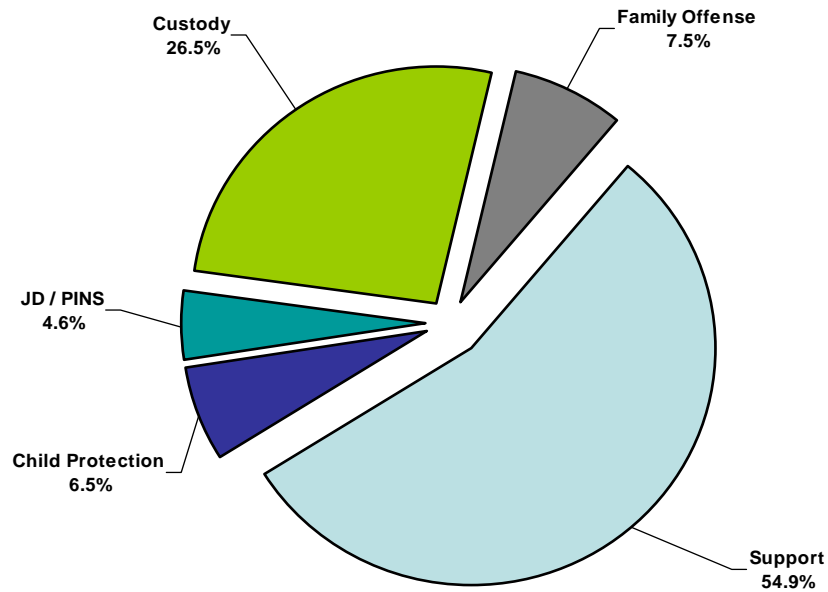
City and District Court Filings by Case Type - 2006



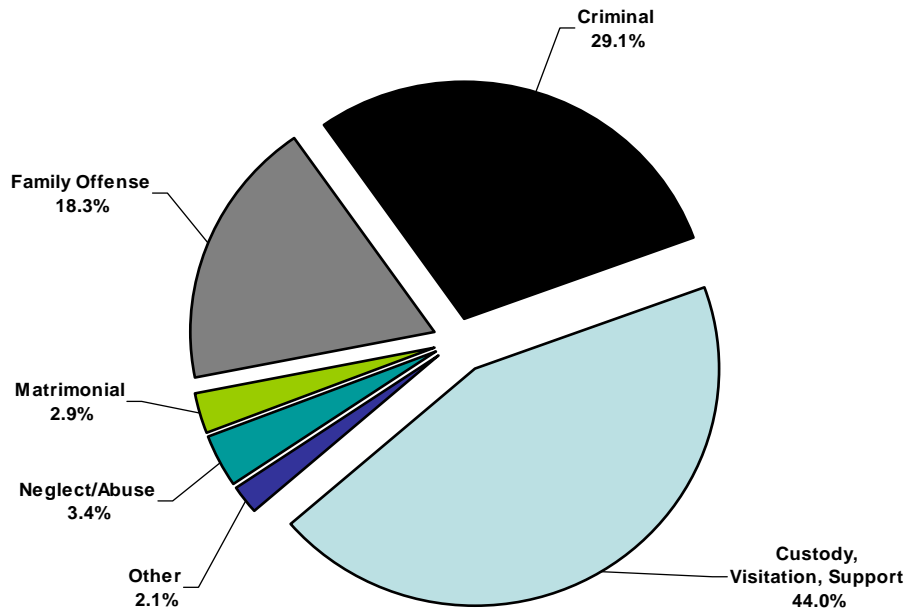
Surrogate's Court Filings by Case Type - 2006



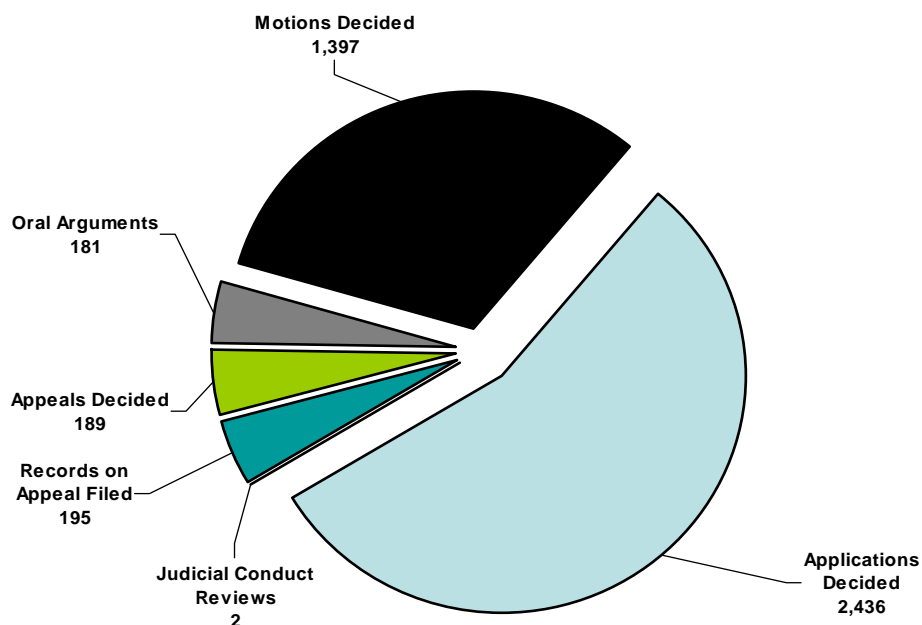
Family Court Filings by Case Type - 2006



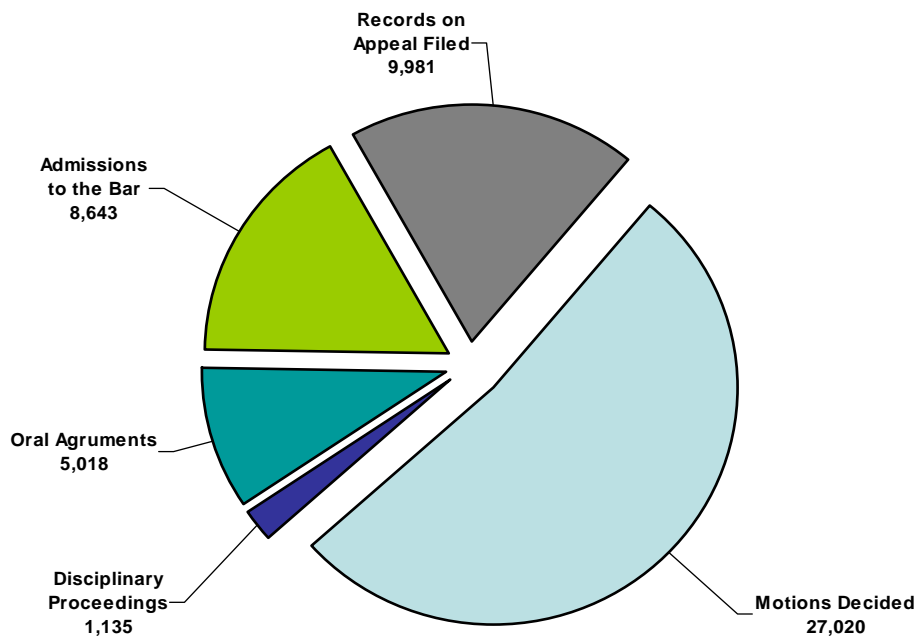
Integrated Domestic Violence Filings by Case Type - 2006



Caseload Activity in the Court of Appeals - 2006



Caseload Activity in the Appellate Divisions - 2006



2008-09 BUDGET REQUEST

The budget request for the Judiciary General Fund State Operations and Aid to Localities for fiscal year 2008-09 totals \$2.27 billion, an increase of \$196.8 million, or 9.5% over the current year appropriation. The All Funds Court and Agency portion of the request, including General Fund resources, is \$2.52 billion, an increase of \$115.9 million, or 4.8%.

ANALYSIS OF CHANGE

The components of the Judiciary's 2008-09 General Fund State Operations and Aid to Localities budget increase of \$196.8 million are as follows:

- \$143 million for increased judicial compensation retroactive to April 1, 2005, including \$32.7 million for 2005-06, \$36.3 million for 2006-07 and \$37 million each for fiscal years 2007-08 and 2008-09.
- \$6.7 million in net increases for increments, longevity bonuses, and other mandated collective bargaining costs.
- \$3.1 million for partial year funding for a total of 139 essential new positions, primarily public safety and other court operations positions in the Family, City and District Courts.
- \$9.8 million to annualize the costs of essential current year employment increases, including approved conversions from local to state-paid security.
- \$2.5 million for partial year funding for essential employment target increases in fiscal year 2008-09.
- \$.8 million in overtime increases, primarily attributable to public safety-related positions.
- \$2.0 million reflective of the annualized cost of temporary service positions created in the current year, positions created in response to the mandates of chapter 7 of the Laws of 2007 (civil confinement of sexual predators).
- \$2.4 million in legal research increases reflecting the terms of the recently negotiated contract with West Publishing.
- \$1.9 million in travel and training increases, due in significant part to expansion of judicial training seminars.
- \$5.5 million in real estate rental costs, the largest component of which reflects the transfer of the lease for 25 Beaver Street in New York City from the budget of the Office of General Services to the Judiciary budget.
- \$1.1 million attributable to data processing telecommunication cost increases reflective of the ongoing expansion of CourtNet, the Judiciary's statewide computer network.
- \$7.9 million in Law Guardian representation costs, including \$5 million attributable to the anticipated impact of the attorney caseload caps as provided by chapter 626 of the Laws of 2007.
- \$6.4 million in State Operations funds to allow for continued implementation of the Action Plan for Town and Village Courts.
- \$1.8 million for Family Justice initiatives, including funding for the establishment of up to thirty-five Family Court caseload coordinator positions at various pilot sites around the State.

- (\$1.0) million reflecting a year-to-year reduction in equipment purchases.
- (\$1.2) million offset for non-recurring contractual services costs.
- \$1.0 million increase in employee fringe benefit costs, attributable primarily to increased employer social security contributions.
- \$2.3 million in other nonpersonal service increases attributable to general inflation and mandatory contractual increases.

THE JUDICIARY BUDGET - 2008-09

The following is a summary of the 2008-09 fiscal requirements of the Judiciary including the legislative appropriation bill and financial plan in support of the budget proposals.

JUDICIARY

Unified Court System
2008-2009 Budget Request
All Funds Appropriation Requirements
Major Purpose/Fund Summary

| Category / Fund / Major Purpose | 2007-2008 | 2008-2009 | Change |
|-----------------------------------------------------------|----------------------|----------------------|---------------------|
| <u>Court & Agency Operations:</u> | | | |
| Courts of Original Jurisdiction | 1,401,218,437 | 1,441,354,667 | 40,136,230 |
| Court of Appeals | 14,925,900 | 15,364,793 | 438,893 |
| Appellate Court Operations | 67,593,485 | 69,695,336 | 2,101,851 |
| Appellate Auxiliary Operations | 102,117,345 | 110,982,991 | 8,865,646 |
| Administration & General Support | 22,528,962 | 23,518,525 | 989,563 |
| Judiciary Wide Maintenance Undistributed | 4,919,541 | 148,110,717 | 143,191,176 |
| Court & Agency Operations - General Fund Total | 1,613,303,670 | 1,809,027,029 | 195,723,359 |
| <u>Special Revenue Fund – Federal</u> | 8,800,000 | 9,100,000 | 300,000 |
| <u>Special Revenue Fund – Other</u> | | | |
| NYC County Clerks Operations Offset Fund | 23,215,213 | 22,415,168 | (800,045) |
| Judiciary Data Processing Offset Fund | 16,186,209 | 16,511,267 | 325,058 |
| Miscellaneous Special Revenue | 6,500,000 | 1,500,000 | (5,000,000) |
| Attorney Licensing Fund | 23,263,533 | 23,636,470 | 372,937 |
| Indigent Legal Services Fund | 25,000,000 | 25,000,000 | 0 |
| Court Facilities Incentive Aid Fund | 2,118,623 | 2,058,336 | (60,287) |
| Court & Agency Operations - All Funds Total | 1,718,387,248 | 1,909,248,270 | 190,861,022 |
| <u>General State Charges</u> | | | |
| General Fund | 455,197,681 | 456,225,492 | 1,027,811 |
| Lawyers' Fund for Client Protection | 98,000 | 98,000 | 0 |
| Attorney Licensing Fund | 4,306,931 | 4,306,931 | 0 |
| Court Facilities Incentive Aid Fund | 442,772 | 442,772 | 0 |
| New York City County Clerks' Offset Fund | 5,272,969 | 5,272,969 | 0 |
| Judiciary Data Processing Offset Fund | 3,703,156 | 3,703,156 | 0 |
| General State Charges - All Funds Total | 469,021,509 | 470,049,320 | 1,027,811 |
| <u>Lawyers' Fund for Client Protection</u> | | | |
| Lawyers' Fund for Client Protection | 10,897,039 | 12,858,084 | 1,961,045 |
| Lawyers' Fund for Client Protection – Total | 10,897,039 | 12,858,084 | 1,961,045 |
| <u>Aid to Localities</u> | | | |
| General Fund - Courts of Original Jurisdiction | 5,000,000 | 5,000,000 | 0 |
| Court Facilities Incentive Aid | 123,553,284 | 123,553,284 | 0 |
| Aid to Localities - All Funds Total | 128,553,284 | 128,553,284 | 0 |
| <u>Capital Projects</u> | | | |
| General Fund | 77,900,000 | 0 | (77,900,000) |
| Special Revenue Funds | 0 | 0 | 0 |
| Capital Construction - All Funds Total | 77,900,000 | 0 | (77,900,000) |
| Grand Total All Funds | 2,404,759,080 | 2,520,708,958 | 115,949,878 |

JUDICIARY

Unified Court System 2008-2009 Budget Request All Funds Appropriation Requirements Major Purpose/Fund Summary (Fund Detail)

| Category/Fund/Major Purpose | 2007-2008 Available | 2008-2009 Requested | Change |
|-----------------------------------------------------|------------------------|------------------------|---------------------|
| <u>Court & Agency Operations:</u> | | | |
| Courts of Original Jurisdiction | | | |
| General Fund | 1,401,218,437 | 1,441,354,667 | 40,136,230 |
| Special Revenue Funds | 50,366,379 | 50,154,400 | (211,979) |
| Total - All Funds | 1,451,584,816 | 1,491,509,067 | 39,924,251 |
| Court of Appeals | | | |
| General Fund | 14,925,900 | 15,364,793 | 438,893 |
| Special Revenue Funds | 0 | 0 | 0 |
| Total - All Funds | 14,925,900 | 15,364,793 | 438,893 |
| Appellate Court Operations | | | |
| General Fund | 67,593,485 | 69,695,336 | 2,101,851 |
| Special Revenue Funds | 0 | 0 | 0 |
| Total - All Funds | 67,593,485 | 69,695,336 | 2,101,851 |
| Appellate Auxiliary Operations | | | |
| General Fund | 102,117,345 | 110,982,991 | 8,865,646 |
| Special Revenue Funds | 45,019,208 | 45,445,855 | 426,647 |
| Total - All Funds | 147,136,553 | 156,428,846 | 9,292,293 |
| Administration & General Support | | | |
| General Fund | 22,528,962 | 23,518,525 | 989,563 |
| Special Revenue Funds | 2,770,662 | 2,776,793 | 6,131 |
| Total - All Funds | 25,299,624 | 26,295,318 | 995,694 |
| Judiciary Wide Maintenance Undistributed | | | |
| General Fund | 4,919,541 | 148,110,717 | 143,191,176 |
| Special Revenue Funds | 6,927,329 | 1,844,193 | (5,083,136) |
| Total - All Funds | 11,846,870 | 149,954,910 | 138,108,040 |
| <u>Court & Agency Operations – Total</u> | | | |
| General Fund | 1,613,303,670 | 1,809,027,029 | 195,723,359 |
| Special Revenue | 105,083,578 | 100,221,241 | (4,862,337) |
| Total - All Funds | 1,718,387,248 | 1,909,248,270 | 190,861,022 |
| <u>General State Charges</u> | | | |
| General Fund | 455,197,681 | 456,225,492 | 1,027,811 |
| Special Revenue | 13,823,828 | 13,823,828 | 0 |
| Total - All Funds | 469,021,509 | 470,049,320 | 1,027,811 |
| <u>Lawyers' Fund for Client Protection</u> | | | |
| General Fund | 00 | 0 | 0 |
| Special Revenue Funds | 10,897,039 | 12,858,084 | 1,961,045 |
| Total - All Funds | 10,897,039 | 12,858,084 | 1,961,045 |
| <u>Aid to Localities</u> | | | |
| General Fund | 5,000,000 | 5,000,000 | 0 |
| Special Revenue Funds | 123,553,284 | 123,553,284 | 0 |
| Total - All Funds | 128,553,284 | 128,553,284 | 0 |
| <u>Capital Projects</u> | | | |
| General Fund | 77,900,000 | 0 | (77,900,000) |
| Special Revenue Fund | 0 | 0 | 0 |
| Total - All Funds | 77,900,000 | 0 | (77,900,000) |
| Grand Total - All Funds | 2,404,759,080 | 2,520,708,958 | 115,949,878 |

**Unified Court System
2008-2009 Budget Request
All Funds Disbursement Requirements
(Millions \$)**

| Category / Fund | 2007- 2008 Projected | 2008- 2009 Projected | Change |
|---------------------------------------------------------------|---------------------------------|---------------------------------|---------------|
| <u>Court & Agency Operations:</u> | | | |
| General Fund | 1,604.3 | 1,784.8 | 180.5 |
| Special Revenue Federal | 6.3 | 6.4 | 0.1 |
| Special Revenue Funds – Other | | | |
| NYC County Clerks Operations Offset Fund | 22.6 | 23.1 | 0.5 |
| Judiciary Data Processing Offset Fund | 15.9 | 16.4 | 0.5 |
| Miscellaneous Special Revenue | 24.2 | 25.1 | 0.9 |
| Indigent Legal Services Fund | 25.0 | 25.0 | 0.0 |
| Court Facilities Incentive Aid Fund | 1.6 | 1.7 | 0.1 |
| Legal Services Assistance Fund | 5.0 | 0.0 | (5.0) |
| <i>Court & Agency Operations - All Funds Total</i> | 1,704.9 | 1,882.5 | 177.6 |
| <u>General State Charges</u> | | | |
| General Fund | 446.3 | 449.0 | 2.7 |
| NYC County Clerks Operations Offset Fund | 5.0 | 5.0 | 0.0 |
| Judiciary Data Processing Offset Fund | 3.5 | 3.5 | 0.0 |
| Miscellaneous Special Revenue | 4.1 | 4.1 | 0.0 |
| Court Facilities Incentive Aid Fund | 0.4 | 0.4 | 0.0 |
| Lawyers' Fund for Client Protection | 0.1 | 0.1 | 0.0 |
| <i>General State Charges - All Funds Total</i> | 459.4 | 462.1 | 2.7 |
| <u>Lawyers' Fund for Client Protection</u> | | | |
| Lawyers' Fund for Client Protection | 9.4 | 10.4 | 1.0 |
| <i>Lawyers' Fund for Client Protection - Total</i> | 9.4 | 10.4 | 1.0 |
| <u>Aid to Localities</u> | | | |
| General Fund - Courts of Original Jurisdiction | 2.5 | 7.0 | 4.5 |
| Court Facilities Incentive Aid | 110.0 | 115.0 | 5.0 |
| <i>Aid to Localities - All Funds Total</i> | 112.5 | 122.0 | 9.5 |
| <u>Capital Projects</u> | | | |
| Courthouse Improvements | 1.1 | 15.4 | 14.3 |
| <i>Capital Construction - All Funds Total</i> | 1.1 | 15.4 | 14.3 |
| <i>All Funds Total</i> | 2,287.3 | 2,492.4 | 205.1 |

THE LEGISLATURE

The New York State Constitution vests the State's law-making power in a two-house Legislature composed of a 62-member Senate and a 150-member Assembly. Each representative is elected for two-year terms, with all 212 being elected every two years. The Legislature convenes annually on the first Wednesday after the first Monday in January and remains in session until it concludes its business.

The Legislature has many powers set by the State Constitution. These responsibilities include:

- ◆ the ability to propose laws;
- ◆ the power to override a gubernatorial veto if two-thirds of the Senate and Assembly vote to do so;
- ◆ the reapportionment of legislative and congressional districts every ten years after the national census;
- ◆ the confirmation by the Senate of gubernatorial appointments of non-elected state officials and court judges;
- ◆ the proposition of amendments to the State Constitution;
- ◆ voting on ratification of proposed amendments to the Federal Constitution; and
- ◆ the creation, regulation and, in some limited cases, abolition of local governments.

Subject to the limitations and prohibitions imposed by the Federal Constitution, certain Federal statutes and treaties, and the State Constitution, the law-making powers of the Legislature are practically unlimited. The principal purposes of bills considered by the Legislature are to:

- ◆ enact or amend laws relating to the government of the State and its various subdivisions;
- ◆ appropriate funds for the operation of the various agencies and functions of State government and for State aid to local governments, and to provide adequate revenue-producing sources for these purposes;
- ◆ provide for and regulate the operation of a judicial system, including the practices and procedures for the system;
- ◆ define acts or omissions that constitute crimes, and to provide penalties for these crimes;
- ◆ promote the public welfare, including the care of the State's indigent, mentally ill, unemployed, etc.; and
- ◆ correct, clarify, amend or repeal obsolete, conflicting, uncertain or invalidated statutes.

In addition to the Senate and Assembly, the Legislature's Budget authorizes funding for several other components, which support the operations of the two houses, including:

- ◆ part of the Lieutenant Governor's office;
- ◆ fiscal committees operating in each house; and
- ◆ joint entities, including the Legislative Ethics Committee, Legislative Library, Legislative Health Services, Legislative Messenger Service, Legislative Bill Drafting Commission and the Legislative Task Force on Demographic Research and Reapportionment.

Each of these Legislative components will be discussed in separate sections below.

LEGISLATURE

LEGISLATIVE BUDGET HIGHLIGHTS

The recommended General Fund appropriation of \$225,929,968 for FY 2008-09 for the Legislature represents an increase of \$6,621,785 (3.0%) above the amount appropriated for FY 2007-08, and follows an overall increase of 6.09% over the prior six fiscal years. The Legislature's budget request for FY 2008-09 represents an overall increase of 13.7 percent over the past eight years. Over this same period, the Consumer Price Index will have increased by 28.6 percent. Over the past eighteen years, the Legislative Budget has grown at approximately one third of the rate of inflation.

Legislative Budget Summary General Fund Appropriations

| Entity | Available FY 07-08 | Recommended FY 08-09 | Change |
|-------------------------------|-----------------------|-------------------------|--------------------|
| Lt. Governor | \$277,409 | \$277,409 | \$0 |
| Senate (incl. Senate Finance) | \$92,738,758 | \$95,520,921 | 2,782,163 |
| Assembly | \$103,422,870 | \$106,525,556 | 3,102,686 |
| Assembly Ways & Means | \$5,715,815 | \$5,889,349 | 171,534 |
| Joint Legislative Entities | \$17,151,331 | \$17,716,733 | 565,402 |
| LEGISLATURE TOTAL | \$219,308,183 | \$225,929,968 | \$6,621,785 |

Legislative Budget History Fiscal Year 2000-01 to 2008-09 General Fund Appropriations

| FY 2000-01 Approp. | FY 07-08 Approp. | FY 08-09 Recommended | Change from FY 07-08 Approp. (%) | Change from FY 2000-01 Approp. (%) |
|--------------------|------------------|-------------------------|----------------------------------------|------------------------------------------|
| \$198,669,846 | \$219,308,183 | \$225,929,968 | \$6,621,785 (+3.0%) | +\$27,260,122 (+13.7%) |

Legislative Budget General Fund Appropriations Comparison to Consumer Price Index Fiscal Year 2000-01 through Fiscal Year 2008-2009

| | FY 2000-01 | FY 2007-08 | FY 2008-09 | % Change 00-01 to 08-09 |
|----------------------|---------------|---------------|---------------|----------------------------|
| Legislative Budget | \$198,664,846 | \$219,308,183 | \$225,929,968 | +13.7% |
| Consumer Price Index | 182.5 | 227.2* | 234.7* | +28.6% |

* estimated

The recommended Special Revenue Fund-Other appropriation of \$1,600,000 for FY 2008-09 represents no change from the amount appropriated for FY 2007-08. No tax revenues are required for Special Revenue Funds.

The recommended Grants and Bequests Fund appropriation of \$500,000 for FY 2008-09 represents no change from the amount appropriated for FY 2007-08. No tax revenues are required for Grants and Bequests Funds.

LIEUTENANT GOVERNOR

The Lieutenant Governor serves as the Senate's President and has a casting vote. The Lieutenant Governor's salary of \$151,500 appears as part of the Legislative Budget. The Legislature also funds a part of the Lieutenant Governor's Office.

BUDGET HIGHLIGHTS

The recommended appropriation of \$277,409 for FY 2008-09 for the Lieutenant Governor represents no change from the amount appropriated for FY 2007-08.

SENATE

The Senate is composed of 62 Members elected for two-year terms from districts around the state. Each Senator represents approximately 306,000 constituents. The Senate conducts its legislative business through the operation of 31 Standing Committees.

The Senate elects from among its Members for a two-year term a Temporary President who directs and guides the business of the Senate, appoints Members to Senate Standing Committees, and appoints the Senate's staff. The Temporary President serves as the presiding officer in the absence of the Lieutenant Governor or may delegate this duty to another Member. In addition, the Temporary President serves as the Majority Leader of the majority party, while the minority party of the Senate chooses a Minority Leader from among its membership.

Senate Members have staff to assist them in carrying out their legislative duties, delivering constituent services and, where applicable, in fulfilling their responsibilities as committee chairs or leaders of the Senate. Members are also provided with office space both in Albany and the district, as well as office equipment, furnishings and supplies, in order to serve their constituents. Travel expenses for approved official Senate business are reimbursable. The Majority and Minority Leaders each have staff to provide counsel, policy analysis and program development. The Temporary President, through the Secretary of the Senate, employs staff to operate the Senate Chamber during session and to handle the legislative process during the remainder of the year, furnish research and computer services, and provide administrative services such as personnel, fiscal, maintenance, and printing services for the Senate. The Temporary President also has staff to deliver communications services for the Senate. Finally, the Senate operates a program for college students which includes a Session Assistant program for undergraduates and a Student Fellows program for post-graduates who wish to learn about and experience the legislative process by working with Senate Members.

In addition to the Senate's General Fund appropriation, a Special Revenue Fund (Senate Recyclable Materials, Information Services and Conference Fund) has been established to collect revenues from the sale of recyclable materials, distribution of documents, materials and computerized information, and fees charged for conferences sponsored by the Senate. These revenues may be used to pay for waste disposal, production and distribution of Senate documents, materials and computerized information, and expenses related to conferences sponsored by the Senate. A Grants and Bequests Fund has also been established to receive non-state grants which may be used to pay for services and expenses related to the restoration of the Senate Chamber.

BUDGET HIGHLIGHTS

The recommended appropriation for the Senate and Senate Finance Committee of \$95,520,921 for FY 2008-09 represents an increase of \$2,782,163 (3.0%) above the amount appropriated for FY 2007-08. This modest budget increase follows an overall increase of 6.4% over the prior six fiscal years.

As detailed in the Table below, the Senate has seen its budget increase by \$11,685,838 or 13.9 percent from the \$83,835,083 appropriated in FY 2000-01. Over the same eight year period, the consumer price index has increased by 28.6 percent. This is consistent with a eighteen year trend that has seen the Senate's budget grow at approximately 38% of the overall rate of inflation.

In the past 13 years, the Senate has reduced its staff by 409 employees or 22.4%, eliminated its Washington, D.C. and New York City office leases, closed many district offices, and reduced the number of district-wide mailings allowed each Member. The Senate continued to tightly control its non-personal service expenses by restraining the purchasing of office supplies and furnishings, severely restricting travel, delaying essential equipment upgrades and reducing expenditures in other ways while the costs of these have continued to rise, often above the rate of inflation.

Senate Budget History
Fiscal Year 2000-01 to 2008-09
General Fund Appropriations

| | FY 00-01 | FY 07-08 | FY 08-09 | Change from | Change from |
|-------------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| | Approp. | Available | Recommended | FY 07-08 | FY 00-01 |
| | | | | (%) | (%) |
| Senate Budget | 83,835,083 | 92,738,758 | 95,520,921 | 2,782,163 | 11,685,838 |
| (incl. Senate Finance) | | | | (+3.0%) | (+13.9%) |

ASSEMBLY

The Assembly is composed of 150 members elected for two-year terms from districts around the state. Each Member of Assembly represents approximately 127,000 constituents. The Assembly conducts its legislative business through the operation of 38 standing committees.

The Assembly elects from among its members a Speaker who directs and guides the business of the Assembly, and appoints members to Assembly Standing Committees and Assembly leadership positions. The Speaker serves as the presiding officer of the Assembly. The minority party of the Assembly chooses a Minority Leader from their membership.

Each Member of Assembly is entitled to employ staff to assist them in carrying out their legislative duties and, where applicable, their responsibilities as Committee Chairs or leadership. Members are also provided with office space both in Albany and the district, as well as office equipment, furnishings and supplies, in order to serve their constituents. The State Constitution provides for reimbursement to Assembly Members for travel to the Capitol from their district, and Members and staff are also eligible for reimbursement of other travel related to legislative business. The Speaker of the Assembly and the Assembly Minority Leader employ staff to provide counsel, legislative program development and policy analysis. The Assembly also employs staff to serve the needs of the house, including the operation of the Assembly Chamber during session, the management of the legislative process, and research, communications and administrative services. The

Assembly also administers an Intern Program to provide opportunities to undergraduate and graduate college students to learn about the legislative process while utilizing their skills to assist the Assembly Members in fulfilling their constitutional responsibilities.

In addition to the Assembly's General Fund appropriation, a Special Revenue Fund (Assembly Recyclable Materials, Information Services and Conference Fund) has been established to collect revenues from the sale of recyclable materials, distribution of documents, materials and computerized information, and fees charged for conferences sponsored by the Assembly. These revenues may be used to pay for waste disposal, production and distribution of Assembly documents, materials and computerized information, and expenses related to conferences sponsored by the Assembly. A Grants and Bequests Fund has also been established to receive non-state grants which may be used to pay for services and expenses related to the restoration of the Assembly Chamber.

BUDGET HIGHLIGHTS

The recommended appropriation for FY 2008-09 of \$106,525,556 represents an increase of \$3,102,686 (3.0%) above the amount appropriated for FY 2007-08. This modest budget increase follows an overall increase of 6.4% over the previous six fiscal years.

Over the past eight years, as detailed below, the Assembly's budget has increased by 13.9 percent while over the same period, the Consumer Price Index has increased by 28.6 percent. Over the past eighteen years, the growth of the Assembly's budget has been approximately 38% of the overall rate of inflation. During this period, the Assembly has controlled its spending by reducing the payroll for Assembly controlled entities by over 500 positions and implementing other operational savings.

Assembly Budget History Fiscal Year 2000-01 to 2008-2009 General Fund Appropriations

| | FY 00-01 Approp. | FY 07-08 Available | FY 08-09 Recommended | Change from FY 07-08 (%) | Change from FY 00-01 (%) |
|------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| Assembly Budget | \$93,492,920 | \$103,422,870 | \$106,525,556 | 3,102,686 (+3.0%) | 13,032,636 (+13.9%) |

FISCAL COMMITTEES

The Governor's annual budget bills and the budgetary proposals for the Legislature and Judiciary are referred to these committees when introduced and are reported by them, with recommendations, to the Legislature. Designated representatives of the committees are entitled, by constitutional provisions, to attend the required hearings for the preparation of the budget and to make inquiry concerning any part thereof. These committees also consider all bills introduced in the Legislature carrying appropriations or providing for the expenditures of public money.

In addition, pursuant to the provisions of section 122-a of the State Finance Law, the Chairmen and ranking Minority Members of the Senate Finance Committee and the Assembly Ways and Means Committee function as an Audit Committee. The responsibilities of the Audit Committee include the selection of an independent certified public accountant to conduct an independent audit of the state's annual financial statements, receiving the results of such independent audit, and submitting the certification received from the independent certified public accountant to the State Comptroller for inclusion in the annual financial report required pursuant to section 8 of the State Finance Law.

LEGISLATURE

BUDGET HIGHLIGHTS

The recommended appropriation of \$5,889,349 for fiscal year 2008-09 for the Assembly Ways and Means Committee represents an increase of \$171,534 above the amount appropriated for FY 2007-08. The Senate Finance Committee appropriation for FY 2008-09 is included within the Senate's appropriation total.

JOINT ENTITIES AND DUES PAYMENTS

LEGISLATIVE ETHICS COMMISSION

The Legislative Ethics Commission was created as the Legislative Ethics Committee by Chapter 813 of the laws of 1987 (and renamed the Legislative Ethics Commission by Chapter 14 of the laws of 2007) and is a joint bipartisan commission authorized by law to act on matters arising out of Public Officers Law Sections 73, 73-a and 74, as applied to the legislative branch, and carry out the provisions of Section 80 of the Legislative Law. The Commission is authorized by law to distribute, collect and review financial disclosure statements from legislators, employees and candidates for legislative office. The Commission renders formal advisory opinions, investigates violations of the law, and assesses civil penalties for applicable violations. The Legislative Ethics Commission is also required to adopt policies, rules, and regulations for its operations, develop educational materials and training with regard to legislative ethics for Members of the Legislature and legislative employees, and prepare an annual report to the Governor and Legislature as prescribed by Section 80 of the Legislative Law. The nine-member commission is comprised of one member each from the Senate and Assembly majority and minority parties, and five other members who are not legislators or lobbyists, with one member appointed by each legislative leader, and one appointed jointly by the Speaker of the Assembly and Majority Leader of the Senate.

BUDGET HIGHLIGHTS

The recommended appropriation of \$380,757 for FY 2008-09 for the Legislative Ethics Commission represents an increase of \$11,090 above the amount appropriated for FY 2007-08.

LEGISLATIVE HEALTH SERVICE

Section 7-b of the Legislative Law provides for a legislative emergency health station for the use of members and employees of the Legislature and legislative correspondents. This station is to be under the direction of a registered nurse and suitably and adequately equipped to administer first aid whenever needed.

BUDGET HIGHLIGHTS

The recommended appropriation of \$213,400 for FY 2008-09 for the Legislative Health Service represents an increase of \$17,979 above the amount appropriated for FY 2007-08.

LEGISLATIVE LIBRARY

Section 7-a of the Legislative Law provides for a Legislative Library to be located in the State Capitol, conveniently accessible to the members of both houses of the Legislature. The Legislative Library is the Library of Record for the Legislature. The Legislative Library is open throughout the year and all hours that the Legislature is actively in session, and provides general information services to legislators and their staffs with a collection emphasis on legal materials.

BUDGET HIGHLIGHTS

The recommended appropriation of \$806,284 for FY 2008-09 for the Legislative Library represents an increase of \$23,484 above the amount appropriated for FY 2007-08.

LEGISLATIVE MESSENGER SERVICE

The Legislative Messenger Service provides a communications network throughout the Empire State Plaza and neighboring state buildings for Senate and Assembly legislators and their staffs. The service employs and trains individuals with disabilities as office personnel and messengers, and is located in the Legislative Office Building.

BUDGET HIGHLIGHTS

The recommended appropriation of \$917,000 for FY 2008-09 represents an increase of \$49,894 above the amount appropriated for FY 2007-08.

LEGISLATIVE BILL DRAFTING COMMISSION

The Legislative Bill Drafting Commission is composed of two commissioners jointly appointed by the Temporary President of the Senate and the Speaker of the Assembly. The Commission is mandated to draft or aid in the drafting of legislative bills and resolutions at the request of members or committees of either house of the Legislature. The Commission, upon research and examination, may advise as to the constitutionality, consistency or effect of proposed legislation upon request of a member or committee of either house of the Legislature. The Commissioners direct a legal staff of attorneys and are supported by a data processing and technical staff.

The Commission also maintains and operates centralized data processing systems, programs and equipment for the operation of a bill status and statutory and other miscellaneous information retrieval system for the Legislature, including the creation of a databank containing the official statutes of the state and the text of the rules and regulations of state agencies as filed with the Secretary of State. The Commission's budget is used to pay for the cost of the Legislature's printing contract for the printing of bills, session laws, Senate and Assembly Journals, and the printing, publication and distribution of the Legislative Digest.

The Commission receives revenues from the private sale of subscriptions to the Legislative Digest and to the Legislative Retrieval Service (LRS), which are deposited in a Special Revenue Fund known as the Legislative Computer Services Fund. These revenues are used to offset the costs of operating the Commission's data processing systems.

BUDGET HIGHLIGHTS

The recommended appropriation of \$13,140,891 for fiscal year 2008-09 for the Legislative Bill Drafting Commission represents an increase of \$382,744 above the amount appropriated for FY 2007-08.

An appropriation of \$1,500,000 for FY 2008-09 is recommended for the Legislative Computer Services Fund. This recommended appropriation represents no change from the amount appropriated for FY 2007-08. No tax revenues are required for this Fund.

LEGISLATIVE TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT

The Task Force on Demographic Research and Reapportionment was established by Chapter 45 of the laws of 1978 to research and study the techniques and methodologies used by the U.S. Commerce Departments' Bureau of the Census in carrying out the decennial federal census. The Task Force aids the Legislature by providing technical plans for meeting the requirements of legislative timetables for the reapportionment of Senate, Assembly and Congressional districts. Using its Geographic Information System database, it also conducts research projects relating to the collection and use of census data and other statistical information.

The Task Force is also authorized to receive revenues from the sale of computer-generated data and services for deposit in the Special Revenue Fund known as the Legislative Computer Services Fund. These funds may be used to offset the Task Force's cost of operating its data processing systems.

BUDGET HIGHLIGHTS

The total recommended appropriation of \$1,877,534 for fiscal year 2008-09 for the Legislative Task Force on Demographic Research and Reapportionment represents an increase of \$54,685 above the amount available for FY 2007-08.

NATIONAL CONFERENCE OF STATE LEGISLATURES DUES

The National Conference of State Legislatures (NCSL) is a bi-partisan organization created to serve the legislators and staff of each State Legislature. NCSL provides research, technical assistance and the opportunity for policy makers to exchange ideas on the most pressing state issues.

New York's involvement with the NCSL is through the Assembly on the Legislature (AOL) and State-Federal Assembly (SFA). The AOL promotes the exchange of ideas and information on state issues among state legislatures. SFA informs legislators of developments in state-federal relations, identifies issues of critical concern and serves as a forum for discussion among its 50-state membership. All state legislators and their staff members are eligible to participate in the Conference and are entitled to the full use of its services.

NCSL is supported from dues assessed to each State Legislature, on the basis of state population totals.

BUDGET HIGHLIGHTS

The recommended appropriation of \$380,867 for fiscal year 2008-09 for the National Conference of State Legislatures dues represents an increase of \$25,526 above the amount appropriated for FY 2007-08.

LEGISLATURE

ALL FUNDS REQUIREMENTS FOR THE LEGISLATURE

| FUND/ENTITY/MAJOR PURPOSE | AVAILABLE 2007-2008 | REQUESTED 2008-2009 | CHANGE FROM 2007-2008 |
|-------------------------------------------------------------------------|------------------------|------------------------|--------------------------|
| General Fund: | | | |
| Lt. Governor | \$277,409 | \$277,409 | \$0 |
| Senate (incl. Senate Finance) | 92,738,758 | 95,520,921 | 2,782,163 |
| Assembly | 103,422,870 | 106,525,556 | 3,102,686 |
| Assembly Ways and Means Committee | 5,717,815 | 5,889,349 | 171,534 |
| Joint Entities: | | | |
| Legislative Ethics Commission | 369,667 | 380,757 | 11,090 |
| National Conference of State Legislatures Dues | 355,341 | 380,867 | 25,526 |
| Legislative Health Service | 195,421 | 213,400 | 17,979 |
| Legislative Library | 782,800 | 806,284 | 23,484 |
| Legislative Messenger Service | 867,106 | 917,000 | 49,894 |
| Legislative Bill Drafting Commission | 12,758,147 | 13,140,891 | 382,744 |
| Legislative Task Force on Demographic Research and Reapportionment | 1,822,849 | 1,877,534 | 54,685 |
| Joint Entities Total | \$17,151,331 | \$17,716,733 | \$565,402 |
| GENERAL FUND TOTAL | \$219,308,183 | \$225,929,968 | \$6,621,785 |
| Special Revenue Fund - Other: | | | |
| Legislative Computer Services Fund | \$1,500,000 | \$1,500,000 | \$0 |
| Senate Recyclable Materials, Information Services and Conference Fund | 50,000 | 50,000 | 0 |
| Assembly Recyclable Materials, Information Services and Conference Fund | 50,000 | 50,000 | 0 |
| SPECIAL REVENUE FUND TOTAL | \$1,600,000 | \$1,600,000 | \$0 |
| Grants and Bequests Fund: | | | |
| Restoration of Senate Chamber | 250,000 | 250,000 | 0 |
| Restoration of Assembly Chamber | 250,000 | 250,000 | 0 |
| GRANTS AND BEQUESTS FUND TOTAL | \$500,000 | \$500,000 | \$0 |

SCHEDULE OF APPROPRIATIONS

| Title of Appropriation | Appropriated for 2007-08 | Requested for 2008-09 | Change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|-------------|
| OFFICE OF THE LIEUTENANT GOVERNOR | | | |
| Administration Program--Personal Service | | | |
| For personal service of employees and for temporary and expert services: | | | |
| Personal Service Regular | \$262,500 | \$262,500 | \$0 |
| Administration Program--Nonpersonal Service | | | |
| Supplies and materials (including liabilities incurred prior to April 1, 2008) | \$14,909 | \$14,909 | \$0 |
| Total--Office of Lieutenant Governor | \$277,409 | \$277,409 | \$0 |
| THE SENATE | | | |
| Personal Service | | | |
| For payment of salaries to members, 62, pursuant to section five of the legislative law | \$4,929,000 | \$4,929,000 | \$0 |
| For payment of allowances to members designated by the temporary president, pursuant to the schedule of such allowances set forth in section 5-a of the legislative law | \$1,289,500 | \$1,289,500 | \$0 |
| For personal service of employees and for temporary and expert services of majority leader and minority leader operations: | | | |
| Personal Service Regular | \$13,526,315 | \$13,932,104 | \$405,789 |
| Temporary Service | \$450,000 | \$463,500 | \$13,500 |
| For personal service of employees and for temporary and expert services of members' offices and of standing committees: | | | |
| Personal Service Regular | \$29,601,991 | \$30,490,686 | \$888,695 |
| Temporary Service | \$900,000 | \$927,000 | \$27,000 |
| For personal service of employees and for temporary and expert services for administrative support operations: | | | |
| Personal Service Regular | \$16,825,500 | \$17,330,265 | \$504,765 |
| Temporary Service | \$100,000 | \$103,000 | \$3,000 |
| For personal service of employees and for temporary and expert services for the senate student program office: | | | |
| Personal Service Regular | \$150,000 | \$184,500 | \$34,500 |
| Temporary Service | \$497,133 | \$482,047 | -\$15,086 |
| For personal service of employees and for temporary and expert services for the senate select committee on interstate cooperation: | | | |
| Personal Service Regular | \$75,601 | \$75,601 | \$0 |
| Temporary Service | \$2,000 | \$2,000 | \$0 |
| For personal service of employees and for temporary and expert services for the senate special committee on the culture industry: | | | |
| Personal Service Regular | \$75,601 | \$75,601 | \$0 |
| Temporary Service | \$2,000 | \$2,000 | \$0 |
| For personal service of employees and for temporary and expert services for the senate select committee on the disabled: | | | |
| Personal Service Regular | \$109,117 | \$109,117 | \$0 |
| Temporary Service | \$5,000 | \$5,000 | \$0 |
| Total Personal Service | \$68,538,758 | \$70,400,921 | \$1,862,163 |

LEGISLATURE

| Title of Appropriation | Appropriated for 2007-08 | Requested for 2008-09 | Change |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|--------------|
| Nonpersonal Service | | | |
| For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2008) | | | |
| Non-employee services | \$300,000 | \$40,000 | -\$260,000 |
| Supplies and materials | \$3,000,000 | \$4,300,000 | \$1,300,000 |
| Travel | \$1,500,000 | \$1,400,000 | -\$100,000 |
| Rentals | \$1,400,000 | \$1,200,000 | -\$200,000 |
| Equipment maintenance and repairs | \$1,400,000 | \$3,450,000 | \$2,050,000 |
| Office and space leases | \$3,700,000 | \$3,350,000 | -\$350,000 |
| Utilities | \$1,300,000 | \$400,000 | -\$900,000 |
| Postage and shipping | \$5,700,000 | \$5,900,000 | \$200,000 |
| Printing | \$200,000 | \$100,000 | -\$100,000 |
| Telephone and telegraph | \$2,400,000 | \$1,500,000 | -\$900,000 |
| Miscellaneous contractual services | \$300,000 | \$1,500,000 | \$1,200,000 |
| Equipment | \$3,000,000 | \$1,980,000 | -\$1,020,000 |
| Total Nonpersonal Service | \$24,200,000 | \$25,120,000 | \$920,000 |
| Grand Total--The Senate | \$92,738,758 | \$95,520,921 | \$2,782,163 |

THE ASSEMBLY

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|-------------|
| Personal Service | | | |
| Members, 150, payment of salaries pursuant to section five of the legislative law | | | |
| | \$11,925,000 | \$11,925,000 | \$0 |
| For payment of allowances to members designated by the speaker | | | |
| | \$1,592,500 | \$1,592,500 | \$0 |
| For personal service of employees and for temporary and expert services of members' offices and of standing committees and subcommittees: | | | |
| Personal Service Regular | \$23,261,000 | \$24,104,551 | \$843,551 |
| Temporary Service | \$2,276,500 | \$2,359,046 | \$82,546 |
| For personal service of employees and for temporary and expert services for administrative and program support operations: | | | |
| Personal Service Regular | \$39,020,000 | \$40,434,865 | \$1,414,865 |
| Temporary Service | \$463,870 | \$480,690 | \$16,820 |
| For the Assembly Intern and Youth Participation Program for personal service of employees and for temporary and expert services: | | | |
| Personal Service Regular | \$225,000 | \$233,159 | \$8,159 |
| Temporary Service | \$710,000 | \$735,745 | \$25,745 |
| Total Personal Service | \$79,473,870 | \$81,865,556 | \$2,391,686 |

| | | | |
|-----------------------------------------------------------------------------------------------------------------|--------------|--------------|-----------|
| Nonpersonal Service | | | |
| For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2008) | | | |
| Non-employee services | \$20,000 | \$20,000 | \$0 |
| Supplies and materials | \$2,100,000 | \$2,100,000 | \$0 |
| Travel | \$2,750,000 | \$2,750,000 | \$0 |
| Rentals | \$700,000 | \$700,000 | \$0 |
| Equipment maintenance and repairs | \$800,000 | \$800,000 | \$0 |
| Office and space leases | \$6,200,000 | \$6,450,000 | \$250,000 |
| Utilities | \$600,000 | \$600,000 | \$0 |
| Postage and shipping | \$4,900,000 | \$5,250,000 | \$350,000 |
| Printing | \$40,000 | \$40,000 | \$0 |
| Telephone and telegraph | \$1,800,000 | \$1,800,000 | \$0 |
| Miscellaneous contractual services | \$1,600,000 | \$1,650,000 | \$50,000 |
| Equipment | \$2,439,000 | \$2,500,000 | \$61,000 |
| Total Nonpersonal Service | \$23,949,000 | \$24,660,000 | \$711,000 |

| Title of Appropriation | Appropriated for 2007-08 | Requested for 2008-09 | Change |
|-------------------------------|-------------------------------------|----------------------------------|---------------|
| Grand Total--The Assembly | \$103,422,870 | \$106,525,556 | \$3,102,686 |

ASSEMBLY WAYS & MEANS COMMITTEE

Personal Service

For personal service, temporary and special services (including liabilities incurred prior to April 1, 2008):

| | | | |
|--------------------------|-------------|-------------|-----------|
| Personal Service Regular | \$5,172,815 | \$5,344,349 | \$171,534 |
| Temporary Service | \$160,000 | \$160,000 | \$0 |
| Total Personal Service | \$5,332,815 | \$5,504,349 | \$171,534 |

Nonpersonal Service

| | | | |
|---------------------------|-----------|-----------|-----|
| Supplies and Materials | \$190,000 | \$190,000 | \$0 |
| Travel | \$30,000 | \$30,000 | \$0 |
| Contractual Services | \$115,000 | \$115,000 | \$0 |
| Equipment | \$50,000 | \$50,000 | \$0 |
| Total Nonpersonal Service | \$385,000 | \$385,000 | \$0 |

| | | | |
|----------------------------------------|-------------|-------------|-----------|
| Total--Assembly Ways & Means Committee | \$5,717,815 | \$5,889,349 | \$171,534 |
|----------------------------------------|-------------|-------------|-----------|

SENATE AND ASSEMBLY JOINT ENTITIES

LEGISLATIVE ETHICS COMMISSION

For services and expenses of the legislative ethics commission pursuant to section 80 of the legislative law

Personal Service

| | | | |
|--------------------------|-----------|-----------|----------|
| Personal Service Regular | \$352,000 | \$363,090 | \$11,090 |
| Temporary Service | \$10,000 | \$10,000 | \$0 |
| Total Personal Service | \$362,000 | \$373,090 | \$11,090 |

Nonpersonal Service

| | | | |
|---------------------------|---------|---------|-----|
| Supplies and Materials | \$5,667 | \$5,667 | \$0 |
| Contractual Services | \$1,000 | \$1,000 | \$0 |
| Equipment | \$1,000 | \$1,000 | \$0 |
| Total Nonpersonal Service | \$7,667 | \$7,667 | \$0 |

| | | | |
|--------------------------------------|-----------|-----------|----------|
| Total--Legislative Ethics Commission | \$369,667 | \$380,757 | \$11,090 |
|--------------------------------------|-----------|-----------|----------|

NATIONAL CONFERENCE OF STATE LEGISLATURES

For a contribution to the National Conference of State Legislatures:

| | | | |
|------------------------|-----------|-----------|----------|
| Supplies and Materials | \$355,341 | \$380,867 | \$25,526 |
|------------------------|-----------|-----------|----------|

| | | | |
|--------------------------------------------------|-----------|-----------|----------|
| Total--National Conference of State Legislatures | \$355,341 | \$380,867 | \$25,526 |
|--------------------------------------------------|-----------|-----------|----------|

LEGISLATIVE HEALTH SERVICE

For services and expenses for the operation of the legislative health service

Personal Service

| | | | |
|--------------------------|-----------|-----------|---------|
| Personal Service Regular | \$180,000 | \$185,400 | \$5,400 |
| Total Personal Service | \$180,000 | \$185,400 | \$5,400 |

Nonpersonal Service

| | | | |
|---------------------------|----------|----------|----------|
| Supplies and Materials | \$13,421 | \$26,000 | \$12,579 |
| Contractual Services | \$1,000 | \$1,000 | \$0 |
| Equipment | \$1,000 | \$1,000 | \$0 |
| Total Nonpersonal Service | \$15,421 | \$28,000 | \$12,579 |

| | | | |
|-----------------------------------|-----------|-----------|----------|
| Total--Legislative Health Service | \$195,421 | \$213,400 | \$17,979 |
|-----------------------------------|-----------|-----------|----------|

LEGISLATURE

| Title of Appropriation | Appropriated for 2007-08 | Requested for 2008-09 | Change |
|------------------------|-----------------------------|--------------------------|--------|
|------------------------|-----------------------------|--------------------------|--------|

LEGISLATIVE LIBRARY

For services and expenses and for temporary and special services
for the operation of the legislative library

Personal Service

| | | | |
|--------------------------|-----------|-----------|----------|
| Personal Service Regular | \$390,000 | \$413,484 | \$23,484 |
| Temporary Service | \$10,000 | \$10,000 | \$0 |
| Total Personal Service | \$400,000 | \$423,484 | \$23,484 |

Nonpersonal Service

| | | | |
|---------------------------|-----------|-----------|-----|
| Supplies and Materials | \$250,000 | \$250,000 | \$0 |
| Contractual Services | \$100,000 | \$100,000 | \$0 |
| Equipment | \$32,800 | \$32,800 | \$0 |
| Total Nonpersonal Service | \$382,800 | \$382,800 | \$0 |

| | | | |
|----------------------------|-----------|-----------|----------|
| Total--Legislative Library | \$782,800 | \$806,284 | \$23,484 |
|----------------------------|-----------|-----------|----------|

LEGISLATIVE MESSENGER SERVICE

For services and expenses for the operation of the legislative
messenger service

Personal Service

| | | | |
|--------------------------|-----------|-----------|----------|
| Personal Service Regular | \$850,000 | \$905,000 | \$55,000 |
| Temporary Service | \$10,000 | \$10,000 | \$0 |
| Total Personal Service | \$860,000 | \$915,000 | \$55,000 |

Nonpersonal Service

| | | | |
|---------------------------|---------|---------|----------|
| Supplies and Materials | \$6,106 | \$2,000 | -\$4,106 |
| Equipment | \$1,000 | \$0 | -\$1,000 |
| Total Nonpersonal Service | \$7,106 | \$2,000 | -\$5,106 |

| | | | |
|--------------------------------------|-----------|-----------|----------|
| Total--Legislative Messenger Service | \$867,106 | \$917,000 | \$49,894 |
|--------------------------------------|-----------|-----------|----------|

LEGISLATIVE BILL DRAFTING COMMISSION

For services and expenses, temporary and special services, and for
expenses of maintenance and operation

Personal Service

| | | | |
|--------------------------|--------------|--------------|-----------|
| Personal Service Regular | \$10,280,829 | \$10,695,644 | \$414,815 |
| Temporary Service | \$269,263 | \$170,950 | -\$98,313 |
| Total Personal Service | \$10,550,092 | \$10,866,594 | \$316,502 |

Nonpersonal Service

| | | | |
|---------------------------|-------------|-------------|----------|
| Supplies and Materials | \$325,607 | \$335,375 | \$9,768 |
| Travel | \$49,600 | \$51,088 | \$1,488 |
| Contractual Services | \$1,677,123 | \$1,727,437 | \$50,314 |
| Equipment | \$155,725 | \$160,397 | \$4,672 |
| Total Nonpersonal Service | \$2,208,055 | \$2,274,297 | \$66,242 |

| | | | |
|---------------------------------------------|--------------|--------------|-----------|
| Total--Legislative Bill Drafting Commission | \$12,758,147 | \$13,140,891 | \$382,744 |
|---------------------------------------------|--------------|--------------|-----------|

LEG. TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT

For services and expenses (including liabilities incurred prior to
April 1, 2008) of the task force for senate purposes

Personal Service

| | | | |
|--------------------------|-----------|-----------|----------|
| Personal Service Regular | \$340,000 | \$350,542 | \$10,542 |
| Temporary Service | \$5,000 | \$5,000 | \$0 |
| Total Personal Service | \$345,000 | \$355,542 | \$10,542 |

| Title of Appropriation | Appropriated for 2007-08 | Requested for 2008-09 | Change |
|-------------------------------|-------------------------------------|----------------------------------|---------------|
| Nonpersonal Service | | | |
| Travel | \$3,000 | \$3,000 | \$0 |
| Contractual Services | \$3,402 | \$3,402 | \$0 |
| Total Nonpersonal Service | \$6,402 | \$6,402 | \$0 |

| | | | |
|---------------|-----------|-----------|----------|
| Total--Senate | \$351,402 | \$361,944 | \$10,542 |
|---------------|-----------|-----------|----------|

For services and expenses (including liabilities incurred prior to April 1, 2008) of the task force for assembly purposes

| | | | |
|--------------------------|-----------|-----------|----------|
| Personal Service | | | |
| Personal Service Regular | \$330,000 | \$340,542 | \$10,542 |
| Temporary Service | \$10,000 | \$10,000 | \$0 |
| Total Personal Service | \$340,000 | \$350,542 | \$10,542 |

| | | | |
|----------------------------|----------|----------|-----|
| Nonpersonal Service | | | |
| Travel | \$1,000 | \$1,000 | \$0 |
| Contractual Services | \$10,402 | \$10,402 | \$0 |
| Total Nonpersonal Service | \$11,402 | \$11,402 | \$0 |

| | | | |
|-----------------|-----------|-----------|----------|
| Total--Assembly | \$351,402 | \$361,944 | \$10,542 |
|-----------------|-----------|-----------|----------|

For services and expenses (including liabilities incurred prior to April 1, 2008) of the task force for joint operations

| | | | |
|--------------------------|-----------|-----------|----------|
| Personal Service | | | |
| Personal Service Regular | \$770,000 | \$803,601 | \$33,601 |
| Temporary Service | \$10,000 | \$10,000 | \$0 |
| Total Personal Service | \$780,000 | \$813,601 | \$33,601 |

| | | | |
|----------------------------|-----------|-----------|-----|
| Nonpersonal Service | | | |
| Supplies and Materials | \$15,000 | \$15,000 | \$0 |
| Travel | \$5,000 | \$5,000 | \$0 |
| Contractual Services | \$110,045 | \$110,045 | \$0 |
| Equipment | \$210,000 | \$210,000 | \$0 |
| Total Nonpersonal Service | \$340,045 | \$340,045 | \$0 |

| | | | |
|-------------------------|-------------|-------------|----------|
| Total--Joint Operations | \$1,120,045 | \$1,153,646 | \$33,601 |
|-------------------------|-------------|-------------|----------|

| | | | |
|---------------------------------------------------------------|-------------|-------------|----------|
| Total--Task Force on Demographic Research and Reapportionment | \$1,822,849 | \$1,877,534 | \$54,685 |
|---------------------------------------------------------------|-------------|-------------|----------|

| | | | |
|-------------------------------------------------|--------------|--------------|-----------|
| Grand Total--Senate and Assembly Joint Entities | \$17,151,331 | \$17,716,733 | \$565,402 |
|-------------------------------------------------|--------------|--------------|-----------|

SPECIAL REVENUE FUND - OTHER

LEGISLATIVE COMPUTER SERVICES FUND

For services and expenses of the legislative computer services fund

| | | | |
|-------------------------------------------|-------------|-------------|-----|
| Nonpersonal Service | | | |
| Contractual Services | \$1,000,000 | \$1,000,000 | \$0 |
| Equipment | \$500,000 | \$500,000 | \$0 |
| Total Nonpersonal Service | \$1,500,000 | \$1,500,000 | \$0 |
| Total--Legislative Computer Services Fund | \$1,500,000 | \$1,500,000 | \$0 |

LEGISLATURE

| Title of Appropriation | Appropriated for 2007-08 | Requested for 2008-09 | Change |
|------------------------|-----------------------------|--------------------------|--------|
|------------------------|-----------------------------|--------------------------|--------|

SENATE RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND

For services and expenses of the senate recyclable materials,
information services and conference fund

Nonpersonal Service

| | | | |
|---------------------------------------------------------------------------------|----------|----------|-----|
| Supplies and Materials | \$50,000 | \$50,000 | \$0 |
| Total Nonpersonal Service | \$50,000 | \$50,000 | \$0 |
| Total--Senate Recyclable Materials, Information Services and Conference Fund | \$50,000 | \$50,000 | \$0 |

ASSEMBLY RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND

For services and expenses of the assembly recyclable materials,
information services and conference fund

Nonpersonal Service

| | | | |
|-----------------------------------------------------------------------------------|----------|----------|-----|
| Supplies and Materials | \$50,000 | \$50,000 | \$0 |
| Total Nonpersonal Service | \$50,000 | \$50,000 | \$0 |
| Total--Assembly Recyclable Materials, Information Services and Conference Fund | \$50,000 | \$50,000 | \$0 |

GRANTS AND BEQUESTS FUND - LEGISLATURE

SENATE

For services and expenses relative to restoration of the Senate
Chamber and other purposes as funded by non-state grants

Nonpersonal Service

| | | | |
|----------------------------------------|-----------|-----------|-----|
| Contractual Services | \$250,000 | \$250,000 | \$0 |
| Total Nonpersonal Service | \$250,000 | \$250,000 | \$0 |
| Total--Senate Grants and Bequests Fund | \$250,000 | \$250,000 | \$0 |

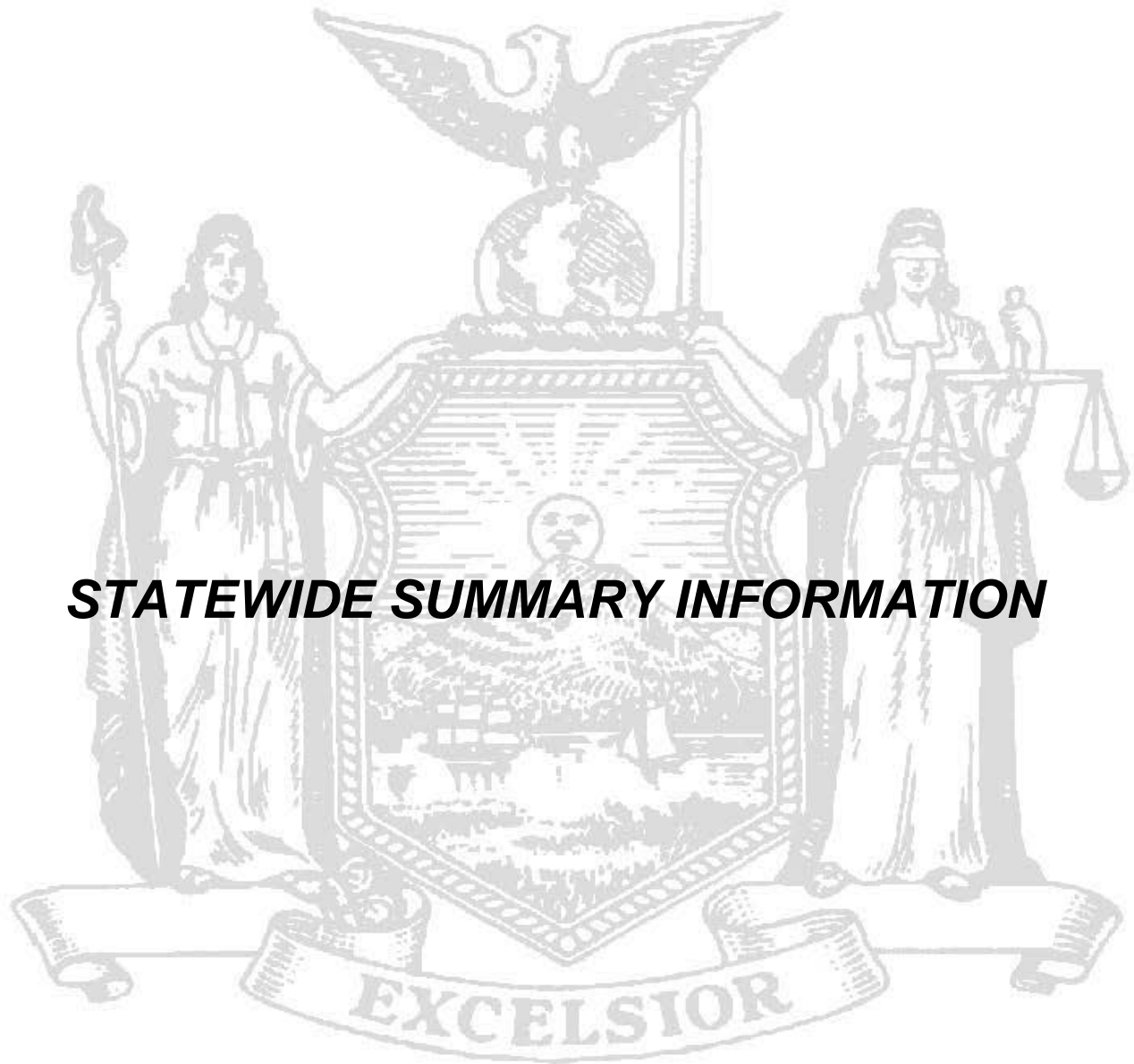
ASSEMBLY

For services and expenses relative to restoration of the Assembly
Chamber and other purposes as funded by non-state grants

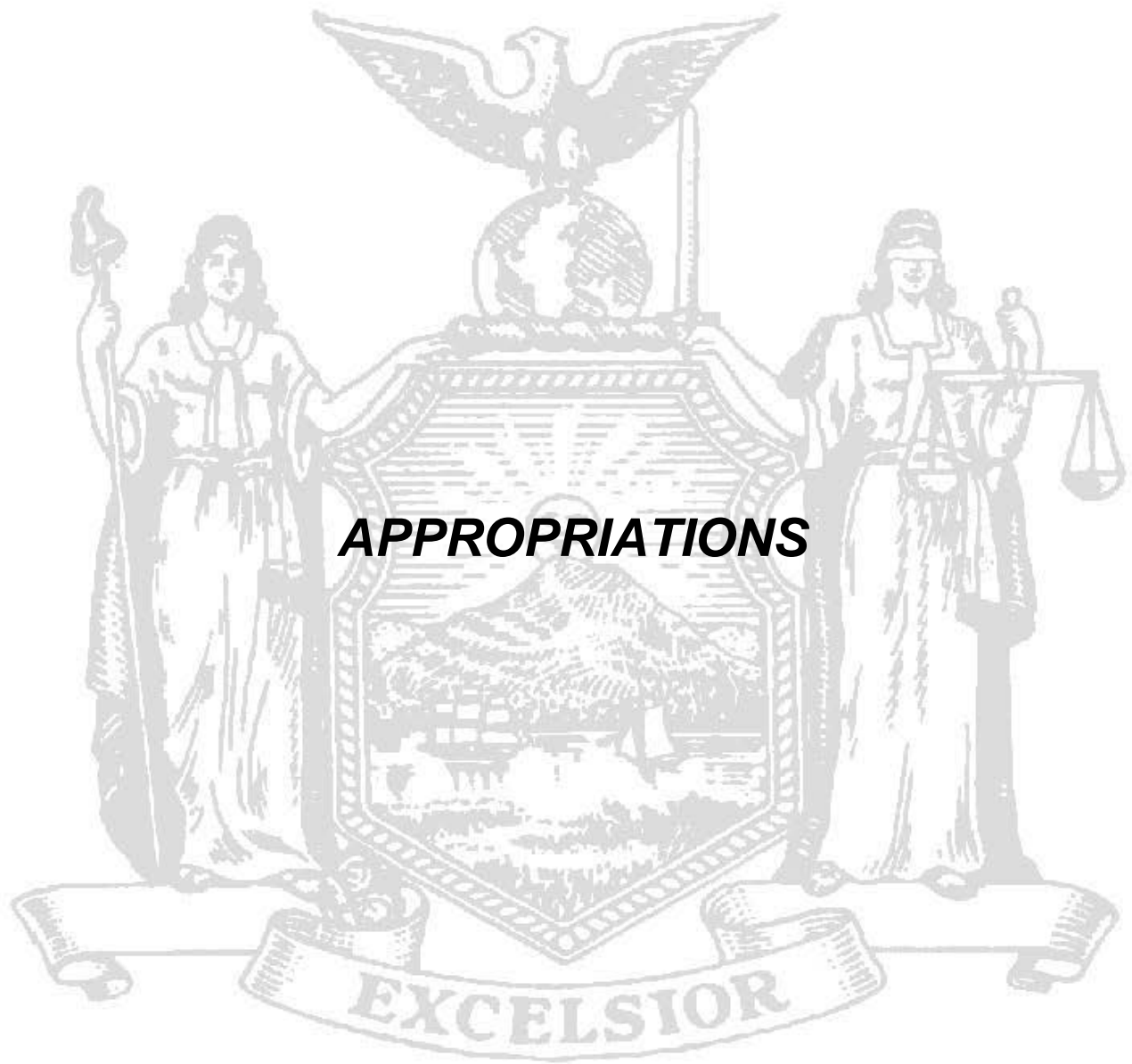
Nonpersonal Service

| | | | |
|------------------------------------------|-----------|-----------|-----|
| Contractual Services | \$250,000 | \$250,000 | \$0 |
| Total Nonpersonal Service | \$250,000 | \$250,000 | \$0 |
| Total--Assembly Grants and Bequests Fund | \$250,000 | \$250,000 | \$0 |

PART IV



STATEWIDE SUMMARY INFORMATION



APPROPRIATIONS

ALL FUNDS RECOMMENDED 2008-09 COMPARED TO 2007-08 AVAILABLE (dollars)

| | Available 2007-08 | State Operations Recommended 2008-09 | Aid to Localities Recommended 2008-09 | Capital Projects Recommended 2008-09 | Total Recommended 2008-09 | Change From 2007-08 |
|--------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------|------------------------|
| Adirondack Park Agency | 6,248,000 | 6,148,000 | 100,000 | 0 | 6,248,000 | 0 |
| Aging, Office for the | 245,386,085 | 13,871,000 | 236,142,000 | 0 | 250,013,000 | 4,626,915 |
| Agriculture and Markets, Department of | 183,194,150 | 134,577,000 | 41,595,000 | 3,750,000 | 179,922,000 | (3,272,150) |
| Alcoholic Beverage Control, Division of | 17,038,000 | 17,556,000 | 0 | 0 | 17,556,000 | 518,000 |
| Arts, Council on the | 63,040,000 | 10,064,300 | 50,713,000 | 0 | 60,777,300 | (2,262,700) |
| Audit and Control, Department of | 353,577,000 | 244,969,000 | 113,801,000 | 0 | 358,770,000 | 5,193,000 |
| Banking Department | 98,142,000 | 98,383,000 | 3,500,000 | 0 | 101,883,000 | 3,741,000 |
| Budget, Division of the | 109,261,000 | 99,261,000 | 0 | 0 | 99,261,000 | (10,000,000) |
| Capital Defender Office | 1,300,000 | 368,000 | 0 | 0 | 368,000 | (932,000) |
| Children and Family Services Office of | 3,553,433,460 | 511,648,000 | 3,181,666,000 | 38,488,000 | 3,731,802,000 | 178,368,540 |
| City University of New York | 3,175,308,352 | 1,845,568,800 | 1,210,227,600 | 1,699,602,000 | 4,755,398,400 | 1,580,090,048 |
| Civil Service, Department of | 64,551,000 | 68,002,000 | 0 | 0 | 68,002,000 | 3,451,000 |
| Consumer Protection Board, State | 4,438,000 | 5,098,000 | 0 | 0 | 5,098,000 | 660,000 |
| Correction, Commission of | 2,645,000 | 2,807,000 | 0 | 0 | 2,807,000 | 162,000 |
| Correctional Services, Department of | 2,941,645,000 | 2,682,756,000 | 6,000,000 | 320,000,000 | 3,008,756,000 | 67,111,000 |
| Crime Victims Board | 75,982,000 | 10,891,000 | 66,744,000 | 0 | 77,635,000 | 1,653,000 |
| Criminal Justice Services, Division of | 254,039,127 | 115,844,000 | 115,263,000 | 0 | 231,107,000 | (22,932,127) |
| Developmental Disabilities Planning Council | 4,560,000 | 4,560,000 | 0 | 0 | 4,560,000 | 0 |
| Economic Development, Department of | 59,084,610 | 56,607,000 | 6,677,000 | 0 | 63,284,000 | 4,199,390 |
| Education Department, State | 30,015,402,779 | 570,165,900 | 30,910,110,100 | 56,640,000 | 31,536,916,000 | 1,521,513,221 |
| Elections, State Board of | 39,330,000 | 11,326,000 | 11,000,000 | 0 | 22,326,000 | (17,004,000) |
| Empire State Development Corporation | 435,814,000 | 0 | 81,121,000 | 900,000,000 | 981,121,000 | 545,307,000 |
| Employee Relations, Office of | 6,866,000 | 7,191,000 | 0 | 0 | 7,191,000 | 325,000 |
| Energy Research and Development Authority, New York State | 29,556,000 | 7,945,000 | 10,511,000 | 13,500,000 | 31,956,000 | 2,400,000 |
| Environmental Conservation, Department of | 1,186,434,295 | 494,685,300 | 1,791,400 | 658,604,000 | 1,155,080,700 | (31,353,595) |
| Environmental Facilities Corporation | 18,295,000 | 13,828,000 | 0 | 343,000 | 14,171,000 | (4,124,000) |
| Executive Chamber | 20,700,000 | 20,700,000 | 0 | 0 | 20,700,000 | 0 |
| General Services, Office of | 487,902,800 | 418,469,000 | 0 | 80,000,000 | 498,469,000 | 10,566,200 |
| Health, Department of | 51,644,850,960 | 2,005,909,000 | 48,735,136,300 | 277,580,000 | 51,018,625,300 | (626,225,660) |
| Higher Education Services Corporation, New York State | 1,057,085,200 | 118,252,000 | 870,296,000 | 0 | 988,548,000 | (68,537,200) |
| Homeland Security, Office of | 382,425,000 | 23,084,000 | 350,000,000 | 0 | 373,084,000 | (9,341,000) |
| Housing and Community Renewal, Division of | 339,610,762 | 102,638,000 | 153,505,000 | 74,200,000 | 330,343,000 | (9,267,762) |
| Mortgage Agency, State of New York | 370,518,000 | 76,800,000 | 255,009,000 | 0 | 331,809,000 | (38,709,000) |
| Hudson River Park Trust | 0 | 0 | 0 | 25,000,000 | 25,000,000 | 25,000,000 |
| Human Rights, Division of | 19,430,000 | 21,601,000 | 0 | 0 | 21,601,000 | 2,171,000 |
| Inspector General, Office of the | 7,015,000 | 7,225,000 | 0 | 0 | 7,225,000 | 210,000 |
| Insurance Department | 300,182,000 | 316,337,000 | 1,036,000 | 0 | 317,373,000 | 17,191,000 |
| Interest on Lawyer Account | 21,822,000 | 2,134,000 | 70,000,000 | 0 | 72,134,000 | 50,312,000 |
| Investigation, Temporary State Commission of | 3,929,000 | 3,976,000 | 0 | 0 | 3,976,000 | 47,000 |
| Judicial Commissions | 4,843,000 | 5,241,000 | 0 | 0 | 5,241,000 | 398,000 |
| Labor, Department of | 4,112,885,750 | 3,561,441,000 | 252,427,000 | 0 | 3,813,868,000 | (299,017,750) |
| Law, Department of | 239,992,000 | 249,595,000 | 0 | 0 | 249,595,000 | 9,603,000 |
| Lieutenant Governor, Office of the | 1,378,000 | 1,378,000 | 0 | 0 | 1,378,000 | 0 |
| Lottery, Division of the | 132,357,300 | 120,314,100 | 0 | 0 | 120,314,100 | (12,043,200) |
| Medicaid Inspector General, Office of the | 97,995,000 | 91,839,000 | 0 | 0 | 91,839,000 | (6,156,000) |
| Mental Hygiene, Department of | 0 | 671,179,000 | 0 | 0 | 671,179,000 | 671,179,000 |
| Mental Health, Office of | 2,295,221,000 | 1,935,877,000 | 1,301,447,000 | 446,822,000 | 3,684,146,000 | 1,388,925,000 |
| Mental Retardation and Developmental Disabilities, Office of | 3,203,668,500 | 1,976,645,000 | 2,261,268,000 | 192,420,000 | 4,430,333,000 | 1,226,664,500 |
| Alcoholism and Substance Abuse Services, Office of | 657,088,000 | 132,079,000 | 494,981,000 | 121,336,000 | 748,396,000 | 91,308,000 |
| Metropolitan Transportation Authority | 1,012,100,000 | 0 | 636,000,000 | 487,000,000 | 1,123,000,000 | 110,900,000 |
| Military and Naval Affairs, Division of | 521,224,150 | 86,977,000 | 9,650,000 | 30,700,000 | 127,327,000 | (393,897,150) |
| Motor Vehicles, Department of | 339,048,000 | 124,480,000 | 17,264,000 | 221,453,000 | 363,197,000 | 24,149,000 |
| Olympic Regional Development Authority | 8,626,000 | 9,026,000 | 0 | 0 | 9,026,000 | 400,000 |
| Parks, Recreation and Historic Preservation, Office of | 298,839,546 | 218,767,900 | 14,870,000 | 162,000,000 | 395,637,900 | 96,798,354 |
| Parole, Division of | 224,292,000 | 175,241,000 | 51,100,000 | 0 | 226,341,000 | 2,049,000 |
| Prevention of Domestic Violence, Office for Probation and Correctional Alternatives, Division of | 3,586,000 | 2,682,000 | 927,000 | 0 | 3,609,000 | 23,000 |
| Public Employment Relations Board | 76,020,631 | 2,671,000 | 77,716,000 | 0 | 80,387,000 | 4,366,369 |
| Public Integrity, Commission on | 4,143,000 | 4,298,000 | 0 | 0 | 4,298,000 | 155,000 |
| Public Service Department | 4,946,000 | 5,779,000 | 0 | 0 | 5,779,000 | 833,000 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 78,394,000 | 79,828,000 | 550,000 | 0 | 80,378,000 | 1,984,000 |
| Racing and Wagering Board, State | 15,897,000 | 16,149,000 | 771,000 | 0 | 16,920,000 | 1,023,000 |
| Real Property Services, Office of | 24,768,000 | 25,018,000 | 0 | 0 | 25,018,000 | 250,000 |
| Regulatory Reform, Governor's Office of | 65,608,000 | 45,043,000 | 21,834,000 | 0 | 66,877,000 | 1,269,000 |
| Science, Technology and Innovation, NYS Foundation for | 3,751,000 | 3,751,000 | 0 | 0 | 3,751,000 | 0 |
| State, Department of | 60,967,000 | 4,536,000 | 47,590,000 | 0 | 52,126,000 | (8,841,000) |
| State Police, Division of | 175,036,490 | 80,766,000 | 76,815,000 | 0 | 157,581,000 | (17,455,490) |
| State Police, Division of | 735,100,000 | 656,708,000 | 0 | 11,500,000 | 668,208,000 | (66,892,000) |

APPROPRIATIONS

ALL FUNDS RECOMMENDED 2008-09 COMPARED TO 2007-08 AVAILABLE (dollars)

| | Available 2007-08 | State Operations Recommended 2008-09 | Aid to Localities Recommended 2008-09 | Capital Projects Recommended 2008-09 | Total Recommended 2008-09 | Change From 2007-08 |
|------------------------------------------------------------------|----------------------|-----------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------|------------------------|
| State University of New York | 7,466,181,853 | 6,896,446,000 | 455,813,000 | 4,285,595,000 | 11,637,854,000 | 4,171,672,147 |
| State University Construction Fund | 17,340,000 | 18,805,000 | 0 | 0 | 18,805,000 | 1,465,000 |
| Taxation and Finance, Department of | 435,856,000 | 449,341,000 | 0 | 0 | 449,341,000 | 13,485,000 |
| Tax Appeals, Division of | 3,228,000 | 3,273,000 | 0 | 0 | 3,273,000 | 45,000 |
| Technology, Office for | 323,363,000 | 365,384,000 | 5,000,000 | 61,000,000 | 431,384,000 | 108,021,000 |
| Temporary and Disability Assistance, Office of | 5,223,448,000 | 477,097,000 | 4,472,549,000 | 30,000,000 | 4,979,646,000 | (243,802,000) |
| Thruway Authority, New York State | 2,000,000 | 0 | 0 | 2,000,000 | 2,000,000 | 0 |
| Transportation, Department of | 7,356,203,300 | 49,033,000 | 3,036,265,000 | 4,637,562,000 | 7,722,860,000 | 366,656,700 |
| Veterans Affairs, Division of | 17,096,300 | 8,332,000 | 9,700,000 | 0 | 18,032,000 | 935,700 |
| Welfare Inspector General, Office of | 1,337,000 | 1,597,000 | 0 | 0 | 1,597,000 | 260,000 |
| Workers Compensation Board | 212,803,000 | 201,793,000 | 0 | 0 | 201,793,000 | (11,010,000) |
| Subtotal | 133,056,673,400 | 28,909,655,300 | 99,726,481,400 | 14,837,095,000 | 143,473,231,700 | 10,416,558,300 |
| Miscellaneous--All State Departments and Agencies | | | | | | |
| Authority Budget Office | 700,000 | 1,500,000 | 0 | 0 | 1,500,000 | 800,000 |
| Deferred Compensation Board | 900,000 | 963,000 | 0 | 0 | 963,000 | 63,000 |
| Development Authority of the North Country | 225,000 | 0 | 0 | 0 | 0 | (225,000) |
| Extraordinary Utility Costs | 0 | 45,000,000 | 0 | 0 | 45,000,000 | 45,000,000 |
| Future of Racing, Adhoc Committee on the | 1,000,000 | 1,000,000 | 0 | 0 | 1,000,000 | 0 |
| General State Charges | 1,878,048,000 | 1,886,006,000 | 0 | 0 | 1,886,006,000 | 7,958,000 |
| Green Thumb | 3,869,000 | 3,869,000 | 0 | 0 | 3,869,000 | 0 |
| Greenway Heritage Conservancy for the Hudson River Valley | 321,000 | 256,000 | 0 | 0 | 256,000 | (65,000) |
| Health Insurance Contingency Reserve | 583,525,000 | 639,976,068 | 0 | 0 | 639,976,068 | 56,451,068 |
| Health Insurance Reserve Receipts Fund | 192,400,000 | 192,400,000 | 0 | 0 | 192,400,000 | 0 |
| Higher Education - Miscellaneous | 795,500 | 829,800 | 0 | 0 | 829,800 | 34,300 |
| Homeland Security - Miscellaneous | 187,319,000 | 140,873,000 | 50,000,000 | 0 | 190,873,000 | 3,554,000 |
| Hudson River Valley Greenway Communities Council | 608,000 | 404,000 | 204,000 | 0 | 608,000 | 0 |
| Insurance and Securities Funds Reserve Guarantee | 1,605,000,000 | 1,605,000,000 | 0 | 0 | 1,605,000,000 | 0 |
| Labor Management Committees | 20,042,000 | 4,600,000 | 0 | 0 | 4,600,000 | (15,442,000) |
| Local Government Assistance | 36,648,306,100 | 3,243,000 | 37,854,115,600 | 0 | 37,857,358,600 | 1,209,052,500 |
| National and Community Service | 30,357,000 | 30,367,000 | 0 | 0 | 30,367,000 | 10,000 |
| Northeastern Queens Nature and Historical Preserve Commission | 120,000 | 120,000 | 0 | 0 | 120,000 | 0 |
| Payments to STARC / NYC | 170,000,000 | 0 | 170,000,000 | 0 | 170,000,000 | 0 |
| Reserve for Federal Audit Disallowances | 150,000,000 | 200,000,000 | 0 | 0 | 200,000,000 | 50,000,000 |
| State Equipment Finance Program | 20,000,000 | 0 | 0 | 111,000,000 | 111,000,000 | 91,000,000 |
| Statewide Energy Improvement | 700,000 | 0 | 0 | 0 | 0 | (700,000) |
| Tribal State Compact Revenue | 29,300,000 | 0 | 41,600,000 | 0 | 41,600,000 | 12,300,000 |
| Workers Compensation Reserve | 22,300,000 | 22,370,000 | 0 | 0 | 22,370,000 | 70,000 |
| Subtotal | 41,545,835,600 | 4,778,776,868 | 38,115,919,600 | 111,000,000 | 43,005,696,468 | 1,459,860,868 |
| Judiciary | 2,404,759,080 | 2,392,155,674 | 128,553,284 | 0 | 2,520,708,958 | 115,949,878 |
| Legislature | 221,469,337 | 221,469,337 | 0 | 0 | 221,469,337 | 0 |
| Total | 177,228,737,417 | 36,302,057,179 | 137,970,954,284 | 14,948,095,000 | 189,221,106,463 | 11,992,369,046 |
| Debt Service | 9,301,720,000 | 0 | 0 | 0 | 9,272,570,000 | (29,150,000) |
| Grand Total | 186,530,457,417 | 36,302,057,179 | 137,970,954,284 | 14,948,095,000 | 198,493,676,463 | 11,963,219,046 |
| Special Emergency Appropriation | 75,000,000 | | | | 100,000,000 | |
| Special Federal Emergency Appropriation | 1,000,000,000 | | | | 1,000,000,000 | |

APPROPRIATIONS

STATE OPERATIONS RECAPITULATION OF 2008-09 RECOMMENDATIONS BY FUND TYPE (dollars)

| | General | Special Revenue Federal | Special Revenue Other | Enterprise | Internal Service | Fiduciary | Total |
|---------------------------------------------------------------------------------|---------------|-------------------------------|-----------------------------|---------------|---------------------|---------------|---------------|
| Adirondack Park Agency | 5,448,000 | 700,000 | 0 | 0 | 0 | 0 | 6,148,000 |
| Aging, Office for the | 3,221,000 | 10,250,000 | 300,000 | 100,000 | 0 | 0 | 13,871,000 |
| Agriculture and Markets, Department of | 34,502,000 | 29,644,000 | 44,434,000 | 24,161,000 | 0 | 1,836,000 | 134,577,000 |
| Alcoholic Beverage Control, Division of | 0 | 0 | 17,556,000 | 0 | 0 | 0 | 17,556,000 |
| Arts, Council on the | 6,142,000 | 0 | 3,922,300 | 0 | 0 | 0 | 10,064,300 |
| Audit and Control, Department of | 141,186,000 | 0 | 5,978,000 | 0 | 4,101,000 | 93,704,000 | 244,969,000 |
| Banking Department | 0 | 0 | 98,383,000 | 0 | 0 | 0 | 98,383,000 |
| Budget, Division of the | 33,407,000 | 0 | 64,204,000 | 0 | 1,650,000 | 0 | 99,261,000 |
| Capital Defender Office | 368,000 | 0 | 0 | 0 | 0 | 0 | 368,000 |
| Children and Family Services Office of | 275,101,000 | 130,421,000 | 105,551,000 | 475,000 | 100,000 | 0 | 511,648,000 |
| City University of New York | 0 | 0 | 145,000,000 | 0 | 0 | 1,700,568,800 | 1,845,568,800 |
| Civil Service, Department of | 23,025,000 | 0 | 2,322,000 | 0 | 42,655,000 | 0 | 68,002,000 |
| Consumer Protection Board, State | 320,000 | 0 | 4,778,000 | 0 | 0 | 0 | 5,098,000 |
| Correction, Commission of | 2,807,000 | 0 | 0 | 0 | 0 | 0 | 2,807,000 |
| Correctional Services, Department of | 2,505,951,000 | 38,300,000 | 19,950,000 | 44,347,000 | 74,208,000 | 0 | 2,682,756,000 |
| Crime Victims Board | 0 | 2,955,000 | 7,936,000 | 0 | 0 | 0 | 10,891,000 |
| Criminal Justice Services, Division of | 64,015,000 | 25,750,000 | 26,079,000 | 0 | 0 | 0 | 115,844,000 |
| Developmental Disabilities Planning Council | 0 | 4,550,000 | 0 | 10,000 | 0 | 0 | 4,560,000 |
| Economic Development, Department of | 50,217,000 | 1,000,000 | 5,390,000 | 0 | 0 | 0 | 56,607,000 |
| Education Department, State | 59,899,400 | 324,239,100 | 155,959,400 | 0 | 30,068,000 | 0 | 570,165,900 |
| Elections, State Board of | 9,326,000 | 0 | 2,000,000 | 0 | 0 | 0 | 11,326,000 |
| Employee Relations, Office of | 4,298,000 | 0 | 125,000 | 0 | 2,768,000 | 0 | 7,191,000 |
| Energy Research and Development Authority, New York State | 0 | 0 | 7,945,000 | 0 | 0 | 0 | 7,945,000 |
| Environmental Conservation, Department of | 141,466,300 | 64,252,000 | 288,907,000 | 0 | 60,000 | 0 | 494,685,300 |
| Environmental Facilities Corporation | 0 | 0 | 13,828,000 | 0 | 0 | 0 | 13,828,000 |
| Executive Chamber | 20,600,000 | 0 | 100,000 | 0 | 0 | 0 | 20,700,000 |
| General Services, Office of | 159,266,000 | 8,230,000 | 23,103,000 | 2,006,000 | 225,114,000 | 750,000 | 418,469,000 |
| Health, Department of | 260,672,800 | 1,191,493,000 | 553,733,200 | 10,000 | 0 | 0 | 2,005,909,000 |
| Higher Education Services Corporation, New York State | 0 | 5,000,000 | 113,252,000 | 0 | 0 | 0 | 118,252,000 |
| Homeland Security, Office of | 11,041,000 | 0 | 10,543,000 | 0 | 1,500,000 | 0 | 23,084,000 |
| Housing and Community Renewal, Division of | 34,994,000 | 10,651,000 | 56,993,000 | 0 | 0 | 0 | 102,638,000 |
| Mortgage Agency, State of New York | 76,800,000 | 0 | 0 | 0 | 0 | 0 | 76,800,000 |
| Human Rights, Division of | 14,697,000 | 6,904,000 | 0 | 0 | 0 | 0 | 21,601,000 |
| Inspector General, Office of the | 7,125,000 | 0 | 100,000 | 0 | 0 | 0 | 7,225,000 |
| Insurance Department | 100,000,000 | 150,000 | 216,187,000 | 0 | 0 | 0 | 316,337,000 |
| Interest on Lawyer Account | 0 | 0 | 2,134,000 | 0 | 0 | 0 | 2,134,000 |
| Investigation, Temporary State Commission of | 3,689,000 | 0 | 287,000 | 0 | 0 | 0 | 3,976,000 |
| Judicial Commissions | 5,241,000 | 0 | 0 | 0 | 0 | 0 | 5,241,000 |
| Labor, Department of | 1,495,000 | 482,328,000 | 77,618,000 | 3,000,000,000 | 0 | 0 | 3,561,441,000 |
| Law, Department of | 134,360,000 | 39,434,000 | 75,801,000 | 0 | 0 | 0 | 249,595,000 |
| Lieutenant Governor, Office of the | 1,378,000 | 0 | 0 | 0 | 0 | 0 | 1,378,000 |
| Lottery, Division of the | 0 | 0 | 120,314,100 | 0 | 0 | 0 | 120,314,100 |
| Medicaid Inspector General, Office of the | 36,044,000 | 50,610,000 | 5,185,000 | 0 | 0 | 0 | 91,839,000 |
| Mental Hygiene, Department of | 0 | 0 | 671,179,000 | 0 | 0 | 0 | 671,179,000 |
| Mental Health, Office of | 0 | 1,358,000 | 1,923,385,000 | 8,514,000 | 2,620,000 | 0 | 1,935,877,000 |
| Mental Retardation and Developmental Disabilities, Office of | 0 | 630,000 | 1,973,209,000 | 2,456,000 | 350,000 | 0 | 1,976,645,000 |
| Alcoholism and Substance Abuse Services, Office of | 0 | 6,445,000 | 125,634,000 | 0 | 0 | 0 | 132,079,000 |
| Military and Naval Affairs, Division of | 24,671,000 | 46,041,000 | 16,265,000 | 0 | 0 | 0 | 86,977,000 |
| Motor Vehicles, Department of | 0 | 14,841,000 | 99,139,000 | 0 | 10,500,000 | 0 | 124,480,000 |
| Olympic Regional Development Authority | 8,626,000 | 0 | 400,000 | 0 | 0 | 0 | 9,026,000 |
| Parks, Recreation and Historic Preservation, Office of | 142,230,100 | 5,200,900 | 69,836,900 | 1,500,000 | 0 | 0 | 218,767,900 |
| Parole, Division of | 173,916,000 | 500,000 | 825,000 | 0 | 0 | 0 | 175,241,000 |
| Prevention of Domestic Violence, Office for | 1,622,000 | 100,000 | 70,000 | 0 | 890,000 | 0 | 2,682,000 |
| Probation and Correctional Alternatives, Division of | 2,671,000 | 0 | 0 | 0 | 0 | 0 | 2,671,000 |
| Public Employment Relations Board | 4,041,000 | 0 | 257,000 | 0 | 0 | 0 | 4,298,000 |
| Public Integrity, Commission on | 5,779,000 | 0 | 0 | 0 | 0 | 0 | 5,779,000 |
| Public Service Department | 0 | 1,691,000 | 78,137,000 | 0 | 0 | 0 | 79,828,000 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 5,188,000 | 7,260,000 | 3,656,000 | 45,000 | 0 | 0 | 16,149,000 |
| Racing and Wagering Board, State | 0 | 0 | 25,018,000 | 0 | 0 | 0 | 25,018,000 |
| Real Property Services, Office of | 0 | 0 | 45,043,000 | 0 | 0 | 0 | 45,043,000 |
| Regulatory Reform, Governor's Office of | 3,751,000 | 0 | 0 | 0 | 0 | 0 | 3,751,000 |
| Science, Technology and Innovation, NYS Foundation for | 4,036,000 | 0 | 500,000 | 0 | 0 | 0 | 4,536,000 |
| State, Department of | 22,611,000 | 11,402,000 | 46,753,000 | 0 | 0 | 0 | 80,766,000 |

APPROPRIATIONS

STATE OPERATIONS RECAPITULATION OF 2008-09 RECOMMENDATIONS BY FUND TYPE (dollars)

| | General | Special Revenue Federal | Special Revenue Other | Enterprise | Internal Service | Fiduciary | Total |
|------------------------------------------------------------------|----------------|-------------------------------|-----------------------------|---------------|---------------------|---------------|----------------|
| State Police, Division of | 426,145,000 | 7,235,000 | 223,328,000 | 0 | 0 | 0 | 656,708,000 |
| State University of New York | 2,363,733,000 | 250,500,000 | 4,269,803,000 | 0 | 12,410,000 | 0 | 6,896,446,000 |
| State University Construction Fund | 0 | 0 | 18,805,000 | 0 | 0 | 0 | 18,805,000 |
| Taxation and Finance, Department of | 313,720,000 | 2,582,000 | 86,837,000 | 0 | 46,202,000 | 0 | 449,341,000 |
| Tax Appeals, Division of | 3,273,000 | 0 | 0 | 0 | 0 | 0 | 3,273,000 |
| Technology, Office for | 25,551,000 | 0 | 20,573,000 | 0 | 319,260,000 | 0 | 365,384,000 |
| Temporary and Disability Assistance, Office of | 63,517,000 | 244,946,000 | 167,434,000 | 0 | 1,200,000 | 0 | 477,097,000 |
| Transportation, Department of | 0 | 17,165,000 | 31,868,000 | 0 | 0 | 0 | 49,033,000 |
| Veterans Affairs, Division of | 6,478,000 | 1,854,000 | 0 | 0 | 0 | 0 | 8,332,000 |
| Welfare Inspector General, Office of | 420,000 | 0 | 1,177,000 | 0 | 0 | 0 | 1,597,000 |
| Workers Compensation Board | 0 | 0 | 201,793,000 | 0 | 0 | 0 | 201,793,000 |
| Subtotal | 7,830,081,600 | 3,046,612,000 | 12,376,822,900 | 3,083,624,000 | 775,656,000 | 1,796,858,800 | 28,909,655,300 |
| Miscellaneous--All State Departments and Agencies | | | | | | | |
| Authority Budget Office | 0 | 0 | 1,500,000 | 0 | 0 | 0 | 1,500,000 |
| Deferred Compensation Board | 182,000 | 0 | 781,000 | 0 | 0 | 0 | 963,000 |
| Extraordinary Utility Costs | 45,000,000 | 0 | 0 | 0 | 0 | 0 | 45,000,000 |
| Future of Racing, Adhoc Committee on the | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| General State Charges | 1,644,706,000 | 0 | 0 | 0 | 0 | 241,300,000 | 1,886,006,000 |
| Green Thumb | 3,869,000 | 0 | 0 | 0 | 0 | 0 | 3,869,000 |
| Greenway Heritage Conservancy for the Hudson River Valley | 256,000 | 0 | 0 | 0 | 0 | 0 | 256,000 |
| Health Insurance Contingency Reserve | 639,976,068 | 0 | 0 | 0 | 0 | 0 | 639,976,068 |
| Health Insurance Reserve Receipts Fund | 0 | 0 | 0 | 0 | 0 | 192,400,000 | 192,400,000 |
| Higher Education - Miscellaneous | 0 | 0 | 829,800 | 0 | 0 | 0 | 829,800 |
| Homeland Security - Miscellaneous | 0 | 0 | 3,000,000 | 0 | 0 | 0 | 3,000,000 |
| Hudson River Valley Greenway Communities Council | 404,000 | 0 | 0 | 0 | 0 | 0 | 404,000 |
| Insurance and Securities Funds Reserve Guarantee | 1,605,000,000 | 0 | 0 | 0 | 0 | 0 | 1,605,000,000 |
| Labor Management Committees | 4,600,000 | 0 | 0 | 0 | 0 | 0 | 4,600,000 |
| Local Government Assistance | 0 | 0 | 3,243,000 | 0 | 0 | 0 | 3,243,000 |
| National and Community Service | 367,000 | 30,000,000 | 0 | 0 | 0 | 0 | 30,367,000 |
| Northeastern Queens Nature and Historical Preserve Commission | 120,000 | 0 | 0 | 0 | 0 | 0 | 120,000 |
| Reserve for Federal Audit Disallowances | 200,000,000 | 0 | 0 | 0 | 0 | 0 | 200,000,000 |
| Workers Compensation Reserve | 22,370,000 | 0 | 0 | 0 | 0 | 0 | 22,370,000 |
| Subtotal | 4,167,850,068 | 30,000,000 | 9,353,800 | 0 | 0 | 433,700,000 | 4,640,903,868 |
| Homeland Security - Miscellaneous | | | | | | | 137,873,000 |
| Subtotal-Miscellaneous | | | | | | | 4,778,776,868 |
| Judiciary | 2,265,252,521 | 9,100,000 | 117,803,153 | 0 | 0 | 0 | 2,392,155,674 |
| Legislature | 219,369,337 | 0 | 2,100,000 | 0 | 0 | 0 | 221,469,337 |
| Subtotal | 2,484,621,858 | 9,100,000 | 119,903,153 | 0 | 0 | 0 | 2,613,625,011 |
| Total | 14,482,553,526 | 3,085,712,000 | 12,506,079,853 | 3,083,624,000 | 775,656,000 | 2,230,558,800 | 36,302,057,179 |

APPROPRIATIONS

STATE OPERATIONS GENERAL FUND (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|----------------------|------------------------|--------------|
| Adirondack Park Agency | 5,448,000 | 5,448,000 | 0 |
| Aging, Office for the | 3,366,000 | 3,221,000 | (145,000) |
| Agriculture and Markets, Department of | 33,834,700 | 34,502,000 | 667,300 |
| Arts, Council on the | 6,066,000 | 6,142,000 | 76,000 |
| Audit and Control, Department of | 135,752,000 | 141,186,000 | 5,434,000 |
| Budget, Division of the | 33,407,000 | 33,407,000 | 0 |
| Capital Defender Office | 1,300,000 | 368,000 | (932,000) |
| Children and Family Services Office of | 258,992,000 | 275,101,000 | 16,109,000 |
| Civil Service, Department of | 22,791,000 | 23,025,000 | 234,000 |
| Consumer Protection Board, State | 0 | 320,000 | 320,000 |
| Correction, Commission of | 2,645,000 | 2,807,000 | 162,000 |
| Correctional Services, Department of | 2,472,928,000 | 2,505,951,000 | 33,023,000 |
| Criminal Justice Services, Division of | 63,342,000 | 64,015,000 | 673,000 |
| Economic Development, Department of | 38,668,000 | 50,217,000 | 11,549,000 |
| Education Department, State | 59,891,000 | 59,899,400 | 8,400 |
| Elections, State Board of | 7,230,000 | 9,326,000 | 2,096,000 |
| Employee Relations, Office of | 4,129,000 | 4,298,000 | 169,000 |
| Environmental Conservation, Department of | 141,666,850 | 141,466,300 | (200,550) |
| Executive Chamber | 20,600,000 | 20,600,000 | 0 |
| General Services, Office of | 157,208,000 | 159,266,000 | 2,058,000 |
| Health, Department of | 228,166,000 | 260,672,800 | 32,506,800 |
| Homeland Security, Office of | 11,382,000 | 11,041,000 | (341,000) |
| Housing and Community Renewal, Division of | 30,994,000 | 34,994,000 | 4,000,000 |
| Mortgage Agency, State of New York | 76,800,000 | 76,800,000 | 0 |
| Human Rights, Division of | 14,476,000 | 14,697,000 | 221,000 |
| Inspector General, Office of the | 6,915,000 | 7,125,000 | 210,000 |
| Insurance Department | 101,000,000 | 100,000,000 | (1,000,000) |
| Investigation, Temporary State Commission of | 3,642,000 | 3,689,000 | 47,000 |
| Judicial Commissions | 4,843,000 | 5,241,000 | 398,000 |
| Labor, Department of | 1,720,000 | 1,495,000 | (225,000) |
| Law, Department of | 134,360,000 | 134,360,000 | 0 |
| Lieutenant Governor, Office of the | 1,378,000 | 1,378,000 | 0 |
| Medicaid Inspector General, Office of the | 32,052,000 | 36,044,000 | 3,992,000 |
| Mental Hygiene, Department of | (150,000,000) | 0 | 150,000,000 |
| Military and Naval Affairs, Division of | 24,766,000 | 24,671,000 | (95,000) |
| Olympic Regional Development Authority | 8,226,000 | 8,626,000 | 400,000 |
| Parks, Recreation and Historic Preservation, Office of | 138,584,100 | 142,230,100 | 3,646,000 |
| Parole, Division of | 167,371,000 | 173,916,000 | 6,545,000 |
| Prevention of Domestic Violence, Office for | 1,599,000 | 1,622,000 | 23,000 |
| Probation and Correctional Alternatives, Division of | 2,158,000 | 2,671,000 | 513,000 |
| Public Employment Relations Board | 3,886,000 | 4,041,000 | 155,000 |
| Public Integrity, Commission on | 4,946,000 | 5,779,000 | 833,000 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 4,316,000 | 5,188,000 | 872,000 |
| Regulatory Reform, Governor's Office of | 3,751,000 | 3,751,000 | 0 |
| Science, Technology and Innovation, NYS Foundation for | 4,227,000 | 4,036,000 | (191,000) |
| State, Department of | 20,828,000 | 22,611,000 | 1,783,000 |
| State Police, Division of | 478,678,000 | 426,145,000 | (52,533,000) |
| State University of New York | 2,321,724,540 | 2,363,733,000 | 42,008,460 |
| Taxation and Finance, Department of | 311,352,000 | 313,720,000 | 2,368,000 |
| Tax Appeals, Division of | 3,228,000 | 3,273,000 | 45,000 |
| Technology, Office for | 20,614,000 | 25,551,000 | 4,937,000 |
| Temporary and Disability Assistance, Office of | 68,107,000 | 63,517,000 | (4,590,000) |
| Veterans Affairs, Division of | 6,383,000 | 6,478,000 | 95,000 |
| Welfare Inspector General, Office of | 408,000 | 420,000 | 12,000 |
| Subtotal | 7,562,145,190 | 7,830,081,600 | 267,936,410 |
| Miscellaneous--All State Departments and Agencies | | | |
| Deferred Compensation Board | 176,000 | 182,000 | 6,000 |
| Extraordinary Utility Costs | 0 | 45,000,000 | 45,000,000 |
| Future of Racing, Adhoc Committee on the | 1,000,000 | 1,000,000 | 0 |
| General State Charges | 1,653,273,000 | 1,644,706,000 | (8,567,000) |
| Green Thumb | 3,869,000 | 3,869,000 | 0 |
| Greenway Heritage Conservancy for the Hudson River Valley | 256,000 | 256,000 | 0 |
| Health Insurance Contingency Reserve | 583,525,000 | 639,976,068 | 56,451,068 |
| Hudson River Valley Greenway Communities Council | 404,000 | 404,000 | 0 |
| Insurance and Securities Funds Reserve Guarantee | 1,605,000,000 | 1,605,000,000 | 0 |
| Labor Management Committees | 19,642,000 | 4,600,000 | (15,042,000) |
| National and Community Service | 357,000 | 367,000 | 10,000 |
| Northeastern Queens Nature and Historical Preserve Commission | 120,000 | 120,000 | 0 |
| Reserve for Federal Audit Disallowances | 150,000,000 | 200,000,000 | 50,000,000 |
| Workers Compensation Reserve | 22,300,000 | 22,370,000 | 70,000 |
| Subtotal | 4,039,922,000 | 4,167,850,068 | 127,928,068 |

APPROPRIATIONS

STATE OPERATIONS GENERAL FUND (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------|----------------------|------------------------|-------------|
| Judiciary | 2,068,501,351 | 2,265,252,521 | 196,751,170 |
| Legislature | 219,369,337 | 219,369,337 | 0 |
| Total | 13,889,937,878 | 14,482,553,526 | 592,615,648 |
| Adjustments | | | |
| Prior Year Deficiencies | 11,000,000 | | |
| Transfer From: | | | |
| Special Revenue Funds - Other | (1,574,507,000) | | |
| Special Revenue Funds - Federal | (125,000) | | |
| General Fund (Aid To Localities) | (285,000) | | |
| Transfer To: | | | |
| General Fund (Aid To Localities) | 2,800,000,000 | | |
| Special Revenue Funds - Other | 1,595,728,000 | | |
| Appropriated 2007-08 | 16,721,748,878 | | |

APPROPRIATIONS

STATE OPERATIONS SPECIAL REVENUE FUNDS - FEDERAL (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|----------------------|------------------------|--------------|
| Adirondack Park Agency | 700,000 | 700,000 | 0 |
| Aging, Office for the | 10,250,000 | 10,250,000 | 0 |
| Agriculture and Markets, Department of | 29,644,000 | 29,644,000 | 0 |
| Children and Family Services Office of | 132,239,000 | 130,421,000 | (1,818,000) |
| Correctional Services, Department of | 36,800,000 | 38,300,000 | 1,500,000 |
| Crime Victims Board | 1,925,000 | 2,955,000 | 1,030,000 |
| Criminal Justice Services, Division of | 23,000,000 | 25,750,000 | 2,750,000 |
| Developmental Disabilities Planning Council | 4,550,000 | 4,550,000 | 0 |
| Economic Development, Department of | 1,000,000 | 1,000,000 | 0 |
| Education Department, State | 313,719,480 | 324,239,100 | 10,519,620 |
| Elections, State Board of | 5,000,000 | 0 | (5,000,000) |
| Environmental Conservation, Department of | 79,240,000 | 64,252,000 | (14,988,000) |
| General Services, Office of | 8,230,000 | 8,230,000 | 0 |
| Health, Department of | 1,160,840,000 | 1,191,493,000 | 30,653,000 |
| Higher Education Services Corporation, New York State | 5,000,000 | 5,000,000 | 0 |
| Housing and Community Renewal, Division of | 10,651,000 | 10,651,000 | 0 |
| Human Rights, Division of | 4,904,000 | 6,904,000 | 2,000,000 |
| Insurance Department | 0 | 150,000 | 150,000 |
| Labor, Department of | 526,425,000 | 482,328,000 | (44,097,000) |
| Law, Department of | 37,480,000 | 39,434,000 | 1,954,000 |
| Medicaid Inspector General, Office of the | 60,686,000 | 50,610,000 | (10,076,000) |
| Mental Health, Office of | 1,358,000 | 1,358,000 | 0 |
| Mental Retardation and Developmental Disabilities, Office of | 3,495,000 | 630,000 | (2,865,000) |
| Alcoholism and Substance Abuse Services, Office of | 6,445,000 | 6,445,000 | 0 |
| Military and Naval Affairs, Division of | 46,419,000 | 46,041,000 | (378,000) |
| Motor Vehicles, Department of | 15,960,000 | 14,841,000 | (1,119,000) |
| Parks, Recreation and Historic Preservation, Office of | 4,735,900 | 5,200,900 | 465,000 |
| Parole, Division of | 500,000 | 500,000 | 0 |
| Prevention of Domestic Violence, Office for | 100,000 | 100,000 | 0 |
| Public Service Department | 1,691,000 | 1,691,000 | 0 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 6,990,000 | 7,260,000 | 270,000 |
| State, Department of | 11,402,000 | 11,402,000 | 0 |
| State Police, Division of | 12,700,000 | 7,235,000 | (5,465,000) |
| State University of New York | 250,500,000 | 250,500,000 | 0 |
| Taxation and Finance, Department of | 582,000 | 2,582,000 | 2,000,000 |
| Temporary and Disability Assistance, Office of | 217,800,000 | 244,946,000 | 27,146,000 |
| Transportation, Department of | 15,519,000 | 17,165,000 | 1,646,000 |
| Veterans Affairs, Division of | 2,354,000 | 1,854,000 | (500,000) |
| National and Community Service | 30,000,000 | 30,000,000 | 0 |
| Judiciary | 8,800,000 | 9,100,000 | 300,000 |
| Total | 3,089,634,380 | 3,085,712,000 | (3,922,380) |
| Adjustments | | | |
| Transfer From: | | | |
| Special Revenue Funds - Other | (34,380) | | |
| Transfer To: | | | |
| Special Revenue Funds - Federal (Aid To Localities) | 2,800,000,000 | | |
| General Fund | 125,000 | | |
| Appropriated 2007-08 | 5,889,725,000 | | |

APPROPRIATIONS

STATE OPERATIONS SPECIAL REVENUE FUNDS - OTHER (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|----------------------|------------------------|---------------|
| Aging, Office for the | 300,000 | 300,000 | 0 |
| Agriculture and Markets, Department of | 42,561,800 | 44,434,000 | 1,872,200 |
| Alcoholic Beverage Control, Division of | 17,038,000 | 17,556,000 | 518,000 |
| Arts, Council on the | 5,261,000 | 3,922,300 | (1,338,700) |
| Audit and Control, Department of | 5,838,000 | 5,978,000 | 140,000 |
| Banking Department | 96,642,000 | 98,383,000 | 1,741,000 |
| Budget, Division of the | 74,204,000 | 64,204,000 | (10,000,000) |
| Children and Family Services Office of | 114,232,000 | 105,551,000 | (8,681,000) |
| City University of New York | 145,000,000 | 145,000,000 | 0 |
| Civil Service, Department of | 2,300,000 | 2,322,000 | 22,000 |
| Consumer Protection Board, State | 4,438,000 | 4,778,000 | 340,000 |
| Correctional Services, Department of | 1,450,000 | 19,950,000 | 18,500,000 |
| Crime Victims Board | 5,523,000 | 7,936,000 | 2,413,000 |
| Criminal Justice Services, Division of | 26,149,000 | 26,079,000 | (70,000) |
| Economic Development, Department of | 5,415,000 | 5,390,000 | (25,000) |
| Education Department, State | 157,592,020 | 155,959,400 | (1,632,620) |
| Elections, State Board of | 8,600,000 | 2,000,000 | (6,600,000) |
| Employee Relations, Office of | 150,000 | 125,000 | (25,000) |
| Energy Research and Development Authority, New York State | 5,914,000 | 7,945,000 | 2,031,000 |
| Environmental Conservation, Department of | 284,151,000 | 288,907,000 | 4,756,000 |
| Environmental Facilities Corporation | 13,552,000 | 13,828,000 | 276,000 |
| Executive Chamber | 100,000 | 100,000 | 0 |
| General Services, Office of | 22,446,000 | 23,103,000 | 657,000 |
| Health, Department of | 585,260,500 | 553,733,200 | (31,527,300) |
| Higher Education Services Corporation, New York State | 116,216,200 | 113,252,000 | (2,964,200) |
| Homeland Security, Office of | 9,543,000 | 10,543,000 | 1,000,000 |
| Housing and Community Renewal, Division of | 56,993,000 | 56,993,000 | 0 |
| Human Rights, Division of | 50,000 | 0 | (50,000) |
| Inspector General, Office of the | 100,000 | 100,000 | 0 |
| Insurance Department | 199,182,000 | 216,187,000 | 17,005,000 |
| Interest on Lawyer Account | 1,822,000 | 2,134,000 | 312,000 |
| Investigation, Temporary State Commission of | 287,000 | 287,000 | 0 |
| Labor, Department of | 75,221,000 | 77,618,000 | 2,397,000 |
| Law, Department of | 68,152,000 | 75,801,000 | 7,649,000 |
| Lottery, Division of the | 132,357,300 | 120,314,100 | (12,043,200) |
| Medicaid Inspector General, Office of the | 5,257,000 | 5,185,000 | (72,000) |
| Mental Hygiene, Department of | 150,000,000 | 671,179,000 | 521,179,000 |
| Mental Health, Office of | 561,776,000 | 1,923,385,000 | 1,361,609,000 |
| Mental Retardation and Developmental Disabilities, Office of | 986,804,000 | 1,973,209,000 | 986,405,000 |
| Alcoholism and Substance Abuse Services, Office of | 55,538,000 | 125,634,000 | 70,096,000 |
| Military and Naval Affairs, Division of | 10,865,000 | 16,265,000 | 5,400,000 |
| Motor Vehicles, Department of | 95,970,000 | 99,139,000 | 3,169,000 |
| Olympic Regional Development Authority | 400,000 | 400,000 | 0 |
| Parks, Recreation and Historic Preservation, Office of | 69,493,900 | 69,836,900 | 343,000 |
| Parole, Division of | 825,000 | 825,000 | 0 |
| Prevention of Domestic Violence, Office for | 70,000 | 70,000 | 0 |
| Public Employment Relations Board | 257,000 | 257,000 | 0 |
| Public Service Department | 76,303,000 | 78,137,000 | 1,834,000 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 3,775,000 | 3,656,000 | (119,000) |
| Racing and Wagering Board, State | 24,768,000 | 25,018,000 | 250,000 |
| Real Property Services, Office of | 44,808,000 | 45,043,000 | 235,000 |
| Science, Technology and Innovation, NYS Foundation for | 500,000 | 500,000 | 0 |
| State, Department of | 41,508,000 | 46,753,000 | 5,245,000 |
| State Police, Division of | 181,522,000 | 223,328,000 | 41,806,000 |
| State University of New York | 4,052,362,600 | 4,269,803,000 | 217,440,400 |
| State University Construction Fund | 17,340,000 | 18,805,000 | 1,465,000 |
| Taxation and Finance, Department of | 76,420,000 | 86,837,000 | 10,417,000 |
| Technology, Office for | 31,549,000 | 20,573,000 | (10,976,000) |
| Temporary and Disability Assistance, Office of | 169,240,000 | 167,434,000 | (1,806,000) |
| Transportation, Department of | 32,467,000 | 31,868,000 | (599,000) |
| Welfare Inspector General, Office of | 929,000 | 1,177,000 | 248,000 |
| Workers Compensation Board | 212,803,000 | 201,793,000 | (11,010,000) |
| Authority Budget Office | 700,000 | 1,500,000 | 800,000 |
| Deferred Compensation Board | 724,000 | 781,000 | 57,000 |
| Higher Education - Miscellaneous | 795,500 | 829,800 | 34,300 |
| Homeland Security - Miscellaneous | 3,000,000 | 3,000,000 | 0 |
| Labor Management Committees | 400,000 | 0 | (400,000) |
| Local Government Assistance | 3,243,000 | 3,243,000 | 0 |
| Statewide Energy Improvement | 700,000 | 0 | (700,000) |

APPROPRIATIONS

STATE OPERATIONS SPECIAL REVENUE FUNDS - OTHER (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|---------------------------------|------------------------------|--------------------------------|---------------|
| Judiciary | 121,004,445 | 117,803,153 | (3,201,292) |
| Legislature | 2,100,000 | 2,100,000 | 0 |
| Total | 9,320,258,265 | 12,506,079,853 | 3,185,821,588 |
| Adjustments | | | |
| Prior Year Deficiencies | 20,800,000 | | |
| Recommended Deficiencies | (2,468,000) | | |
| Transfer From: | | | |
| General Fund | (1,595,728,000) | | |
| Transfer To: | | | |
| General Fund | 1,574,507,000 | | |
| Special Revenue Funds - Federal | 34,380 | | |
| Appropriated 2007-08 | 9,317,403,645 | | |

APPROPRIATIONS

STATE OPERATIONS FIDUCIARY FUNDS (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------------------------|----------------------|------------------------|------------|
| Agriculture and Markets, Department of | 1,806,100 | 1,836,000 | 29,900 |
| Audit and Control, Department of | 88,500,000 | 93,704,000 | 5,204,000 |
| City University of New York | 1,627,937,607 | 1,700,568,800 | 72,631,193 |
| General Services, Office of | 250,000 | 750,000 | 500,000 |
| General State Charges | 224,775,000 | 241,300,000 | 16,525,000 |
| Health Insurance Reserve Receipts Fund | 192,400,000 | 192,400,000 | 0 |
| Total | 2,135,668,707 | 2,230,558,800 | 94,890,093 |
| Adjustments | | | |
| Prior Year Deficiencies | 23,460,000 | | |
| Appropriated 2007-08 | 2,159,128,707 | | |

STATE OPERATIONS INTERNAL SERVICE FUNDS (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------------------------|----------------------|------------------------|-------------|
| Audit and Control, Department of | 3,487,000 | 4,101,000 | 614,000 |
| Budget, Division of the | 1,650,000 | 1,650,000 | 0 |
| Children and Family Services Office of | 100,000 | 100,000 | 0 |
| Civil Service, Department of | 39,460,000 | 42,655,000 | 3,195,000 |
| Correctional Services, Department of | 79,711,000 | 74,208,000 | (5,503,000) |
| Education Department, State | 27,181,000 | 30,068,000 | 2,887,000 |
| Employee Relations, Office of | 2,587,000 | 2,768,000 | 181,000 |
| Environmental Conservation, Department of | 60,000 | 60,000 | 0 |
| General Services, Office of | 215,274,000 | 225,114,000 | 9,840,000 |
| Homeland Security, Office of | 1,500,000 | 1,500,000 | 0 |
| Mental Health, Office of | 2,620,000 | 2,620,000 | 0 |
| Mental Retardation and Developmental Disabilities, Office of | 350,000 | 350,000 | 0 |
| Motor Vehicles, Department of | 9,500,000 | 10,500,000 | 1,000,000 |
| Prevention of Domestic Violence, Office for | 890,000 | 890,000 | 0 |
| State University of New York | 12,000,000 | 12,410,000 | 410,000 |
| Taxation and Finance, Department of | 47,502,000 | 46,202,000 | (1,300,000) |
| Technology, Office for | 266,200,000 | 319,260,000 | 53,060,000 |
| Temporary and Disability Assistance, Office of | 1,200,000 | 1,200,000 | 0 |
| Total | 711,272,000 | 775,656,000 | 64,384,000 |
| Appropriated 2007-08 | 711,272,000 | | |

STATE OPERATIONS ENTERPRISE FUNDS (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|----------------------|------------------------|---------------|
| Aging, Office for the | 100,000 | 100,000 | 0 |
| Agriculture and Markets, Department of | 23,360,200 | 24,161,000 | 800,800 |
| Children and Family Services Office of | 475,000 | 475,000 | 0 |
| Correctional Services, Department of | 44,347,000 | 44,347,000 | 0 |
| Developmental Disabilities Planning Council | 10,000 | 10,000 | 0 |
| General Services, Office of | 1,976,000 | 2,006,000 | 30,000 |
| Health, Department of | 10,000 | 10,000 | 0 |
| Labor, Department of | 3,250,000,000 | 3,000,000,000 | (250,000,000) |
| Mental Health, Office of | 8,514,000 | 8,514,000 | 0 |
| Mental Retardation and Developmental Disabilities, Office of | 2,406,000 | 2,456,000 | 50,000 |
| Parks, Recreation and Historic Preservation, Office of | 2,500,000 | 1,500,000 | (1,000,000) |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 45,000 | 45,000 | 0 |
| Total | 3,333,743,200 | 3,083,624,000 | (250,119,200) |
| Appropriated 2007-08 | 3,333,743,200 | | |

APPROPRIATIONS

AID TO LOCALITIES RECAPITULATION OF 2008-09 RECOMMENDATIONS BY FUND TYPE (dollars)

| | General | Special Revenue Federal | Special Revenue Other | Internal Service | Fiduciary | Total |
|---------------------------------------------------------------------------|----------------|-------------------------------|-----------------------------|---------------------|----------------|-----------------|
| Adirondack Park Agency | 100,000 | 0 | 0 | 0 | 0 | 100,000 |
| Aging, Office for the | 124,542,000 | 107,600,000 | 4,000,000 | 0 | 0 | 236,142,000 |
| Agriculture and Markets, Department of | 21,595,000 | 20,000,000 | 0 | 0 | 0 | 41,595,000 |
| Arts, Council on the | 49,000,000 | 1,513,000 | 200,000 | 0 | 0 | 50,713,000 |
| Audit and Control, Department of | 41,801,000 | 0 | 72,000,000 | 0 | 0 | 113,801,000 |
| Banking Department | 0 | 0 | 3,500,000 | 0 | 0 | 3,500,000 |
| Children and Family Services Office of | 1,810,023,000 | 1,352,763,000 | 18,880,000 | 0 | 0 | 3,181,666,000 |
| City University of New York | 1,210,227,600 | 0 | 0 | 0 | 0 | 1,210,227,600 |
| Correctional Services, Department of | 6,000,000 | 0 | 0 | 0 | 0 | 6,000,000 |
| Crime Victims Board | 0 | 35,493,000 | 31,251,000 | 0 | 0 | 66,744,000 |
| Criminal Justice Services, Division of | 62,391,000 | 23,550,000 | 29,322,000 | 0 | 0 | 115,263,000 |
| Economic Development, Department of | 6,677,000 | 0 | 0 | 0 | 0 | 6,677,000 |
| Education Department, State | 19,090,094,100 | 3,844,834,000 | 7,975,182,000 | 0 | 0 | 30,910,110,100 |
| Elections, State Board of | 0 | 11,000,000 | 0 | 0 | 0 | 11,000,000 |
| Empire State Development Corporation | 81,121,000 | 0 | 0 | 0 | 0 | 81,121,000 |
| Energy Research and Development Authority, New York State | 0 | 0 | 10,511,000 | 0 | 0 | 10,511,000 |
| Environmental Conservation, Department of | 1,791,400 | 0 | 0 | 0 | 0 | 1,791,400 |
| Health, Department of | 13,563,331,300 | 27,377,860,000 | 6,022,745,000 | 0 | 1,771,200,000 | 48,735,136,300 |
| Higher Education Services Corporation, New York State | 821,796,000 | 12,900,000 | 35,600,000 | 0 | 0 | 870,296,000 |
| Homeland Security, Office of | 0 | 350,000,000 | 0 | 0 | 0 | 350,000,000 |
| Housing and Community Renewal, Division of | 51,055,000 | 92,450,000 | 10,000,000 | 0 | 0 | 153,505,000 |
| Mortgage Agency, State of New York | 255,009,000 | 0 | 0 | 0 | 0 | 255,009,000 |
| Insurance Department | 0 | 0 | 1,036,000 | 0 | 0 | 1,036,000 |
| Interest on Lawyer Account | 0 | 0 | 70,000,000 | 0 | 0 | 70,000,000 |
| Labor, Department of | 0 | 251,997,000 | 430,000 | 0 | 0 | 252,427,000 |
| Mental Health, Office of | 563,815,000 | 44,626,000 | 693,006,000 | 0 | 0 | 1,301,447,000 |
| Mental Retardation and Developmental Disabilities, Office of | 1,425,927,000 | 0 | 835,341,000 | 0 | 0 | 2,261,268,000 |
| Alcoholism and Substance Abuse Services, Office of | 151,478,000 | 135,473,000 | 208,030,000 | 0 | 0 | 494,981,000 |
| Metropolitan Transportation Authority | 0 | 0 | 636,000,000 | 0 | 0 | 636,000,000 |
| Military and Naval Affairs, Division of | 0 | 8,000,000 | 1,650,000 | 0 | 0 | 9,650,000 |
| Motor Vehicles, Department of | 0 | 17,264,000 | 0 | 0 | 0 | 17,264,000 |
| Parks, Recreation and Historic Preservation, Office of | 4,000,000 | 5,120,000 | 5,750,000 | 0 | 0 | 14,870,000 |
| Parole, Division of | 41,850,000 | 0 | 0 | 9,250,000 | 0 | 51,100,000 |
| Prevention of Domestic Violence, Office for | 927,000 | 0 | 0 | 0 | 0 | 927,000 |
| Probation and Correctional Alternatives, Division of | 77,716,000 | 0 | 0 | 0 | 0 | 77,716,000 |
| Public Service Department | 0 | 0 | 550,000 | 0 | 0 | 550,000 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 293,000 | 0 | 478,000 | 0 | 0 | 771,000 |
| Real Property Services, Office of | 3,825,000 | 0 | 18,009,000 | 0 | 0 | 21,834,000 |
| Science, Technology and Innovation, NYS Foundation for | 47,590,000 | 0 | 0 | 0 | 0 | 47,590,000 |
| State, Department of | 0 | 61,400,000 | 15,415,000 | 0 | 0 | 76,815,000 |
| State University of New York | 455,813,000 | 0 | 0 | 0 | 0 | 455,813,000 |
| Technology, Office for | 5,000,000 | 0 | 0 | 0 | 0 | 5,000,000 |
| Temporary and Disability Assistance, Office of | 1,244,181,000 | 3,200,432,000 | 17,936,000 | 0 | 10,000,000 | 4,472,549,000 |
| Transportation, Department of | 103,016,000 | 53,910,000 | 2,879,339,000 | 0 | 0 | 3,036,265,000 |
| Veterans Affairs, Division of | 9,200,000 | 500,000 | 0 | 0 | 0 | 9,700,000 |
| Subtotal | 41,331,185,400 | 37,008,685,000 | 19,596,161,000 | 9,250,000 | 1,781,200,000 | 99,726,481,400 |
| Miscellaneous--All State Departments and Agencies | | | | | | |
| Homeland Security - Miscellaneous | 0 | 50,000,000 | 0 | 0 | 0 | 50,000,000 |
| Hudson River Valley Greenway Communities Council | 204,000 | 0 | 0 | 0 | 0 | 204,000 |
| Local Government Assistance | 1,379,815,600 | 0 | 0 | 0 | 36,474,300,000 | 37,854,115,600 |
| Payments to STARC / NYC | 170,000,000 | 0 | 0 | 0 | 0 | 170,000,000 |
| Tribal State Compact Revenue | 0 | 0 | 41,600,000 | 0 | 0 | 41,600,000 |
| Subtotal | 1,550,019,600 | 50,000,000 | 41,600,000 | 0 | 36,474,300,000 | 38,115,919,600 |
| Judiciary | 5,000,000 | 0 | 123,553,284 | 0 | 0 | 128,553,284 |
| Subtotal | 5,000,000 | 0 | 123,553,284 | 0 | 0 | 128,553,284 |
| Special Federal Emergency Appropriation | 0 | 1,000,000,000 | 0 | 0 | 0 | 1,000,000,000 |
| Total | 42,886,205,000 | 38,058,685,000 | 19,761,314,284 | 9,250,000 | 38,255,500,000 | 138,970,954,284 |

APPROPRIATIONS

AID TO LOCALITIES GENERAL FUND (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|----------------------|------------------------|---------------|
| Adirondack Park Agency | 100,000 | 100,000 | 0 |
| Aging, Office for the | 119,770,085 | 124,542,000 | 4,771,915 |
| Agriculture and Markets, Department of | 28,237,350 | 21,595,000 | (6,642,350) |
| Arts, Council on the | 49,000,000 | 49,000,000 | 0 |
| Audit and Control, Department of | 40,000,000 | 41,801,000 | 1,801,000 |
| Children and Family Services Office of | 1,639,880,460 | 1,810,023,000 | 170,142,540 |
| City University of New York | 1,136,570,745 | 1,210,227,600 | 73,656,855 |
| Correctional Services, Department of | 6,409,000 | 6,000,000 | (409,000) |
| Criminal Justice Services, Division of | 95,247,127 | 62,391,000 | (32,856,127) |
| Economic Development, Department of | 14,001,610 | 6,677,000 | (7,324,610) |
| Education Department, State | 17,895,862,279 | 19,090,094,100 | 1,194,231,821 |
| Empire State Development Corporation | 85,364,000 | 81,121,000 | (4,243,000) |
| Environmental Conservation, Department of | 8,246,445 | 1,791,400 | (6,455,045) |
| General Services, Office of | 168,800 | 0 | (168,800) |
| Health, Department of | 13,349,893,460 | 13,563,331,300 | 213,437,840 |
| Higher Education Services Corporation, New York State | 924,869,000 | 821,796,000 | (103,073,000) |
| Housing and Community Renewal, Division of | 64,322,762 | 51,055,000 | (13,267,762) |
| Mortgage Agency, State of New York | 293,718,000 | 255,009,000 | (38,709,000) |
| Interest on Lawyer Account | 3,000,000 | 0 | (3,000,000) |
| Labor, Department of | 20,470,750 | 0 | (20,470,750) |
| Mental Health, Office of | 496,387,000 | 563,815,000 | 67,428,000 |
| Mental Retardation and Developmental Disabilities, Office of | 1,380,877,500 | 1,425,927,000 | 45,049,500 |
| Alcoholism and Substance Abuse Services, Office of | 145,337,000 | 151,478,000 | 6,141,000 |
| Military and Naval Affairs, Division of | 90,013,150 | 0 | (90,013,150) |
| Parks, Recreation and Historic Preservation, Office of | 20,655,646 | 4,000,000 | (16,655,646) |
| Parole, Division of | 46,346,000 | 41,850,000 | (4,496,000) |
| Prevention of Domestic Violence, Office for | 927,000 | 927,000 | 0 |
| Probation and Correctional Alternatives, Division of | 73,862,631 | 77,716,000 | 3,853,369 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 293,000 | 293,000 | 0 |
| Real Property Services, Office of | 20,800,000 | 3,825,000 | (16,975,000) |
| Science, Technology and Innovation, NYS Foundation for | 49,740,000 | 47,590,000 | (2,150,000) |
| State, Department of | 25,248,490 | 0 | (25,248,490) |
| State University of New York | 449,894,713 | 455,813,000 | 5,918,287 |
| Technology, Office for | 5,000,000 | 5,000,000 | 0 |
| Temporary and Disability Assistance, Office of | 1,422,832,000 | 1,244,181,000 | (178,651,000) |
| Transportation, Department of | 105,893,300 | 103,016,000 | (2,877,300) |
| Veterans Affairs, Division of | 8,359,300 | 9,200,000 | 840,700 |
| Subtotal | 40,117,598,603 | 41,331,185,400 | 1,213,586,797 |
| Miscellaneous--All State Departments and Agencies | | | |
| Development Authority of the North Country | 225,000 | 0 | (225,000) |
| Greenway Heritage Conservancy for the Hudson River Valley | 65,000 | 0 | (65,000) |
| Hudson River Valley Greenway Communities Council | 204,000 | 204,000 | 0 |
| Local Government Assistance | 1,330,914,100 | 1,379,815,600 | 48,901,500 |
| Payments to STARC / NYC | 170,000,000 | 170,000,000 | 0 |
| Subtotal | 1,501,408,100 | 1,550,019,600 | 48,611,500 |
| Judiciary | 5,000,000 | 5,000,000 | 0 |
| Total | 41,624,006,703 | 42,886,205,000 | 1,262,198,297 |
| Adjustments | | | |
| Prior Year Deficiencies | 262,753,000 | | |
| Recommended Deficiencies | (58,150,000) | | |
| Transfer From: | | | |
| General Fund (State Operations) | (2,800,000,000) | | |
| Special Revenue Funds - Other | (1,036,775,750) | | |
| Transfer To: | | | |
| Special Revenue Funds - Other | 969,867,750 | | |
| General Fund (State Operations) | 285,000 | | |
| Appropriated 2007-08 | 38,961,986,703 | | |

APPROPRIATIONS

AID TO LOCALITIES SPECIAL REVENUE FUNDS - FEDERAL (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|--------------------------------------------------------|----------------------|------------------------|---------------|
| Aging, Office for the | 107,600,000 | 107,600,000 | 0 |
| Agriculture and Markets, Department of | 20,000,000 | 20,000,000 | 0 |
| Arts, Council on the | 1,513,000 | 1,513,000 | 0 |
| Children and Family Services Office of | 1,350,025,000 | 1,352,763,000 | 2,738,000 |
| Crime Victims Board | 36,523,000 | 35,493,000 | (1,030,000) |
| Criminal Justice Services, Division of | 22,350,000 | 23,550,000 | 1,200,000 |
| Education Department, State | 3,773,030,000 | 3,844,834,000 | 71,804,000 |
| Elections, State Board of | 18,500,000 | 11,000,000 | (7,500,000) |
| Health, Department of | 27,968,484,000 | 27,377,860,000 | (590,624,000) |
| Higher Education Services Corporation, New York State | 7,000,000 | 12,900,000 | 5,900,000 |
| Homeland Security, Office of | 360,000,000 | 350,000,000 | (10,000,000) |
| Housing and Community Renewal, Division of | 92,450,000 | 92,450,000 | 0 |
| Labor, Department of | 238,619,000 | 251,997,000 | 13,378,000 |
| Mental Health, Office of | 37,834,000 | 44,626,000 | 6,792,000 |
| Alcoholism and Substance Abuse Services, Office of | 135,468,000 | 135,473,000 | 5,000 |
| Military and Naval Affairs, Division of | 311,411,000 | 8,000,000 | (303,411,000) |
| Motor Vehicles, Department of | 17,240,000 | 17,264,000 | 24,000 |
| Parks, Recreation and Historic Preservation, Office of | 5,620,000 | 5,120,000 | (500,000) |
| Science, Technology and Innovation, NYS Foundation for | 6,500,000 | 0 | (6,500,000) |
| State, Department of | 61,400,000 | 61,400,000 | 0 |
| Temporary and Disability Assistance, Office of | 3,277,930,000 | 3,200,432,000 | (77,498,000) |
| Transportation, Department of | 46,415,000 | 53,910,000 | 7,495,000 |
| Veterans Affairs, Division of | 0 | 500,000 | 500,000 |
| Homeland Security - Miscellaneous | 50,000,000 | 50,000,000 | 0 |
| Special Federal Emergency Appropriation | 1,000,000,000 | 1,000,000,000 | 0 |
| Total | 38,945,912,000 | 38,058,685,000 | (887,227,000) |
| Adjustments | | | |
| Prior Year Deficiencies | 255,000,000 | | |
| Transfer From: | | | |
| Special Revenue Funds - Federal (State Operations) | (2,800,000,000) | | |
| Appropriated 2007-08 | 36,400,912,000 | | |

APPROPRIATIONS

AID TO LOCALITIES SPECIAL REVENUE FUNDS - OTHER (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------------------------------------|----------------------|------------------------|---------------|
| Aging, Office for the | 4,000,000 | 4,000,000 | 0 |
| Arts, Council on the | 1,200,000 | 200,000 | (1,000,000) |
| Audit and Control, Department of | 80,000,000 | 72,000,000 | (8,000,000) |
| Banking Department | 1,500,000 | 3,500,000 | 2,000,000 |
| Children and Family Services Office of | 19,030,000 | 18,880,000 | (150,000) |
| Crime Victims Board | 32,011,000 | 31,251,000 | (760,000) |
| Criminal Justice Services, Division of | 23,951,000 | 29,322,000 | 5,371,000 |
| Education Department, State | 7,709,227,000 | 7,975,182,000 | 265,955,000 |
| Energy Research and Development Authority, New York State | 10,142,000 | 10,511,000 | 369,000 |
| Health, Department of | 6,276,585,000 | 6,022,745,000 | (253,840,000) |
| Higher Education Services Corporation, New York State | 4,000,000 | 35,600,000 | 31,600,000 |
| Housing and Community Renewal, Division of | 10,000,000 | 10,000,000 | 0 |
| Insurance Department | 0 | 1,036,000 | 1,036,000 |
| Interest on Lawyer Account | 17,000,000 | 70,000,000 | 53,000,000 |
| Labor, Department of | 430,000 | 430,000 | 0 |
| Mental Health, Office of | 540,680,000 | 693,006,000 | 152,326,000 |
| Mental Retardation and Developmental Disabilities, Office of | 691,381,000 | 835,341,000 | 143,960,000 |
| Alcoholism and Substance Abuse Services, Office of | 194,694,000 | 208,030,000 | 13,336,000 |
| Metropolitan Transportation Authority | 660,100,000 | 636,000,000 | (24,100,000) |
| Military and Naval Affairs, Division of | 1,650,000 | 1,650,000 | 0 |
| Parks, Recreation and Historic Preservation, Office of | 5,750,000 | 5,750,000 | 0 |
| Public Service Department | 400,000 | 550,000 | 150,000 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | 478,000 | 478,000 | 0 |
| Real Property Services, Office of | 0 | 18,009,000 | 18,009,000 |
| State, Department of | 14,650,000 | 15,415,000 | 765,000 |
| Temporary and Disability Assistance, Office of | 16,339,000 | 17,936,000 | 1,597,000 |
| Transportation, Department of | 2,710,869,000 | 2,879,339,000 | 168,470,000 |
| Tribal State Compact Revenue | 29,300,000 | 41,600,000 | 12,300,000 |
| Judiciary | 123,553,284 | 123,553,284 | 0 |
| Total | 19,178,920,284 | 19,761,314,284 | 582,394,000 |
| Adjustments | | | |
| Prior Year Deficiencies | 1,100,000 | | |
| Transfer From: | | | |
| General Fund | (969,867,750) | | |
| Transfer To: | | | |
| General Fund | 1,036,775,750 | | |
| Appropriated 2007-08 | 19,246,928,284 | | |

APPROPRIATIONS

AID TO LOCALITIES FIDUCIARY FUNDS (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|------------------------------------------------|------------------------------|--------------------------------|----------------------|
| Health, Department of | 1,771,200,000 | 1,771,200,000 | 0 |
| Temporary and Disability Assistance, Office of | 20,000,000 | 10,000,000 | (10,000,000) |
| Local Government Assistance | 35,314,149,000 | 36,474,300,000 | 1,160,151,000 |
| Total | <u>37,105,349,000</u> | <u>38,255,500,000</u> | <u>1,150,151,000</u> |
| Appropriated 2007-08 | <u>37,105,349,000</u> | | |

AID TO LOCALITIES INTERNAL SERVICE FUNDS (dollars)

| | Available 2007-08 | Recommended 2008-09 | Change |
|----------------------|------------------------------|--------------------------------|---------------|
| Parole, Division of | 9,250,000 | 9,250,000 | 0 |
| Total | <u>9,250,000</u> | <u>9,250,000</u> | <u>0</u> |
| Appropriated 2007-08 | <u>9,250,000</u> | | |

APPROPRIATIONS

CAPITAL PROJECTS APPROPRIATIONS ALL FUNDS APPROPRIATED 2007-08 (dollars)

| | Capital Projects Funds | Special Revenue Funds | Fiduciary Funds | Total |
|--------------------------------------------------------------|------------------------------|-----------------------------|--------------------|---------------|
| Agriculture and Markets, Department of | 3,750,000 | 0 | 0 | 3,750,000 |
| Children and Family Services Office of | 38,460,000 | 0 | 0 | 38,460,000 |
| City University of New York | 265,800,000 | 0 | 0 | 265,800,000 |
| Correctional Services, Department of | 300,000,000 | 0 | 0 | 300,000,000 |
| Education Department, State | 78,900,000 | 0 | 0 | 78,900,000 |
| Empire State Development Corporation | 350,450,000 | 0 | 0 | 350,450,000 |
| Energy Research and Development Authority, New York State | 13,500,000 | 0 | 0 | 13,500,000 |
| Environmental Conservation, Department of | 673,070,000 | 0 | 0 | 673,070,000 |
| Environmental Facilities Corporation | 4,743,000 | 0 | 0 | 4,743,000 |
| General Services, Office of | 82,350,000 | 0 | 0 | 82,350,000 |
| Health, Department of | 304,412,000 | 0 | 0 | 304,412,000 |
| Housing and Community Renewal, Division of | 74,200,000 | 0 | 0 | 74,200,000 |
| Mental Health, Office of | 646,052,000 | 0 | 0 | 646,052,000 |
| Mental Retardation and Developmental Disabilities, Office of | 138,355,000 | 0 | 0 | 138,355,000 |
| Alcoholism and Substance Abuse Services, Office of | 119,606,000 | 0 | 0 | 119,606,000 |
| Metropolitan Transportation Authority | 352,000,000 | 0 | 0 | 352,000,000 |
| Military and Naval Affairs, Division of | 36,100,000 | 0 | 0 | 36,100,000 |
| Motor Vehicles, Department of | 200,378,000 | 0 | 0 | 200,378,000 |
| Parks, Recreation and Historic Preservation, Office of | 41,500,000 | 10,000,000 | 0 | 51,500,000 |
| State Police, Division of | 62,200,000 | 0 | 0 | 62,200,000 |
| State University of New York | 379,700,000 | 0 | 0 | 379,700,000 |
| Temporary and Disability Assistance, Office of | 30,000,000 | 0 | 0 | 30,000,000 |
| Thruway Authority, New York State | 2,000,000 | 0 | 0 | 2,000,000 |
| Transportation, Department of | 4,297,546,000 | 97,494,000 | 50,000,000 | 4,445,040,000 |
| State Equipment Finance Program | 20,000,000 | 0 | 0 | 20,000,000 |
| Judiciary | 77,900,000 | 0 | 0 | 77,900,000 |
| Total | 8,592,972,000 | 107,494,000 | 50,000,000 | 8,750,466,000 |

Adjustments:

Recommended Deficiencies
Appropriated 2007-08

(4,400,000)

8,746,066,000

APPROPRIATIONS

CAPITAL PROJECTS NEW APPROPRIATIONS AND REAPPROPRIATIONS ALL FUNDS RECOMMENDED 2008-09 (dollars)

| | Total Recommended Appropriations 2008-09 | Total Recommended Reappropriations 2008-09 | Capital Projects Fund | Capital Projects Fund Advances | Federal Capital Projects Fund | All Other Fund Types (a) | Total Capital Projects 2008-09 |
|-----------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|-----------------------------|-----------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------------|
| Agriculture and Markets, Department of | 3,750,000 | 44,831,000 | 0 | 0 | 0 | 48,581,000 | 48,581,000 |
| Children and Family Services Office of | 38,488,000 | 128,550,000 | 0 | 0 | 0 | 167,038,000 | 167,038,000 |
| City University of New York | 1,699,602,000 | 2,621,617,000 | 0 | 0 | 0 | 4,321,219,000 | 4,321,219,000 |
| Correctional Services, Department of | 320,000,000 | 526,895,000 | 0 | 0 | 0 | 846,895,000 | 846,895,000 |
| Education Department, State | 56,640,000 | 103,347,000 | 0 | 0 | 0 | 159,987,000 | 159,987,000 |
| Empire State Development Corporation | 900,000,000 | 3,061,783,000 | 0 | 0 | 0 | 3,961,783,000 | 3,961,783,000 |
| Energy Research and Development Authority, New York State | 13,500,000 | 0 | 0 | 0 | 0 | 13,500,000 | 13,500,000 |
| Environmental Conservation, Department of | 658,604,000 | 3,312,649,000 | 1,221,000 | 4,620,000 | 0 | 3,965,412,000 | 3,971,253,000 |
| Environmental Facilities Corporation | 343,000 | 5,686,000 | 0 | 0 | 0 | 6,029,000 | 6,029,000 |
| General Services, Office of | 80,000,000 | 251,314,000 | 0 | 0 | 0 | 331,314,000 | 331,314,000 |
| Health, Department of | 277,580,000 | 860,514,000 | 0 | 0 | 0 | 1,138,094,000 | 1,138,094,000 |
| Housing and Community Renewal, Division of | 74,200,000 | 380,206,000 | 0 | 0 | 0 | 454,406,000 | 454,406,000 |
| Hudson River Park Trust | 25,000,000 | 32,124,000 | 0 | 0 | 0 | 57,124,000 | 57,124,000 |
| Mental Health, Office of | 446,822,000 | 1,349,608,000 | 0 | 0 | 0 | 1,796,430,000 | 1,796,430,000 |
| Mental Retardation and Developmental Disabilities, Office of | 192,420,000 | 296,245,000 | 0 | 0 | 0 | 488,665,000 | 488,665,000 |
| Alcoholism and Substance Abuse Services, Office of | 121,336,000 | 269,059,000 | 0 | 0 | 0 | 390,395,000 | 390,395,000 |
| Metropolitan Transportation Authority | 487,000,000 | 878,923,000 | 0 | 0 | 0 | 1,365,923,000 | 1,365,923,000 |
| Military and Naval Affairs, Division of | 30,700,000 | 111,358,000 | 0 | 0 | 0 | 142,058,000 | 142,058,000 |
| Motor Vehicles, Department of | 221,453,000 | 2,500,000 | 0 | 0 | 0 | 223,953,000 | 223,953,000 |
| Olympic Regional Development Authority | 0 | 5,500,000 | 0 | 0 | 0 | 5,500,000 | 5,500,000 |
| Parks, Recreation and Historic Preservation, Office of | 162,000,000 | 157,178,000 | 0 | 0 | 0 | 319,178,000 | 319,178,000 |
| Science, Technology and Innovation, NYS Foundation for | 0 | 14,641,000 | 0 | 0 | 0 | 14,641,000 | 14,641,000 |
| State, Department of | 0 | 39,304,000 | 0 | 0 | 0 | 39,304,000 | 39,304,000 |
| State Police, Division of | 11,500,000 | 86,829,000 | 0 | 0 | 0 | 98,329,000 | 98,329,000 |
| State University of New York | 4,285,595,000 | 3,395,039,000 | 0 | 0 | 0 | 7,680,634,000 | 7,680,634,000 |
| Technology, Office for | 61,000,000 | 99,100,000 | 0 | 0 | 0 | 160,100,000 | 160,100,000 |
| Temporary and Disability Assistance, Office of | 30,000,000 | 113,795,000 | 0 | 0 | 0 | 143,795,000 | 143,795,000 |
| Thruway Authority, New York State | 2,000,000 | 9,299,000 | 0 | 0 | 0 | 11,299,000 | 11,299,000 |
| Transportation, Department of | 4,637,562,000 | 14,834,713,000 | 0 | 0 | 0 | 19,472,275,000 | 19,472,275,000 |
| Economic Development Capital | 0 | 1,416,018,000 | 0 | 0 | 0 | 1,416,018,000 | 1,416,018,000 |
| Economic Development Program, New York State | 0 | 224,325,000 | 0 | 0 | 0 | 224,325,000 | 224,325,000 |
| High Technology and Development Program | 0 | 224,641,000 | 0 | 0 | 0 | 224,641,000 | 224,641,000 |
| Higher Education Facilities Capital Matching Grants Program | 0 | 150,000,000 | 0 | 0 | 0 | 150,000,000 | 150,000,000 |
| Homeland Security - Miscellaneous | 0 | 19,672,000 | 0 | 0 | 0 | 19,672,000 | 19,672,000 |
| Jacob Javits Convention Center | 0 | 350,000,000 | 0 | 0 | 0 | 350,000,000 | 350,000,000 |
| Regional Economic Development Program | 0 | 82,473,000 | 0 | 0 | 0 | 82,473,000 | 82,473,000 |
| State Equipment Finance Program | 111,000,000 | 111,398,000 | 0 | 0 | 0 | 222,398,000 | 222,398,000 |
| Strategic Investment Program | 0 | 126,914,000 | 0 | 0 | 0 | 126,914,000 | 126,914,000 |
| World Trade Center | 0 | 448,091,000 | 0 | 0 | 0 | 448,091,000 | 448,091,000 |
| Judiciary | 0 | 80,865,000 | 0 | 0 | 0 | 80,865,000 | 80,865,000 |
| Total | 14,948,095,000 | 36,227,004,000 | 1,221,000 | 4,620,000 | 0 | 51,169,258,000 | 51,175,099,000 |

(a) Includes Other Capital Projects Funds, Special Revenue Funds - Other, Fiduciary Funds, Enterprise Funds, and Bond Funds.

APPROPRIATIONS

CAPITAL PROJECTS NEW APPROPRIATIONS ALL FUNDS RECOMMENDED 2008-09 (dollars)

| | Total Appropriated 2007-08 | Capital Projects Funds | Special Revenue Funds | Fiduciary Funds | Total Recommended 2008-09 | Change From 2007-08 |
|-----------------------------------------------------------------|----------------------------------|------------------------------|-----------------------------|--------------------|---------------------------------|---------------------------|
| Agriculture and Markets, Department of | 3,750,000 | 3,750,000 | 0 | 0 | 3,750,000 | 0 |
| Children and Family Services Office of | 38,460,000 | 38,488,000 | 0 | 0 | 38,488,000 | 28,000 |
| City University of New York | 265,800,000 | 1,699,602,000 | 0 | 0 | 1,699,602,000 | 1,433,802,000 |
| Correctional Services, Department of | 300,000,000 | 320,000,000 | 0 | 0 | 320,000,000 | 20,000,000 |
| Education Department, State | 78,900,000 | 56,640,000 | 0 | 0 | 56,640,000 | (22,260,000) |
| Empire State Development Corporation | 350,450,000 | 900,000,000 | 0 | 0 | 900,000,000 | 549,550,000 |
| Energy Research and Development Authority, New York State | 13,500,000 | 13,500,000 | 0 | 0 | 13,500,000 | 0 |
| Environmental Conservation, Department of | 673,070,000 | 658,604,000 | 0 | 0 | 658,604,000 | (14,466,000) |
| Environmental Facilities Corporation | 4,743,000 | 343,000 | 0 | 0 | 343,000 | (4,400,000) |
| General Services, Office of | 82,350,000 | 80,000,000 | 0 | 0 | 80,000,000 | (2,350,000) |
| Health, Department of | 304,412,000 | 277,580,000 | 0 | 0 | 277,580,000 | (26,832,000) |
| Housing and Community Renewal, Division of | 74,200,000 | 74,200,000 | 0 | 0 | 74,200,000 | 0 |
| Hudson River Park Trust | 0 | 25,000,000 | 0 | 0 | 25,000,000 | 25,000,000 |
| Mental Health, Office of | 646,052,000 | 446,822,000 | 0 | 0 | 446,822,000 | (199,230,000) |
| Mental Retardation and Developmental Disabilities, Office of | 138,355,000 | 192,420,000 | 0 | 0 | 192,420,000 | 54,065,000 |
| Alcoholism and Substance Abuse Services, Office of | 119,606,000 | 121,336,000 | 0 | 0 | 121,336,000 | 1,730,000 |
| Metropolitan Transportation Authority | 352,000,000 | 487,000,000 | 0 | 0 | 487,000,000 | 135,000,000 |
| Military and Naval Affairs, Division of | 36,100,000 | 30,700,000 | 0 | 0 | 30,700,000 | (5,400,000) |
| Motor Vehicles, Department of | 200,378,000 | 221,453,000 | 0 | 0 | 221,453,000 | 21,075,000 |
| Parks, Recreation and Historic Preservation, Office of | 51,500,000 | 152,000,000 | 10,000,000 | 0 | 162,000,000 | 110,500,000 |
| State Police, Division of | 62,200,000 | 11,500,000 | 0 | 0 | 11,500,000 | (50,700,000) |
| State University of New York | 379,700,000 | 4,285,595,000 | 0 | 0 | 4,285,595,000 | 3,905,895,000 |
| Technology, Office for | 0 | 61,000,000 | 0 | 0 | 61,000,000 | 61,000,000 |
| Temporary and Disability Assistance, Office of | 30,000,000 | 30,000,000 | 0 | 0 | 30,000,000 | 0 |
| Thruway Authority, New York State | 2,000,000 | 2,000,000 | 0 | 0 | 2,000,000 | 0 |
| Transportation, Department of | 4,445,040,000 | 4,497,396,000 | 90,166,000 | 50,000,000 | 4,637,562,000 | 192,522,000 |
| State Equipment Finance Program | 20,000,000 | 111,000,000 | 0 | 0 | 111,000,000 | 91,000,000 |
| Judiciary | 77,900,000 | 0 | 0 | 0 | 0 | (77,900,000) |
| Total | 8,750,466,000 | 14,797,929,000 | 100,166,000 | 50,000,000 | 14,948,095,000 | 6,197,629,000 |
| Adjustments: | | | | | | |
| Recommended Deficiencies | | (4,400,000) | | | | |
| Appropriated 2007-08 | | 8,746,066,000 | | | | |



CONSULTING SERVICE CONTRACTS

Chapter 10 of the Laws of 2006 amended the Civil Service Law and the State Finance Law to require the collection and reporting of information related to contract employees working under State agency consulting contracts. This new law required the Department of Civil Service (CS), the Division of the Budget (DOB), and the Office of the State Comptroller (OSC) to gather specific data related to procurement and consulting service contracts. The legislative intent was to provide for a comprehensive overview of the use of consultants in State agencies.

Four annual reports are mandated by Chapter 10 to meet these reporting requirements: the OSC Consulting Report (May 1), the OSC Procurement Stewardship Act (PSA) Report (July 1), the CS Report (September 30), and the Executive Budget report, which beginning with the initial report last year has been presented within this volume. The specific information which the law prescribes for these separate reports varies widely in terms of scope, time period measured, dollar thresholds and actual vs. projected activity. As a result, the different reports cannot easily be reconciled or evaluated.

The following tables present the information required for the Executive Budget report, as supplied by State agencies. As stipulated by the law and applied by the other reporting agencies, these tables show contract employee counts that represent estimates of the number of individuals employed (or projected to be employed) for any amount of time during any portion of the year. This concept is a major departure from the full-time-equivalent (FTE) concept used exclusively elsewhere in the Executive Budget documents. That standard measure translates part-time and part-year workers into the equivalent number of full-time positions over the course of a year. In contrast with FTEs, the straightforward count of employees (regardless of the percentage of time worked) that is reported in accordance with Chapter 10 arguably overstates the number of full-time-equivalent positions associated with consulting contracts.

It should be noted that spending figures, reported in accordance with Chapter 10, include labor-related contract costs such as overhead, travel and fringe benefits, and in some cases other nonpersonal service expenses. Accordingly, contract costs cannot be interpreted as representing only the compensation paid to contract employees.

The Executive is continuing to monitor and evaluate the use of such contracts on an ongoing basis. Where appropriate, as described elsewhere in the Executive Budget, steps are being taken to shift certain types of work from contracts to the State workforce.

CONSULTING SERVICE CONTRACTS

ALL FUNDS

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|-----------------------------------------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Aging, Office for the | \$194,000 | \$194,000 | \$24,000 | \$171,000 | \$194,000 | \$194,000 | 7 | 7 |
| Agriculture and Markets, Department of | \$762,577 | \$648,248 | \$3,710,950 | \$3,388,200 | \$4,232,012 | \$1,808,763 | 156 | 156 |
| Alcoholic Beverage Control, Division of | \$224,000 | \$224,000 | \$0 | \$0 | \$224,000 | \$224,000 | 3 | 3 |
| Alcoholism and Substance Abuse Services, Office of | \$3,437,000 | \$3,500,000 | \$0 | \$0 | \$3,357,000 | \$3,500,000 | 26 | 27 |
| Audit and Control, Department of | \$17,715,906 | \$27,445,161 | \$0 | \$0 | \$17,715,906 | \$27,445,161 | 340 | 261 |
| Banking Department | 2,741,000 | 2,198,000 | 0 | 0 | 2,395,000 | 2,359,000 | 57 | 51 |
| Budget, Division of the | \$9,665,500 | \$17,816,500 | \$0 | \$0 | \$9,665,500 | \$17,816,500 | 99 | 130 |
| Children and Family Services, Office of | \$9,957,000 | \$4,848,000 | \$9,013,000 | \$1,551,000 | \$18,220,000 | \$5,750,000 | 305 | 170 |
| City University of New York | \$63,700,000 | \$16,450,000 | \$0 | \$2,600,000 | \$61,600,000 | \$18,550,000 | 350 | 275 |
| Civil Service, Department of | \$3,484,453 | \$3,195,476 | \$0 | \$0 | \$2,936,158 | \$3,169,930 | 43 | 34 |
| Consumer Protection Board | \$35,000 | \$75,000 | \$0 | \$0 | \$30,000 | \$70,000 | 1 | 1 |
| Correctional Services, Department of | \$8,054,340 | \$8,971,528 | \$0 | \$0 | \$7,248,906 | \$8,074,375 | 40 | 44 |
| Crime Victims Board | \$1,022,000 | \$1,112,000 | \$0 | \$0 | \$217,750 | \$100,000 | 5 | 4 |
| Criminal Justice Services, Division of | \$14,895,700 | \$18,127,700 | \$17,350,100 | \$11,686,200 | \$25,246,300 | \$29,792,400 | 255 | 255 |
| Deferred Compensation Board | 100,000 | 80,000 | 0 | 0 | 90,000 | 72,000 | 2 | 2 |
| Economic Development, Department of | \$44,583,000 | \$44,583,000 | \$8,711,000 | \$8,511,000 | \$9,486,200 | \$10,324,000 | 85 | 72 |
| Education Department, State | \$36,170,261 | \$36,651,768 | \$0 | \$0 | \$36,170,261 | \$36,651,768 | 428 | 389 |
| Elections, State Board of | \$0 | \$250,000 | \$7,100,000 | \$1,900,000 | \$5,200,000 | \$2,150,000 | 37 | 36 |
| Employee Relations, Office of | \$2,200,000 | \$10,000,000 | \$1,500,000 | \$1,000,000 | \$2,000,000 | \$6,000,000 | 90 | 120 |
| Environmental Conservation, Department of | \$5,318,000 | \$5,318,000 | \$28,454,000 | \$26,298,000 | \$33,772,000 | \$31,616,000 | 169 | 159 |
| Environmental Facilities Corporation | \$79,000 | \$75,500 | \$0 | \$0 | \$77,300 | \$75,500 | 7 | 7 |
| Executive Chamber | \$568,475 | \$449,125 | \$0 | \$0 | \$568,475 | \$449,125 | 12 | 4 |
| General Services, Office of | \$7,512,000 | \$7,781,000 | \$15,000,000 | \$13,000,000 | \$7,512,000 | \$7,691,000 | 154 | 157 |
| Health, Department of | \$22,200,788 | \$22,200,788 | \$0 | \$0 | \$22,200,788 | \$22,200,788 | 483 | 483 |
| Higher Education Services Corporation | \$8,079,000 | \$7,360,000 | \$0 | \$0 | \$8,079,000 | \$7,360,000 | 21 | 64 |
| Homeland Security, Office of | \$5,074,900 | \$6,358,900 | \$0 | \$0 | \$5,085,900 | \$6,343,900 | 34 | 34 |
| Housing and Community Renewal, Division of | \$8,100,000 | \$8,100,000 | \$29,000,000 | \$21,000,000 | \$800,000 | \$1,900,000 | 9 | 13 |
| Human Rights, Division of | \$429,000 | \$500,000 | \$272,000 | \$250,000 | \$429,000 | \$500,000 | 13 | 12 |
| Insurance Department | \$2,425,700 | \$2,072,000 | \$0 | \$0 | \$2,425,700 | \$2,072,000 | 10 | 8 |
| Investigation, Temporary State Commission of | \$58,000 | \$12,000 | \$0 | \$0 | \$58,000 | \$12,000 | 2 | 1 |
| Labor, Department of | \$25,458,778 | \$17,619,866 | \$23,060,463 | \$41,406,396 | \$37,222,301 | \$35,965,799 | 115 | 55 |
| Lake George Park Commission | \$209,000 | \$248,000 | \$0 | \$0 | \$91,120 | \$238,000 | 11 | 11 |
| Law, Department of | \$13,462,000 | \$13,462,000 | \$0 | \$0 | \$13,857,000 | \$13,679,000 | 189 | 189 |
| Lottery, Division of the | \$814,183 | \$843,143 | \$0 | \$0 | \$814,183 | \$843,143 | 15 | 15 |
| Medicaid Inspector General, Office of the | \$9,104,532 | \$10,057,728 | \$0 | \$0 | \$8,725,521 | \$9,927,050 | 112 | 131 |
| Mental Health, Office of | \$36,970,000 | \$37,606,200 | \$0 | \$0 | \$36,970,000 | \$37,606,200 | 1,145 | 1,145 |
| Mental Retardation and Developmental Disabilities, Office of | \$19,225,000 | \$20,541,000 | \$0 | \$0 | \$16,630,000 | \$17,768,000 | 365 | 377 |
| Motor Vehicles, Department of | \$6,080,443 | \$4,374,203 | \$735,375 | \$523,801 | \$6,815,818 | \$4,898,004 | 68 | 51 |
| Parks, Recreation and Historic Preservation, Office of | \$3,103,599 | \$3,196,379 | \$8,081,214 | \$8,461,290 | \$2,707,626 | \$2,928,227 | 2,245 | 2,247 |

CONSULTING SERVICE CONTRACTS

ALL FUNDS

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|------------------------------------------------------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Parole, Division of | \$250,000 | \$592,000 | \$0 | \$0 | \$108,000 | \$592,000 | 2 | 5 |
| Probation and Correctional Alternatives, Division of | \$123,650 | \$123,650 | \$0 | \$0 | \$123,650 | \$123,650 | 1 | 1 |
| Public Service Department | \$2,566,000 | \$2,893,000 | \$0 | \$0 | \$2,439,000 | \$2,954,000 | 13 | 16 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | \$4,452,000 | \$4,243,900 | \$4,334,700 | \$4,514,600 | \$4,122,900 | \$4,187,200 | 68 | 68 |
| Racing and Wagering Board, State | \$3,090,000 | \$3,090,000 | \$0 | \$0 | \$3,090,000 | \$3,090,000 | 17 | 17 |
| Real Property Services, Office of | \$600,520 | \$493,000 | \$0 | \$0 | \$600,520 | \$493,000 | 46 | 43 |
| Regulatory Reform, Governor's Office of | \$625,000 | \$790,600 | \$0 | \$0 | \$625,000 | \$796,600 | 5 | 5 |
| Office of | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$50,000 | 0 | 1 |
| State Emergency Management Office | \$101,884,000 | \$4,384,000 | \$188,750,000 | \$149,250,000 | \$28,265,000 | \$20,700,000 | 107 | 114 |
| State Police, Division of | \$1,865,545 | \$2,286,604 | \$0 | \$0 | \$1,865,545 | \$2,286,604 | 17 | 17 |
| State University of New York | \$135,463,800 | \$100,169,000 | \$1,337,100 | \$200 | \$106,489,500 | \$79,952,900 | 1,817 | 1,652 |
| State, Department of | \$2,049,048 | \$2,000,000 | \$6,219,648 | \$8,115,691 | \$2,660,495 | \$2,242,824 | 70 | 54 |
| Taxation and Finance, Department of | \$29,733,000 | \$29,733,000 | \$0 | \$0 | \$27,733,000 | \$29,733,000 | 204 | 204 |
| Technology, Office for | \$44,935,120 | \$53,278,120 | \$2,530,000 | \$2,000,000 | \$45,465,120 | \$55,278,120 | 207 | 207 |
| Temporary and Disability Assistance, Office of | \$8,036,300 | \$17,304,300 | \$12,621,900 | \$12,522,500 | \$20,658,200 | \$29,826,800 | 161 | 191 |
| Transportation, Department of | \$238,237,000 | \$224,502,000 | \$1,193,721,000 | \$1,050,310,000 | \$202,909,000 | \$201,833,000 | 1,240 | 1,233 |
| Veterans Affairs, Division of | \$54,000 | \$30,000 | \$0 | \$0 | \$54,000 | \$30,000 | 2 | 1 |
| Workers Compensation Board | \$13,005,000 | \$13,317,000 | \$0 | \$0 | \$13,005,000 | \$13,317,000 | 92 | 96 |
| Total | \$980,184,118 | \$823,826,387 | \$1,561,526,450 | \$1,368,459,878 | \$871,244,655 | \$825,612,331 | 11,577 | 11,125 |

CONSULTING SERVICE CONTRACTS

GENERAL FUND

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|-----------------------------------------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Agriculture and Markets, Department of | \$762,577 | \$648,248 | \$1,710,950 | \$1,716,663 | \$2,362,012 | \$678,763 | 56 | 56 |
| Alcoholism and Substance Abuse Services, Office of | \$3,437,000 | \$3,500,000 | \$0 | \$0 | \$3,357,000 | \$3,500,000 | 26 | 27 |
| Audit and Control, Department of | 13,917,302 | 26,186,148 | 0 | 0 | 13,917,302 | 26,186,148 | 275 | 199 |
| Budget, Division of the | \$1,933,500 | \$2,672,500 | \$0 | \$0 | \$1,933,500 | \$2,672,500 | 45 | 48 |
| Children and Family Services, Office of | \$7,901,000 | \$2,870,000 | \$0 | \$0 | \$7,901,000 | \$2,870,000 | 172 | 119 |
| Civil Service, Department of | \$431,695 | \$399,351 | \$0 | \$0 | \$373,068 | \$398,446 | 6 | 4 |
| Correctional Services, Department of | \$8,054,340 | \$8,971,528 | \$0 | \$0 | \$7,248,906 | \$8,074,375 | 40 | 44 |
| Crime Victims Board | \$1,022,000 | \$1,112,000 | \$0 | \$0 | \$217,750 | \$100,000 | 5 | 4 |
| Criminal Justice Services, Division of | \$1,141,900 | \$1,127,700 | \$0 | \$0 | \$1,141,900 | \$1,127,700 | 100 | 100 |
| Deferred Compensation Board | 100,000 | 80,000 | 0 | 0 | 90,000 | 72,000 | 2 | 2 |
| Economic Development, Department of | \$38,668,000 | \$38,668,000 | \$8,711,000 | \$8,511,000 | \$8,279,500 | \$8,468,500 | 73 | 58 |
| Education Department, State | \$1,397,351 | \$1,892,855 | \$0 | \$0 | \$1,397,351 | \$1,892,855 | 14 | 19 |
| Elections, State Board of | \$0 | \$250,000 | \$0 | \$0 | \$0 | \$250,000 | 0 | 3 |
| Employee Relations, Office of | \$2,200,000 | \$10,000,000 | \$1,500,000 | \$1,000,000 | \$2,000,000 | \$6,000,000 | 90 | 120 |
| Environmental Conservation, Department of | \$793,000 | \$793,000 | \$65,000 | \$65,000 | \$858,000 | \$858,000 | 4 | 4 |
| Executive Chamber | \$568,475 | \$449,125 | \$0 | \$0 | \$568,475 | \$449,125 | 12 | 4 |
| General Services, Office of | \$196,000 | \$340,000 | \$0 | \$0 | \$196,000 | \$250,000 | 2 | 3 |
| Health, Department of | \$3,160,933 | \$3,160,933 | \$0 | \$0 | \$3,160,933 | \$3,160,933 | 96 | 96 |
| Homeland Security, Office of | \$2,869,900 | \$4,088,900 | \$0 | \$0 | \$2,869,900 | \$4,088,900 | 21 | 21 |
| Housing and Community Renewal, Division of | \$3,600,000 | \$3,600,000 | \$0 | \$0 | \$500,000 | \$1,500,000 | 3 | 5 |
| Human Rights, Division of | \$129,000 | \$0 | \$0 | \$0 | \$129,000 | \$0 | 5 | 0 |
| Investigation, Temporary State Commission of | \$9,000 | \$12,000 | \$0 | \$0 | \$9,000 | \$12,000 | 1 | 1 |
| Law, Department of | \$10,683,000 | \$10,683,000 | \$0 | \$0 | \$11,140,506 | \$10,900,000 | 137 | 137 |
| Medicaid Inspector General, Office of the | \$9,104,532 | \$10,057,728 | \$0 | \$0 | \$8,725,521 | \$9,927,050 | 112 | 131 |
| Mental Health, Office of | \$28,249,700 | \$28,814,700 | \$0 | \$0 | \$28,249,700 | \$28,814,700 | 1,065 | 1,065 |
| Mental Retardation and Developmental Disabilities, Office of | \$19,225,000 | \$20,541,000 | \$0 | \$0 | \$16,630,000 | \$17,768,000 | 365 | 377 |
| Parks, Recreation and Historic Preservation, Office of | \$177,600 | \$182,600 | \$12,000 | \$150,000 | \$187,600 | \$332,600 | 245 | 247 |
| Parole, Division of | \$250,000 | \$592,000 | \$0 | \$0 | \$108,000 | \$592,000 | 2 | 5 |
| Probation and Correctional Alternatives, Division of | \$123,650 | \$123,650 | \$0 | \$0 | \$123,650 | \$123,650 | 1 | 1 |
| Regulatory Reform, Governor's Office of | \$625,000 | \$790,600 | \$0 | \$0 | \$625,000 | \$796,600 | 5 | 5 |
| Science, Technology and Academic Research, Office of | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$50,000 | 0 | 1 |
| State Emergency Management Office | \$26,884,000 | \$4,384,000 | \$45,000,000 | \$35,000,000 | \$6,265,000 | \$5,700,000 | 57 | 64 |
| State Police, Division of | \$1,865,545 | \$2,286,604 | \$0 | \$0 | \$1,865,545 | \$2,286,604 | 17 | 17 |
| State University of New York | \$9,186,800 | \$8,800,500 | \$0 | \$0 | \$9,104,100 | \$8,822,500 | 168 | 148 |
| State, Department of | \$2,000,000 | \$2,000,000 | \$5,214,000 | \$7,110,043 | \$2,283,623 | \$1,915,000 | 29 | 21 |
| Taxation and Finance, Department of | \$29,733,000 | \$29,733,000 | \$0 | \$0 | \$27,733,000 | \$29,733,000 | 204 | 204 |
| Technology, Office for | \$5,886,450 | \$5,886,450 | \$2,530,000 | \$2,000,000 | \$6,416,450 | \$7,886,450 | 22 | 22 |
| Temporary and Disability Assistance, Office of | \$7,093,900 | \$11,842,900 | \$5,196,600 | \$5,101,700 | \$12,290,500 | \$16,944,600 | 79 | 94 |
| Veterans Affairs, Division of | \$28,000 | \$30,000 | \$0 | \$0 | \$28,000 | \$30,000 | 1 | 1 |
| Total | \$243,409,150 | \$247,621,020 | \$69,939,550 | \$60,654,406 | \$190,286,792 | \$215,232,999 | 3,557 | 3,477 |

CONSULTING SERVICE CONTRACTS

SPECIAL REVENUE FUNDS - FEDERAL

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|------------------------------------------------------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Aging, Office for the | \$194,000 | \$194,000 | \$24,000 | \$171,000 | \$194,000 | \$194,000 | 7 | 7 |
| Children and Family Services, Office of | \$750,000 | \$649,000 | \$9,013,000 | \$1,551,000 | \$9,013,000 | \$1,551,000 | 112 | 34 |
| Criminal Justice Services, Division of | \$312,300 | \$0 | \$2,086,100 | \$2,778,700 | \$2,398,400 | \$2,778,700 | 30 | 30 |
| Education Department, State | \$25,930,507 | \$23,987,832 | \$0 | \$0 | \$25,930,507 | \$23,987,832 | 270 | 222 |
| Elections, State Board of | 0 | 0 | 7,100,000 | 1,900,000 | 5,200,000 | 1,900,000 | 37 | 33 |
| Environmental Conservation, Department of | \$179,000 | \$179,000 | \$2,377,000 | \$2,377,000 | \$2,556,000 | \$2,556,000 | 13 | 13 |
| Health, Department of | \$161,000 | \$161,000 | \$0 | \$0 | \$161,000 | \$161,000 | 6 | 6 |
| Homeland Security, Office of | \$250,000 | \$250,000 | \$0 | \$0 | \$250,000 | \$250,000 | 3 | 3 |
| Human Rights, Division of | \$300,000 | \$500,000 | \$272,000 | \$250,000 | \$300,000 | \$500,000 | 8 | 12 |
| Labor, Department of | \$13,906,206 | \$13,313,616 | \$19,441,592 | \$33,053,436 | \$23,763,456 | \$26,925,460 | 72 | 43 |
| Law, Department of | \$254,000 | \$254,000 | \$0 | \$0 | \$129,000 | \$254,000 | 17 | 17 |
| Motor Vehicles, Department of | \$1,152,375 | \$435,000 | \$735,375 | \$523,801 | \$1,887,750 | \$958,801 | 15 | 9 |
| Quality of Care and Advocacy for Persons With Disabilities, Commission on | \$4,452,000 | \$4,243,900 | \$4,334,700 | \$4,514,600 | \$4,122,900 | \$4,187,200 | 68 | 68 |
| State Emergency Management Office | \$75,000,000 | \$0 | \$143,750,000 | \$114,250,000 | \$22,000,000 | \$15,000,000 | 50 | 50 |
| State, Department of | \$0 | \$0 | \$28,148 | \$28,148 | \$14,074 | \$14,074 | 2 | 2 |
| Temporary and Disability Assistance, Office of | \$290,600 | \$4,799,400 | \$7,025,300 | \$7,020,800 | \$7,315,900 | \$11,820,200 | 65 | 80 |
| Total | \$123,131,988 | \$48,966,748 | \$196,187,215 | \$168,418,485 | \$105,235,987 | \$93,038,267 | 775 | 629 |

CONSULTING SERVICE CONTRACTS

SPECIAL REVENUE FUNDS - OTHER

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|------------------------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Alcoholic Beverage Control, Division of | \$224,000 | \$224,000 | \$0 | \$0 | \$224,000 | \$224,000 | 3 | 3 |
| Audit and Control, Department of | 934 | 1,500 | 0 | 0 | 934 | 1,500 | 1 | 1 |
| Banking Department | 2,741,000 | 2,198,000 | 0 | 0 | 2,395,000 | 2,359,000 | 57 | 51 |
| Budget, Division of the | \$6,702,500 | \$14,078,000 | \$0 | \$0 | \$6,702,500 | \$14,078,000 | 50 | 78 |
| Children and Family Services, Office of | \$1,306,000 | \$1,329,000 | \$0 | \$0 | \$1,306,000 | \$1,329,000 | 21 | 17 |
| City University of New York | \$1,200,000 | \$1,325,000 | \$0 | \$0 | \$1,200,000 | \$1,325,000 | 17 | 19 |
| Civil Service, Department of | \$544,460 | \$218,275 | \$0 | \$0 | \$293,911 | \$209,732 | 12 | 12 |
| Consumer Protection Board | \$35,000 | \$75,000 | \$0 | \$0 | \$30,000 | \$70,000 | 1 | 1 |
| Criminal Justice Services, Division of | \$13,441,500 | \$17,000,000 | \$15,264,000 | \$8,907,500 | \$21,706,000 | \$25,886,000 | 125 | 125 |
| Economic Development, Department of | \$5,915,000 | \$5,915,000 | \$0 | \$0 | \$1,186,700 | \$1,855,500 | 12 | 14 |
| Education Department, State | \$8,842,403 | \$10,771,081 | \$0 | \$0 | \$8,842,403 | \$10,771,081 | 144 | 148 |
| Environmental Conservation, Department of | \$3,662,000 | \$3,662,000 | \$1,092,000 | \$1,092,000 | \$4,754,000 | \$4,754,000 | 24 | 24 |
| Environmental Facilities Corporation | \$79,000 | \$75,500 | \$0 | \$0 | \$77,300 | \$75,500 | 7 | 7 |
| General Services, Office of | \$54,000 | \$135,000 | \$0 | \$0 | \$54,000 | \$135,000 | 1 | 3 |
| Health, Department of | \$18,878,855 | \$18,878,855 | \$0 | \$0 | \$18,878,855 | \$18,878,855 | 381 | 381 |
| Higher Education Services Corporation | \$8,079,000 | \$7,360,000 | \$0 | \$0 | \$8,079,000 | \$7,360,000 | 21 | 64 |
| Housing and Community Renewal, Division of | \$4,500,000 | \$4,500,000 | \$29,000,000 | \$21,000,000 | \$300,000 | \$400,000 | 6 | 8 |
| Insurance Department | \$2,425,700 | \$2,072,000 | \$0 | \$0 | \$2,425,700 | \$2,072,000 | 10 | 8 |
| Investigation, Temporary State Commission of | \$49,000 | \$0 | \$0 | \$0 | \$49,000 | \$0 | 1 | 0 |
| Labor, Department of | \$11,552,572 | \$4,306,250 | \$3,618,871 | \$8,352,960 | \$13,458,845 | \$9,040,339 | 43 | 12 |
| Lake George Park Commission | \$209,000 | \$248,000 | \$0 | \$0 | \$91,120 | \$238,000 | 11 | 11 |
| Law, Department of | \$2,525,000 | \$2,525,000 | \$0 | \$0 | \$2,587,494 | \$2,525,000 | 35 | 35 |
| Lottery, Division of the | \$814,183 | \$843,143 | \$0 | \$0 | \$814,183 | \$843,143 | 15 | 15 |
| Mental Health, Office of | \$3,467,800 | \$3,537,200 | \$0 | \$0 | \$3,467,800 | \$3,537,200 | 39 | 39 |
| Motor Vehicles, Department of | \$975,840 | \$780,240 | \$0 | \$0 | \$975,840 | \$780,240 | 8 | 6 |
| Public Service Department | \$2,566,000 | \$2,893,000 | \$0 | \$0 | \$2,439,000 | \$2,954,000 | 13 | 16 |
| Racing and Wagering Board, State | \$3,090,000 | \$3,090,000 | \$0 | \$0 | \$3,090,000 | \$3,090,000 | 17 | 17 |
| Real Property Services, Office of | \$600,520 | \$493,000 | \$0 | \$0 | \$600,520 | \$493,000 | 46 | 43 |
| State University of New York | \$126,277,000 | \$91,368,500 | \$1,337,100 | \$200 | \$97,385,400 | \$71,130,400 | 1,649 | 1,504 |
| State, Department of | \$49,048 | \$0 | \$0 | \$0 | \$49,048 | \$0 | 8 | 0 |
| Technology, Office for | \$3,995,200 | \$12,338,200 | \$0 | \$0 | \$3,995,200 | \$12,338,200 | 4 | 4 |
| Temporary and Disability Assistance, Office of | \$651,800 | \$662,000 | \$0 | \$0 | \$651,800 | \$662,000 | 6 | 6 |
| Veterans Affairs, Division of | \$26,000 | \$0 | \$0 | \$0 | \$26,000 | \$0 | 1 | 0 |
| Workers Compensation Board | \$13,005,000 | \$13,317,000 | \$0 | \$0 | \$13,005,000 | \$13,317,000 | 92 | 96 |
| Homeland Security, Office of | \$825,000 | \$850,000 | \$0 | \$0 | \$818,000 | \$843,000 | 7 | 7 |
| Total | \$249,310,315 | \$227,069,744 | \$50,311,971 | \$39,352,660 | \$221,960,553 | \$213,575,690 | 2,888 | 2,775 |

CONSULTING SERVICE CONTRACTS

CAPITAL PROJECTS FUNDS

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|-----------------------------------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| City University of New York | \$47,600,000 | \$0 | \$0 | \$2,600,000 | \$45,000,000 | \$2,100,000 | 120 | 40 |
| General Services, Office of | 7,000,000 | 7,000,000 | 15,000,000 | 13,000,000 | 7,000,000 | 7,000,000 | 149 | 149 |
| Agriculture and Markets, Department of | \$0 | \$0 | \$2,000,000 | \$1,671,537 | \$1,870,000 | \$1,130,000 | 100 | 100 |
| Environmental Conservation, Department of | \$684,000 | \$684,000 | \$24,920,000 | \$22,764,000 | \$25,604,000 | \$23,448,000 | 128 | 118 |
| Mental Health, Office of | \$5,165,000 | \$5,165,000 | \$0 | \$0 | \$5,165,000 | \$5,165,000 | 38 | 38 |
| Motor Vehicles, Department of | \$3,952,228 | \$3,158,963 | \$0 | \$0 | \$3,952,228 | \$3,158,963 | 45 | 36 |
| Parks, Recreation and Historic Preservation, Office of | \$2,925,999 | \$3,013,779 | \$8,069,214 | \$8,311,290 | \$2,520,026 | \$2,595,627 | 2,000 | 2,000 |
| State, Department of | \$0 | \$0 | \$977,500 | \$977,500 | \$313,750 | \$313,750 | 31 | 31 |
| Temporary and Disability Assistance, Office of | \$0 | \$0 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | 11 | 11 |
| Transportation, Department of | \$238,237,000 | \$224,502,000 | \$1,193,721,000 | \$1,050,310,000 | \$202,909,000 | \$201,833,000 | 1,240 | 1,233 |
| Total | \$305,564,227 | \$243,523,742 | \$1,245,087,714 | \$1,100,034,327 | \$295,234,004 | \$247,144,340 | 3,862 | 3,756 |

ENTERPRISE FUNDS

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|--------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Mental Health, Office of | \$87,500 | \$89,300 | \$0 | \$0 | \$87,500 | \$89,300 | 3 | 3 |
| Total | \$87,500 | \$89,300 | \$0 | \$0 | \$87,500 | \$89,300 | 3 | 3 |

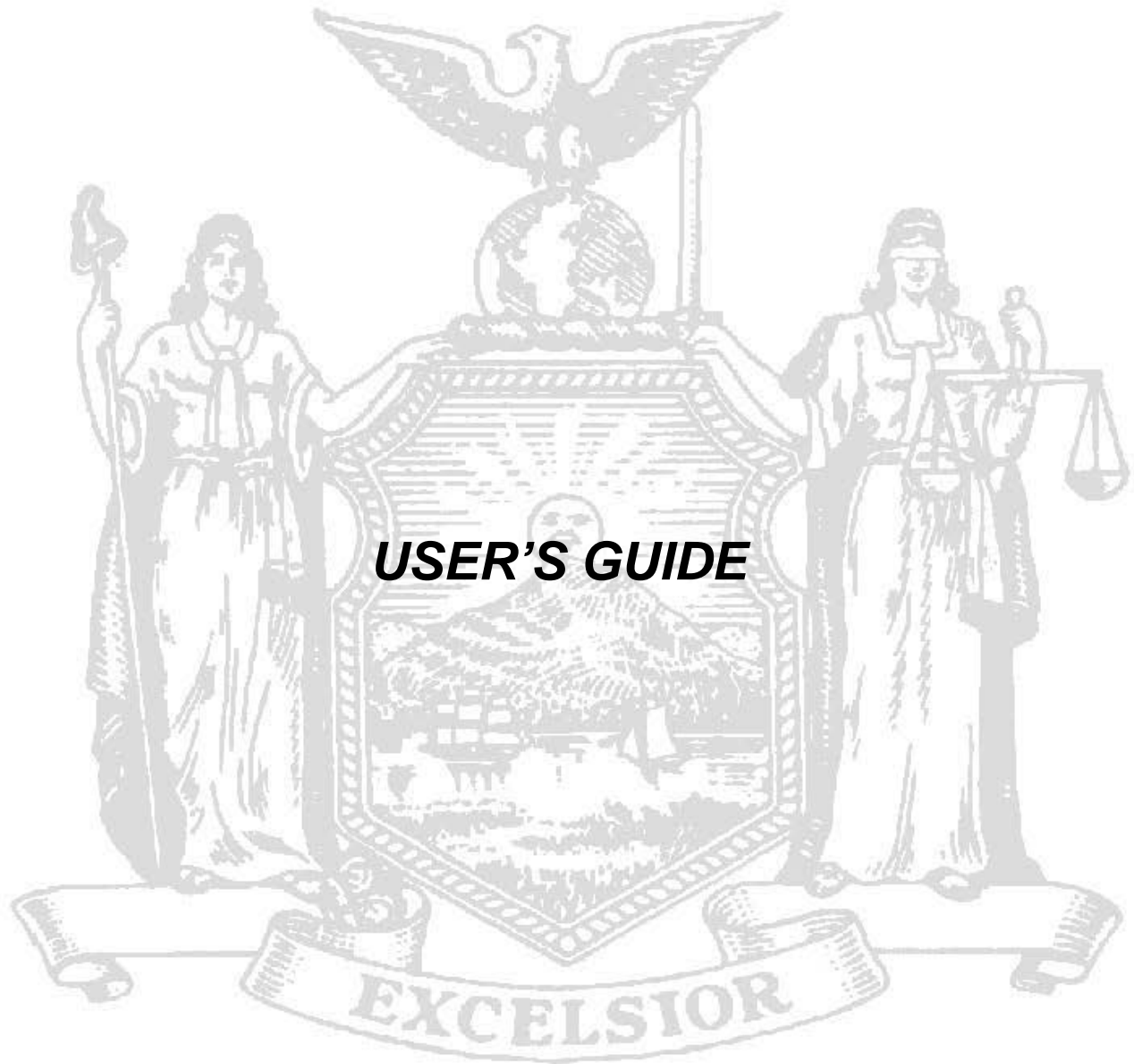
INTERNAL SERVICE FUNDS

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Civil Service, Department of | \$2,508,298 | \$2,577,850 | \$0 | \$0 | \$2,269,179 | \$2,561,752 | 25 | 18 |
| General Services, Office of | \$262,000 | \$306,000 | \$0 | \$0 | \$262,000 | \$306,000 | 2 | 2 |
| Homeland Security, Office of | \$1,130,000 | \$1,170,000 | \$0 | \$0 | \$1,128,000 | \$1,162,000 | 3 | 3 |
| Technology, Office for | \$35,053,470 | \$35,053,470 | \$0 | \$0 | \$35,053,470 | \$35,053,470 | 181 | 181 |
| Budget, Division of the | \$1,029,500 | \$1,066,000 | \$0 | \$0 | \$1,029,500 | \$1,066,000 | 4 | 4 |
| Total | \$39,983,268 | \$40,173,320 | \$0 | \$0 | \$39,742,149 | \$40,149,222 | 215 | 208 |

FIDUCIARY FUNDS

| Agency | Appropriations 2007-08 | Appropriations Requested 2008-09 | Reappropriations 2007-08 | Reappropriations Requested 2008-09 | Estimated Disbursements 2007-08 | Estimated Disbursements 2008-09 | Estimated Number of Contract Employees 2007-08 | Estimated Number of Contract Employees 2008-09 |
|----------------------------------|---------------------------|----------------------------------------|-----------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Audit and Control, Department of | 3,797,670 | 1,257,513 | 0 | 0 | 3,797,670 | 1,257,513 | 64 | 61 |
| City University of New York | \$14,900,000 | \$15,125,000 | \$0 | \$0 | \$14,900,000 | \$15,125,000 | 213 | 216 |
| Total | \$18,697,670 | \$16,382,513 | \$0 | \$0 | \$18,697,670 | \$16,382,513 | 277 | 277 |

PART V



USER'S GUIDE

USER'S GUIDE

The “User’s Guide” provides an explanation of how to use the Executive Budget documents and where to find particular types of information. It also contains some “user-friendly” descriptions of State government and the budget process, a guide on how to read certain budget tables, and definitions of financial terms as included in these budget documents.

Government budget documents can be difficult to read. They contain many numbers and tend to involve technical terms and concepts. Even people with considerable government experience can be baffled by the numerous tables or find themselves uncertain about the meaning of specialized terms.

The User’s Guide attempts to overcome this problem by providing simplified, nontechnical explanations and a description of how to use the budget documents. The User’s Guide contains the following sections:

- The Executive Budget Documents
- The Structure of State Government
- The Budget Process
- Guide to the Tables
- Financial Terminology

THE EXECUTIVE BUDGET DOCUMENTS

The 2008-09 Executive Budget is presented in five volumes. The first volume, *Briefing Book*, contains the Budget Director's Message which presents the Governor's fiscal blueprint for 2008-09. It also includes highlights of major initiatives and a list of legislative proposals needed to implement the proposed Budget. This document also presents tables summarizing significant changes in agency spending.

The *Five-Year Financial Plan* summarizes the Governor's Executive Budget and describes the "complete plan" of spending and revenues required by the Constitution.

The *Economic and Revenue Outlook* explains the specific sources of State revenues (including the economic outlook for the nation and the State).

The fourth book presents the *Five-Year Capital Program and Financing Plan*, which highlights major capital initiatives and objectives, and describes the approach to financing.

Finally, the *Agency Presentations* volume describes the functions of each State agency and presents tables that summarize the agency's spending by program and category. A "User's Guide" provides background information on State government and the budget process, and explains how to interpret the agency "story" tables. This book also includes the budget requests of the Legislature and Judiciary, which are submitted without revision as required by the Constitution.

A statutorily-required *Tax Expenditure Report* is published separately, shortly after the formal submission of the Budget.

It should be noted that this User's Guide describes only the "official" budget publications. Other documents such as press releases and publicly released briefing materials may also be of help to those seeking to understand the budget. This information will be posted on the Division of the Budget's website as soon as it is available.

THE STRUCTURE OF STATE GOVERNMENT

The Executive Budget focuses on the programs and finances of State government. It should be kept in mind, however, that government in New York State also includes the governments of 62 counties (five of which are the five boroughs of New York City), 62 cities (including New York City), 932 towns and 554 villages. In addition, the State is divided into 703 school districts, including New York City.

Organizationally, the State follows the classic pattern of American government, with three independent branches. The legislative branch consists of a bicameral Legislature — a Senate of 62 members and an Assembly of 150 members. The judicial branch includes trial courts and appellate courts ranging from town and village courts to the State's highest court — the Court of Appeals. The Judiciary functions under a Unified Court System whose organization, administration and financing are prescribed by the State Constitution and the Unified Court Budget Act.

The executive branch of New York State government consists of 20 departments, the maximum number allowed under a constitutional ceiling. The limitation on the number of departments is traceable to the constitutional reforms of the mid-1920s which sought to make government more manageable by eliminating most of the independently elected executive officers and by inhibiting the creation of new departments. Although there have been several interim changes since the 1920s, in 1961 the maximum number of departments was set at 20, which at the present time are the following:

| | |
|----------------------------|----------------------|
| Agriculture and Markets | Health |
| Audit and Control | Insurance |
| Banking | Labor |
| Civil Service | Law |
| Correctional Services | Mental Hygiene |
| Economic Development | Motor Vehicles |
| Education | Public Service |
| Environmental Conservation | State |
| Executive | Taxation and Finance |
| Family Assistance | Transportation |

To accommodate governmental functions added since the 1920s within the limit established by the Constitution, additional agencies have been created within the Executive Department. At the time of the 1920s reorganization, this Department, headed by the Governor, consisted solely of such core functions as budgeting, central purchasing, State police, and military and naval affairs. However, over the years, as the State took on new responsibilities that did not fit logically into the framework of one of the other departments, the entities charged with providing those services became divisions or offices of the Executive Department.

New York grants its Governor a comparatively broad range of executive power. Only two officers, in addition to the Governor and Lieutenant Governor (who are elected on a joint ballot), are directly elected by the people of the State: the State Comptroller, who heads the Department of Audit and Control, and the Attorney General, who heads the Department of Law. With a handful of exceptions, the Governor appoints the heads of all other departments and agencies of the executive branch.

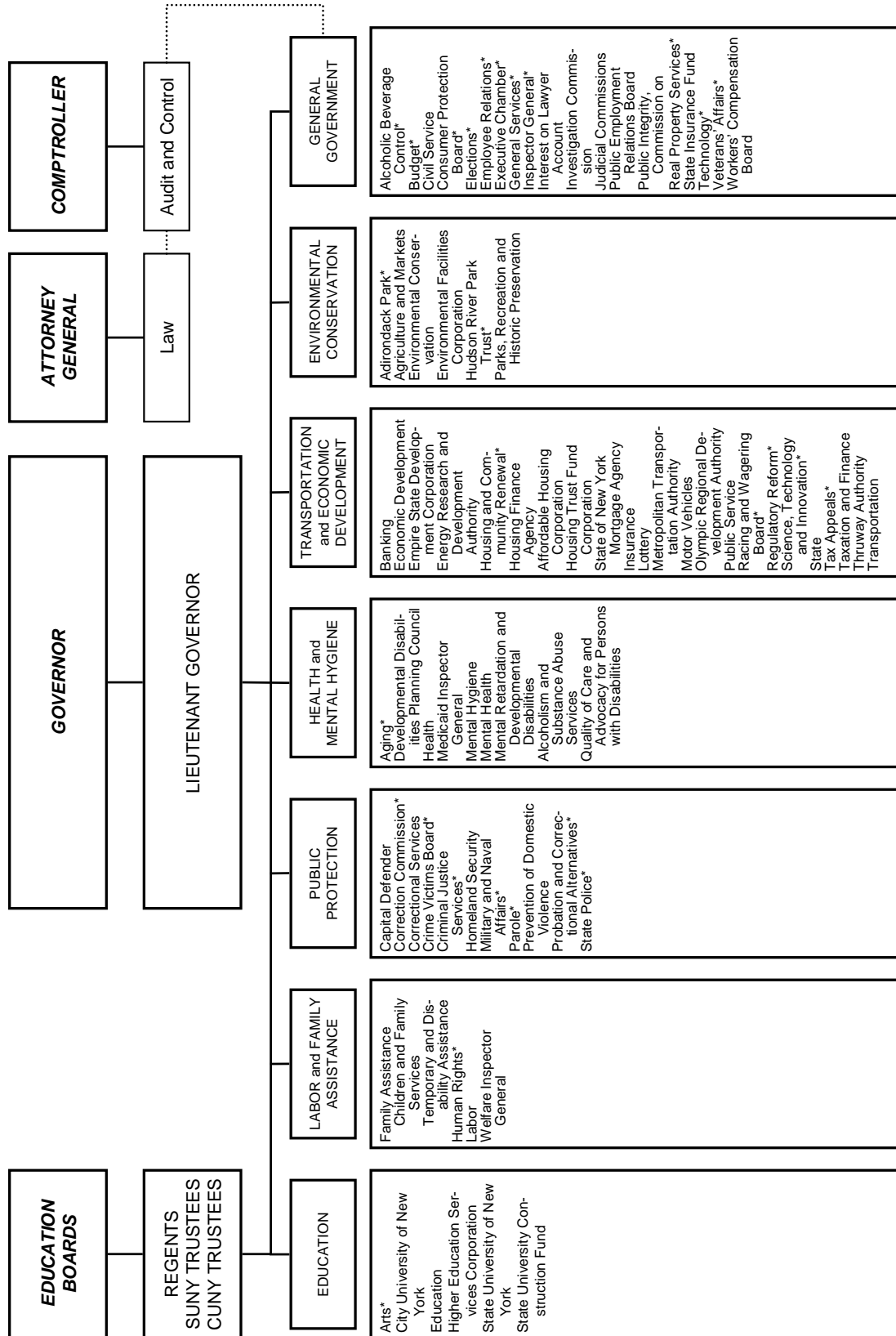
The exceptions include the Commissioner of the State Education Department, who is appointed by, and serves at the pleasure of, the State Board of Regents. The State University of New York (SUNY) Chancellor and the City University of New York (CUNY) Chancellor are appointed by the Board of Trustees of each system.

The departments and agencies whose heads report to the Governor are separate and distinct from one another. Conceptually, however, one may think of each department, board, commission, office or other entity as operating within the context of one of seven major functional areas.

An organization chart of the executive branch by functional areas is displayed on the following page. This chart depicts the current structure of the executive branch.

FUNCTIONAL DISTRIBUTION OF STATE AGENCIES IN THE EXECUTIVE BRANCH

January 1, 2008



* Indicates agencies within the Executive Department

THE BUDGET PROCESS

New York State's budget process uses an executive budget model. Under this system, the Executive is responsible for developing and preparing a comprehensive, balanced budget proposal, which the Legislature modifies and enacts into law. The Governor is required by the State Constitution to seek and coordinate requests from agencies of State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative actions during the fiscal year.

The State's fiscal year begins April 1 and ends on March 31. However, the actual "budget cycle," representing the time between early budget preparation and last-minute disbursements, begins some nine months earlier and lasts approximately 27 months — until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

AGENCY BUDGET PREPARATION (JUNE–SEPTEMBER/OCTOBER)

Preparation of budget requests varies among agencies reflecting their size, complexity and internal practice. Typically, budget development begins at the program or subdepartmental level, with staff preparing individual program requests. The head of the agency or its top fiscal officer may hold internal hearings at which program managers outline their budgetary needs.

Although agencies begin to analyze their budget needs as early as May or June, the formal budget cycle begins when the Budget Director issues a policy memorandum — the "call letter" — to agency heads. The call letter outlines, in general terms, the Governor's priorities for the coming year, alerts the agency heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget. The call letter signals the official start of the budget process.

By early-mid fall, the final program package is assembled, guided by the instructions set forth by the Division of the Budget in the Budget Request Manual; reviewed for consistency with the call letter; and approved by the agency head.

DIVISION OF THE BUDGET REVIEW (SEPTEMBER/OCTOBER–DECEMBER)

In accordance with the schedule outlined in the call letter, agencies typically submit their budget requests to the Division of the Budget in early-mid fall, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of the agencies for which they have responsibility. Examiners may seek additional information from the agencies and may hold informal hearings or meetings with agency management to clarify agency requests and seek a more precise definition of agency priorities. By the end of October, examination units have also usually determined funding requirements to continue agency programs at current levels in the new year.

In November, the Budget Director conducts constitutionally authorized "formal" budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the Governor's office an opportunity to raise critical questions on program, policy and priorities. As provided in the Constitution, representatives of the Legislature also participate in the hearings.

Pursuant to the State Finance Law and to help expedite the budget process, legislative and Executive staffs meet in early November to discuss the economic outlook, revenue forecasts, projected spending, the impact of State and Federal statutes, and any other relevant issues. Through late November, the Division's examiners transform agency requests into preliminary budget and personnel recommendations which are reviewed in detail with the Director. The staff also prepare the appropriation bills and any other legislation required to carry out these recommendations. Concurrently, the Division of the Budget's fiscal planning staff is reassessing economic projections, investigating possible changes in the revenue structure, analyzing trends in Federal funding, and preparing the Financial Plan that describes and forecasts the State's fiscal condition. The Financial Plan is prepared both on a cash basis and according to Generally Accepted Accounting Principles (GAAP).

By early December, the Division of the Budget will normally have completed its preliminary recommendations on both revenues and expenditures, and presented them to the Governor and the Governor's staff. Budget staff then prepare the tables and the narrative (the "budget story") that accompany each agency budget, and the descriptions and forecasts of individual revenue sources.

THE GOVERNOR'S DECISIONS (NOVEMBER–JANUARY)

The Governor and Executive Chamber staff, who are also preparing the annual "State of the State" Message to the Legislature (which the Governor presents to the Legislature when it convenes in January), are conversant with the budget throughout its development. The Governor is kept up-to-date on changing economic and revenue forecasts and confirms that Executive program priorities are accurately reflected in the budget. Based on the preliminary recommendations and the most current reading of the economic and fiscal environment, the final Executive Budget recommendations are formulated in a series of meetings between Division of the Budget staff and the Governor and his staff. These sessions focus on major fiscal and policy issues and may lead to significant revisions in agency budgets.

LEGISLATIVE ACTION (JANUARY–MARCH)

Typically by mid-January or earlier — or, following a gubernatorial election year, by February 1 — the Governor submits the Executive Budget to the Legislature, along with the related appropriation, revenue and other budget bills. The State's five-year Financial Plan, Five-Year Capital Program and Financing Plan, and financial information supporting the Executive Budget are also submitted with the Executive Budget. The Executive Budget documents are available on the Division of the Budget's web site: <http://www.budget.state.ny.us/>.

The Legislature, primarily through its fiscal committees — Senate Finance and Assembly Ways and Means — analyzes the Executive spending proposals and revenue estimates, holds public hearings on major programs and seeks further information from the staffs of the Division of the Budget and other State agencies. Following that review, the Legislature acts on the appropriation bills submitted with the Executive Budget to reflect its decisions.

Under budget reform legislation passed in 2007, the Legislature is required to follow a Conference Committee process to organize its deliberations, set priorities and reach agreement on a Budget between the two houses. In addition, the State Finance Law

requires that the Executive and Legislature convene a consensus economic and revenue forecasting conference and issue a consensus report on tax, lottery and miscellaneous receipts on or before March 1. If the parties fail to reach consensus, the Comptroller is required to issue a binding revenue forecast by March 5.

Based on their separate and joint deliberations, the two houses reach agreement on spending and revenue recommendations which are reflected in amended versions of the Governor's proposed appropriation bills and related legislation, and approved by both houses. These amended bills are available from the Senate and Assembly Document Rooms located in the Capitol and the Legislative Office Building, and on the Internet.

The appropriation bills, except for those items which were added by the Legislature and the appropriations for the Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary, and may use the line item veto to disapprove items added by the Legislature while approving the remainder of the bill. As provided in the Constitution, the Legislature may override the Governor's veto by a vote of two-thirds of the members of each house. The appropriation bills legally authorize the expenditure of funds during the new fiscal year.

Prior to passage of the appropriation bills, the Legislature must issue a summary of the proposed changes to the budget, to its members. The Division of the Budget is also required to prepare a report that summarizes the impact of the Legislature's actions on the State's multi-year Financial Plan. Once the Governor completes his review of the Legislature's actions, the Division then issues a comprehensive *Enacted Budget Report* that contains the State's official Financial Plan projections for the current and successive fiscal years. The Legislature must also issue a report describing appropriation changes and the effect of the enacted budget on State agency employment levels.

BUDGET EXECUTION (APRIL–MARCH)

At this point the budget process enters a new phase: budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the State Comptroller that accounts may be established as specified in the certificates and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against its projections. This information is reflected in quarterly updates of the Financial Plan which are provided to the Legislature as required by law in April (or as soon as practicable after budget enactment), July, October and with the Executive Budget for the ensuing year (usually January). The Debt Reform Act of 2000 requires the Governor to report on the State's compliance with statutory caps placed on new debt issued after March 31, 2000; the State annually reports these findings in the Financial Plan Update most proximate to October 31. These updates serve as the basis of financial management during the fiscal year, and may alert both the Governor and the Legislature to potential problems in maintaining budget balance as the State fiscal year unfolds.

Shortly after the end of the fiscal year, the Division of the Budget issues a comprehensive report that (1) compares unaudited year-end results to the projections set forth in the enacted budget and in the final update to the Financial Plan and (2) summarizes the reasons for the annual change in receipts and disbursements.

A GUIDE TO THE TABLES

One of the most daunting features of any budget document is the array of tables that accompanies each narrative. What does each table include? What is a “category”? Is it the same as a “program”? What are “all funds”? How do the tables account for transactions that have occurred during the current fiscal year and that may have changed the basis for year-to-year comparisons?

At first glance, the tables may appear to differ widely in appearance and content from one agency budget to another. Some agencies will have a limited number of programs, receive funding in only one category of appropriation — say, State Operations — and have no capital construction projects. Others may receive funding in all categories and many fund types, have a complex set of programs, and reflect numerous current-year adjustments. A closer look will reveal that the agency presentations use a uniform set of tables in an identical sequence. It should be noted, however, that some agencies may not require one or more of the set. For example, the capital projects table will not be included for an agency that has no construction program.

All or most of the following tables accompany each agency presentation. Although the titles of the tables are identical to those that appear in the agency presentations, the tables in the presentations are not numbered. The numbers of the tables (e.g., I, II,...X) have been included in this guide for ease of reference only.

- I. ALL FUNDS — APPROPRIATIONS**
- II. ALL FUND TYPES — PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM — FILLED ANNUAL SALARIED POSITIONS**
- III. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS**
- IV. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**
- V. STATE OPERATIONS - GENERAL FUND — SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES — 2008-09 RECOMMENDED**
- VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES — 2008-09 RECOMMENDED**
- VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2008-09 RECOMMENDED**
- VIII. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS**
- IX. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**
- X. CAPITAL PROJECTS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**

USER'S GUIDE

I. ALL FUNDS — APPROPRIATIONS

This table shows, by category, the total recommended appropriations for the next fiscal year and the appropriations available for the current fiscal year for all funds. It also shows the total of current year and prior year appropriations which have been recommended for reappropriation for all funds.

| ALL FUNDS ^[1] APPROPRIATIONS (dollars) | | | | |
|---------------------------------------------------------|-----------------------------|-------------------------------------------------|--------------------------|---------------------------------------------------|
| ^[2] Category | ^[3] Available | ^[4] Appropriations Recommended | ^[5] Change | ^[6] Reappropriations Recommended |
| | 2007-08 | 2008-09 | | 2008-09 |
| State Operations | 56,951,450 | 58,533,100 | 1,581,650 | 9,744,500 |
| Aid To Localities | 7,405,000 | 7,150,000 | (255,000) | 207,285,000 |
| Capital Projects | 9,725,000 | 9,725,000 | 0 | 16,230,000 |
| Total | 74,081,450 | 75,408,100 | 1,326,650 | 233,259,500 |

- ^[1] “All Funds” captures spending from all of the State’s various revenue sources, including taxes, fees, fines, Federal grants, bond proceeds, lottery proceeds, and other miscellaneous receipts. This concept includes the four fund types which comprise the Governmental Funds Financial Plan: the General Fund (the repository for the majority of State-imposed taxes and fees), Special Revenue funds (including funds earmarked for specific purposes like lottery proceeds, fishing licenses, or Federal grants), Capital Projects funds and Debt Service* funds. Another three fund types — Internal Service funds, Enterprise funds and Fiduciary funds — are included as well.
- ^[2] There are four major categories of spending: State Operations, Aid to Localities, Capital Projects and Debt Service.
- ^[3] This column displays the appropriations available for the current fiscal year. Adjustments, such as the recommended transfer of a program or an item to another fund or agency for the next fiscal year, are included to provide for year-to-year comparability.
- ^[4] This column displays the appropriations recommended for the next fiscal year. As explained in the “Financial Terminology” section of this Guide, appropriations represent an authorization to incur spending obligations during the fiscal year, up to the specified amount. Cash payments for those obligations may occur during the fiscal year of the appropriation, or during the first part of the ensuing fiscal year.
- ^[5] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- ^[6] A reappropriation is a prior-year or current-year appropriation which will not be fully spent by the end of the current fiscal year and which has been recommended for extension.

* While funds classified as Debt Service may be included, any appropriations made specifically in the Debt Service category of spending are not included in this table. For more information about State Debt Service, please refer to Part II.

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

The Projected Levels of Employment by Program table for filled, annual salaried positions is presented on a Full-Time Equivalent (FTE) basis. The table provides a point-in-time projection of filled, full-time, annual salaried positions.

In understanding the definition of FTE, it is important to note that the FTE is a unit of measure which identifies filled, full-time, annual salaried positions rather than people. The following three examples illustrate this concept:

- 1 person serving in 1 position at 100 percent time (full-time) = **1 FTE**
- 2 people sharing 1 position, each at 50 percent time (half-time) = .5 FTE + .5 FTE = **1 FTE**
- 2 people serving in 2 positions, each at 50 percent time (half-time) = .5 FTE + .5 FTE = **1 FTE**

In total, the above three examples indicate that 5 people are employed within State service, but since 4 people work half-time, only 3 FTEs are counted.

FTE's supported by funds derived from some external source (i.e., suballocations) are included within agency program fund type totals.

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

| [1] Program | Full-Time Equivalent Positions (FTE) | | |
|---------------------------------|--------------------------------------------------------|--------------------------------------------------------|---------------------------|
| | [2] 2007-08 Estimated FTEs 03/31/08 | [3] 2008-09 Estimated FTEs 03/31/09 | [4] FTE Change |
| Administration | | | |
| General Fund | 62 | 62 | 0 |
| Emergency Management | | | |
| General Fund | 19 | 19 | 0 |
| Special Revenue Funds - Federal | 63 | 63 | 0 |
| Special Revenue Funds - Other | 23 | 22 | (1) |
| Military Readiness | | | |
| General Fund | 178 | 169 | (9) |
| Special Revenue Funds - Federal | 255 | 255 | 0 |
| Special Service | | | |
| Special Revenue Funds - Federal | 43 | 43 | 0 |
| Special Revenue Funds - Other | 10 | 11 | 1 |
| Total | 653 | 644 | (9) |

- [1]** Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program that contains FTEs may have appropriations from one or more fund types.
- [2]** This column displays an estimate of FTEs on March 31, 2008 (i.e., the last day of the current fiscal year).
- [3]** This column displays an estimate of FTEs on March 31, 2009 (i.e., the last day of the next fiscal year).
- [4]** This column displays the difference between the FTE's in the current fiscal year and FTEs recommended for the next fiscal year, with negative amounts displayed in parentheses.

The next five tables apply to the State Operations category. Each agency which has appropriations in this category will have some or all of these tables in its presentation.

III. STATE OPERATIONS — ALL FUNDS REQUIREMENTS BY FUND TYPE — APPROPRIATIONS

This table shows the distribution of all appropriations within the State Operations category by fund type and shows a year-to-year comparison of the amounts available in the current fiscal year and those recommended for the next fiscal year. See the next table for a distribution by program.

| STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars) | | | |
|--------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------|------------------------|
| ¹ Fund Type | ² Available 2007-08 | ³ Recommended 2008-09 | ⁴ Change |
| General Fund | 13,488,050 | 14,429,400 | 941,350 |
| Special Revenue Funds - Federal ⁵ | 31,515,000 | 32,812,300 | 1,297,300 |
| Special Revenue Funds - Other | 11,396,400 | 10,719,400 | (677,000) |
| Fiduciary Funds | 552,000 | 572,000 | 20,000 |
| Total | 56,951,450 | 58,533,100 | 1,581,650 |
| Adjustments: ⁶ | | | |
| Transfer(s) From | | | |
| Special Pay Bill | | | |
| General Fund | (1,219,000) | | |
| Special Revenue Funds - Federal | (1,308,000) | | |
| Special Revenue Funds - Other | (202,000) | | |
| Appropriated 2007-08 | 54,222,450 | | |

- ¹ The State Finance Law defines and mandates the use of seven fund types. Of these, the fund types typically found in the State Operations category are General, Special Revenue, Enterprise, Internal Service and Fiduciary.
- ² This column displays the appropriations available for the current fiscal year.
- ³ This column displays the appropriations recommended for the next fiscal year.
- ⁴ This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- ⁵ Because of the difference between the State's fiscal year (April 1 through March 31) and the Federal fiscal year (October 1 through September 30), appropriations of most Federal grants generally include spending from portions of two Federal fiscal years. The amounts discussed throughout the Executive Budget represent the totals of spending from different grants that are expected to occur during the State fiscal year.
- ⁶ Adjustments in the amounts available for the current year may occur for a number of reasons. As discussed below, they may anticipate changes that are being recommended in the budget for the new fiscal year or reflect transactions occurring during the course of the current year:
 - Most commonly, the adjustment is included to make the amounts available in the current fiscal year more comparable to those recommended for the next fiscal year. For example, if the Executive Budget is recommending that an item which has been appropriated in the current year's budget as a State Operations item be included as

an Aid to Localities item in the next fiscal year, the dollar amount of the item would be deducted from the amount available in the current year for State Operations to achieve year-to-year comparability. A similar amount would be added to the amount available this year for Aid to Localities.

- In other cases, including the example shown in the table above, the amount shown reflects an adjustment that has actually taken place during the current year. In the example, amounts were transferred to this agency from an appropriation made to “All State Departments and Agencies” which is included among the Miscellaneous appropriations elsewhere in the Executive Budget. During budget execution, such Miscellaneous All State Department and Agency appropriations (e.g., to fund a salary increase or some other across-the-board adjustment) are divided and transferred to the appropriations of individual agencies to be expended (see the explanation of “lump sum appropriations” included in the “Financial Terminology” section). The adjustments made in this case enable the reader to compare the amount actually available to the agency under this category during the current fiscal year with that appropriated by the Legislature for the year.

IV. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts available for State Operations for the current fiscal year and those that have been recommended for the next fiscal year by program and, within each program, by fund type.

| STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars) | | | |
|------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|----------------------|
| [1] Program | [2] Available 2007-08 | [3] Recommended 2008-09 | [4] Change |
| Administration | | | |
| General Fund | 3,394,000 | 3,424,500 | 30,500 |
| Disaster Assistance | | | |
| Special Revenue Funds - Federal | 1,456,600 | 1,680,400 | 223,800 |
| Emergency Management | | | |
| General Fund | 1,032,700 | 1,267,400 | 234,700 |
| Special Revenue Funds - Federal | 7,370,800 | 7,563,300 | 192,500 |
| Special Revenue Funds - Other | 2,024,300 | 1,881,400 | (142,900) |
| Military Readiness | | | |
| General Fund | 9,061,350 | 8,990,000 | (71,350) |
| Special Revenue Funds - Federal | 20,110,500 | 20,832,800 | 722,300 |
| Special Service | | | |
| General Fund | 0 | 747,500 | 747,500 |
| Special Revenue Funds - Federal | 2,577,100 | 2,735,800 | 158,700 |
| Special Revenue Funds - Other | 9,372,100 | 8,838,000 | (534,100) |
| Fiduciary Funds | 552,000 | 572,000 | 20,000 |
| Total | <u>56,951,450</u> | <u>58,533,100</u> | <u>1,581,650</u> |

- [1]** Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program may have appropriations from one or more fund types.
- [2]** This column displays the appropriations available for the current fiscal year.
- [3]** This column displays the appropriations recommended for the next fiscal year.
- [4]** This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

V. STATE OPERATIONS - GENERAL FUND — SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES — 2008-09 RECOMMENDED

Personal service is one of the “major objects” of expenditure in use in New York State budgeting. This table shows the amounts recommended for personal service for each program supported from the General Fund. As discussed in the notes for this table, there are “subobjects” within personal service. The remaining major objects are discussed in the tables that follow.

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| [1] Program | [2] Total | | [3] Personal Service Regular (Annual Salaried) | |
|------------------------|----------------------|---------------|---------------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 3,079,100 | 20,100 | 3,062,600 | 18,600 |
| Emergency Management | 998,900 | 122,100 | 987,900 | 121,100 |
| Military Readiness | 7,045,300 | (409,000) | 6,580,600 | (521,700) |
| Special Service | 520,500 | 520,500 | 520,500 | 520,500 |
| Total | 11,643,800 | 253,700 | 11,151,600 | 138,500 |

| Program | [4] Temporary Service (Nonannual Salaried) | | [5] Holiday/Overtime Pay (Annual Salaried) | |
|----------------------|-----------------------------------------------------------|---------------|-----------------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Administration | 0 | 0 | 16,500 | 1,500 |
| Emergency Management | 0 | 0 | 11,000 | 1,000 |
| Military Readiness | 187,900 | (64,100) | 276,800 | 176,800 |
| Special Service | 0 | 0 | 0 | 0 |
| Total | 187,900 | (64,100) | 304,300 | 179,300 |

- [1]** Each agency has a program structure which is described in its narrative presentation.
- [2]** The Total columns display the sum of the amounts recommended for the “subobjects” Personal Service Regular (Annual Salaried), Temporary Service (Nonannual Salaried), and Holiday/Overtime Pay (Annual Salaried). Total Personal Service includes funding for annual-salaried personnel (see table II.) and nonannual-salaried personal service costs, and may include adjustments to account for savings expected to result from vacancies occurring throughout the year.
- [3]** The Personal Service Regular columns display the amounts recommended for the “subobject” Personal Service Regular (Annual Salaried) and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses. The bulk of the State’s permanent work force is funded through Personal Service Regular and is generally paid on the basis of an annual salary.
- [4]** Similar to **[3]** above, these columns display the recommended and change amounts for the “subobject” Temporary Service. Temporary Service authorizes pay for employees hired on a seasonal or short-term basis who are generally paid according to an hourly wage scale, including amounts to cover holiday/overtime pay for such nonannual salaried employees.
- [5]** Similar to **[3]** above, these columns display the recommended and change amounts for the “subobject” Holiday/Overtime Pay. Holiday/Overtime Pay includes compensation for annual salaried employees eligible to receive additional payment for work performed on holidays or beyond normal duty hours. Eligibility for such payment is

established by Civil Service Rules and Regulations and by contracts resulting from collective bargaining with employee organizations. The provisions of both the Civil Service Rules and Regulations and contracts with employee organizations must meet the standards set forth in the Federal Fair Labor Standards Act which governs State overtime policies.

**VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF
NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES — 2008-09 RECOMMENDED**

Nonpersonal service is one of the four “major objects” of expenditure in use in New York State budgeting. This table shows the amounts recommended for nonpersonal service for each program supported from the General Fund. As discussed in the notes for this table, there are “subobjects” within nonpersonal service.

| STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars) | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------|-----------------------------------------|---------|
| [1] Program | [2] Total | | [3] Supplies and Materials | |
| | Amount | Change | Amount | Change |
| Administration | 345,400 | 10,400 | 46,400 | 1,400 |
| Emergency Management | 268,500 | 112,600 | 32,300 | 2,300 |
| Military Readiness | 1,944,700 | 337,650 | 171,400 | 4,600 |
| Special Service | 227,000 | 227,000 | 109,000 | 109,000 |
| Total | 2,785,600 | 687,650 | 359,100 | 117,300 |
| Program | [4] Travel | | [5] Contractual Services | |
| | Amount | Change | Amount | Change |
| Administration | 20,600 | 600 | 268,100 | 8,100 |
| Emergency Management | 26,500 | 600 | 107,700 | 7,700 |
| Military Readiness | 53,000 | 1,400 | 1,257,200 | 331,050 |
| Special Service | 12,000 | 12,000 | 90,000 | 90,000 |
| Total | 112,100 | 14,600 | 1,723,000 | 436,850 |
| Program | [6] Equipment | | [7] Maintenance Undistributed | |
| | Amount | Change | Amount | Change |
| Administration | 10,300 | 300 | 0 | 0 |
| Emergency Management | 102,000 | 102,000 | 0 | 0 |
| Military Readiness | 23,100 | 600 | 440,000 | 0 |
| Special Service | 16,000 | 16,000 | 0 | 0 |
| Total | 151,400 | 118,900 | 440,000 | 0 |

[1] Each agency has a program structure which is described in its narrative presentation.

[2] The Total columns display the sum of the amounts recommended for the “subobjects” Supplies and Materials, Travel, Contractual Services, Equipment and Maintenance Undistributed and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

[3] The Supplies and Materials columns display the amounts recommended for the “subobject” Supplies and Materials and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses. Supplies and Materials includes items such as institutional food, clothing, household supplies and office supplies. The mix of items purchased will, of course, vary widely from agency to agency and program to program.

[4] Similar to **[3]** above, these columns display the recommended and change amounts for the “subobject” Travel. Travel includes items such as public transportation, meals and lodging, reimbursement for the use of personal cars, and the costs associated with the operation and maintenance of State-owned cars.

[5] Similar to [3] above, these columns display the recommended and change amounts for the “subobject” Contractual Services. Contractual services includes the payment of leases, the rental of data processing and other equipment, and a variety of services provided to the State on an occasional or regular basis by outside vendors. Some examples are printing, accounting, legal, consulting and medical services.

[6] Similar to [3] above, these columns display the recommended and change amounts for the “subobject” Equipment. Equipment includes items such as vehicles, office machines and furniture, and highway equipment.

[7] These columns display the recommended and change amounts for Maintenance Undistributed. Maintenance Undistributed is not a subobject within Nonpersonal Service. It contains one or more lump sum appropriations for specific purposes or programs; as appropriated, it may not distinguish between major objects or subobjects. Under the State Finance Law, before an agency can use these funds, a segregation (“certificate”) must be issued by the Director of the Budget to specify the amounts available from the lump sum for major objects (Personal Service, Nonpersonal Service) and for various subobjects (e.g., personal service regular, travel, equipment). Copies of the certificate are filed with the Comptroller and the legislative fiscal committees.

VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2008-09 RECOMMENDED

This table shows the amounts recommended to support State Operations from funds other than the General Fund. It shows amounts recommended by program for the “major objects” Personal Service and Nonpersonal Service and amounts recommended for Maintenance Undistributed. This table does not show separate amounts for “subobjects” within Personal Service and Nonpersonal Service. For more information about Maintenance Undistributed, see table VI., note 7.

Other-than-General Fund recommendations include Federal funds; Internal Service funds, such as the Centralized Services Fund through which individual agencies purchase telecommunications and other support services from the Office for Technology; Special Revenue funds, such as the Miscellaneous Special Revenue Fund; Debt Service funds (budgeted centrally, not within agency appropriations, in most cases); Fiduciary funds, such as the Common Retirement Fund; and Enterprise funds.

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

| [1] Program | [2] Total | | [3] Personal Service | |
|------------------------------|----------------------------|---------------|---------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Disaster Assistance | 1,680,400 | 223,800 | 934,000 | 106,500 |
| Emergency Management | 9,444,700 | 49,600 | 3,992,600 | 54,400 |
| Military Readiness | 20,832,800 | 722,300 | 10,090,000 | (143,300) |
| Special Service | 12,145,800 | (355,400) | 2,651,500 | (274,000) |
| Total | 44,103,700 | 640,300 | 17,668,100 | (256,400) |

| Program | [3] Nonpersonal Service | | [3] Maintenance Undistributed | |
|----------------------|------------------------------------------|---------------|------------------------------------------------|---------------|
| | Amount | Change | Amount | Change |
| Disaster Assistance | 746,400 | 117,300 | 0 | 0 |
| Emergency Management | 5,452,100 | (4,800) | 0 | 0 |
| Military Readiness | 10,742,800 | 865,600 | 0 | 0 |
| Special Service | 5,816,300 | (81,400) | 3,678,000 | 0 |
| Total | 22,757,600 | 896,700 | 3,678,000 | 0 |

[1] Each agency has a program structure which is described in its narrative presentation.

[2] The Total columns display the sum of the amounts recommended for personal service, nonpersonal service and maintenance undistributed and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

[3] The Personal Service, Nonpersonal Service, and Maintenance Undistributed columns display the amounts recommended for each item within a program and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next two tables apply to the Aid to Localities category. Each agency which has appropriations in this category will have these two tables in its presentation.

VIII. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS

This table shows the distribution of all appropriations for this agency within the Aid to Localities category by fund type and shows a year-to-year comparison of the amounts available in the current year with those recommended for the next fiscal year. See the next table for a distribution by program.

| AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars) | | | |
|---------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------|-----------------------|
| [1] Fund Type | [2] Available 2007-08 | [3] Recommended 2008-09 | [4] Change |
| General Fund | 255,000 | 0 | (255,000) |
| Special Revenue Funds - Federal [5] | 5,500,000 | 5,500,000 | 0 |
| Special Revenue Funds - Other | 1,650,000 | 1,650,000 | 0 |
| Total | 7,405,000 | 7,150,000 | (255,000) |
| Adjustments: [6] | | | |
| Transfer(s) To | | | |
| Health, Department of | | | |
| General Fund (State Operations) | 100,000 | | |
| Appropriated 2007-08 | 7,505,000 | | |

[1] The State Finance Law defines and mandates the use of seven fund types. Of these, the fund types typically found in the Aid to Localities category are General, Special Revenue, Enterprise, Internal Service and Fiduciary.

[2] This column displays the appropriations available for the current fiscal year.

[3] This column displays the appropriations recommended for the next fiscal year.

[4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

[5] Because of the difference between the State's fiscal year (April 1 through March 31) and the Federal fiscal year (October 1 through September 30), appropriations of most Federal grants generally include spending from portions of two Federal fiscal years. The amounts discussed throughout the Executive Budget represent the totals of spending from different grants that are expected to occur during the State fiscal year.

[6] Adjustments in the amounts available for the current year may occur for a number of reasons. For more information, please refer to table III. note **[6]**.

IX. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts available for Aid to Localities for the current fiscal year and those that have been recommended for the next fiscal year by program and, within each program, by fund type.

| AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars) | | | |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------|-----------------------|
| [1] Program | [2] Available 2007-08 | [3] Recommended 2008-09 | [4] Change |
| Emergency Management | | | |
| Special Revenue Funds - Federal | 5,500,000 | 5,500,000 | 0 |
| Special Revenue Funds - Other | 1,650,000 | 1,650,000 | 0 |
| Community Projects | | | |
| General Fund | 255,000 | 0 | (255,000) |
| Total | <u>7,405,000</u> | <u>7,150,000</u> | <u>(255,000)</u> |

[1] Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program may have appropriations from one or more fund types.

[2] This column displays the appropriations available for the current fiscal year.

[3] This column displays the appropriations recommended for the next fiscal year.

[4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next table applies to the Capital Projects category. Each agency which has appropriations in this category will have this table in its presentation.

X. CAPITAL PROJECTS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts that are available for Capital Projects for the current fiscal year and those that have been recommended for the next fiscal year by Comprehensive Construction Program and, within each program, by fund type. It also shows recommended reappropriations for the next fiscal year.

| CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars) | | | | |
|------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------|------------------------|---------------------------------------------|
| ¹ Comprehensive Construction Program | ² Available 2007-08 | ³ Recommended 2008-09 | ⁴ Change | ⁵ Reappropriations 2008-09 |
| Design and Construction Supervision | | | | |
| Capital Projects Fund | 1,750,000 | 1,000,000 | (750,000) | 3,500,000 |
| Federal Capital Projects Fund | 275,000 | 275,000 | 0 | 630,000 |
| Maintenance and Improvement of Existing Facilities | | | | |
| Capital Projects Fund | 4,550,000 | 5,300,000 | 750,000 | 4,800,000 |
| Federal Capital Projects Fund | 3,150,000 | 3,150,000 | 0 | 7,300,000 |
| Total | 9,725,000 | 9,725,000 | 0 | 16,230,000 |

¹ Programs in the Capital Projects category are known as Comprehensive Construction Programs (CCP). The program titles in the Capital Projects category usually differ from the program titles used in the State Operations and Aid to Localities categories. Some CCPs represent broad categories, such as Design and Construction Supervision, while others may correspond to specific agency programs.

² This column displays the appropriations available for the current fiscal year.

³ This column displays the appropriations recommended for the next fiscal year.

⁴ This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

⁵ This column displays the reappropriations recommended for the next fiscal year. Reappropriations are recommended to continue the authorization to spend all or part of undisbursed balances from appropriations that would otherwise lapse. Reappropriations are used extensively in the Capital Projects category because construction or major rehabilitation projects usually require more than one fiscal year from their inception to completion.

FINANCIAL TERMINOLOGY

This section provides a comprehensive overview of financial terms used throughout the Executive Budget and in other financial and budgetary documents. Many of the terms are generic; others reflect definitions set forth in New York State law, regulations issued by State financial control agencies, or historical usage in State government. The terms have been grouped under the following major headings:

1. Budgets
2. Financial Plan
3. Fund Structure
4. Appropriations and Expenditures
5. Budget Execution and Control
6. Generally Accepted Accounting Principles (GAAP)
7. Accountability, Audit and Internal Controls
8. Debt and Capital Financing
9. Other Miscellaneous Terms

1. BUDGETS

Executive Budget refers to the structure and process of the constitutional system of budgeting in New York State which vests in the Governor primary authority and responsibility for budget formulation, presentation and execution. More specifically, it refers to the Governor's constitutionally mandated annual submission to the Legislature containing his plan of recommended **appropriations, cash disbursements and expenditures** (see below) necessary to carry out programs, along with estimates of **cash receipts and revenues** (see below) expected to be available to support these expenditures and disbursements for the forthcoming **fiscal year** (see below). The State Constitution requires explicit recommendations for making changes to the current revenue structure and legislation to implement such recommendations (see **Financial Plan** below).

Pursuant to the Constitution, the Governor's Executive Budget must incorporate the appropriations requests of the Judiciary and the Legislature as they are received from these bodies, although they are not part of the Executive branch of State government. While the Governor may not alter their requests, the Governor may comment on them and recommend changes.

The Constitution requires submission of the Budget on or before the third Tuesday after the first Monday in January, except in years following gubernatorial elections when it must be submitted by February 1.

Amendments to the Budget: The State Constitution permits the Governor to amend or supplement the Executive Budget within 30 calendar days (reduced to 21 days under the recent budget reform agreement) after its submission; or, with the consent of the Legislature, at any time before the close of the legislative session. Such revisions, additions or deletions, conveyed to the heads of the fiscal committees in a memorandum, reflect necessary corrections or responses to new situations or conditions arising after the preparation of the Executive Budget.

Legislative action on the Executive Budget: The Legislature and its fiscal committees — Senate Finance and Assembly Ways and Means — analyze the budget, holding public hearings on major programs and seeking further information from the staffs of the Division of the Budget and other State agencies. Except for the budgets of the

Legislature and the Judiciary, the Legislature may not alter an appropriation bill except to eliminate or reduce the amount of an item recommended therein. It may, however, add items separate and distinct from those included in the original bill submitted by the Governor.

The appropriations passed by the Legislature, except for those which added items or provided funds for the Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary and may disapprove, by line item veto, items added to his original bills. As provided in the Constitution, the Legislature may override the Governor's veto by a vote of two-thirds of those elected to each house.

Other Appropriation Measures: An appropriation bill may also be submitted through the regular legislative process (i.e., it may be introduced by one or more legislators or by a legislative committee). However, the Legislature must act upon the Governor's constitutionally mandated appropriation bills before it acts on any other appropriation bills (unless the Governor certifies the need for immediate passage of another appropriation bill, pursuant to the Governor's constitutional authority to issue a "Message of Necessity"). Appropriation measures initiated by the Legislature are subject to veto in whole or in part by the Governor.

Fiscal Years: A fiscal year is the accounting period on which a budget is based. The State fiscal year runs from April 1 through March 31. The Federal fiscal year runs from October 1 through September 30. The fiscal year for all New York counties and towns and for most cities is the calendar year. New York City, the State University of New York, the City University of New York, and independent school districts in the State operate on July 1 through June 30 fiscal years. For most villages, the fiscal year runs from June 1 through May 31. Other cities and villages in New York State have varying fiscal years (see the State Comptroller's annual *Special Report on Municipal Affairs*).

2. FINANCIAL PLAN

The State's Financial Plan is a comprehensive estimate of the government's projected financial resources and spending requirements for the budget year and three subsequent fiscal years.

State laws and appropriation bills together authorize the State to collect money and use it to pay for the operations of State agencies, aid to local governments and school districts, and for capital projects and debt service.

The Budget Director is designated by law to act on specific matters on behalf of the Governor in exercising the Governor's constitutionally prescribed responsibilities. The Division of the Budget, headed by the Budget Director, prepares a Financial Plan for each fiscal year. The Financial Plan presented with the Executive Budget reflects the receipts and disbursements that would result from legislative adoption of the Executive Budget recommendations. The Division prepares a revised Financial Plan shortly after the Legislature has acted on the Executive Budget. This plan becomes the basis for administration of the State's finances and must be updated quarterly.

The Financial Plan includes results for one or more funds that are managed by the State, displayed on a cash or GAAP basis, and projects closing balances at the completion of a fiscal period (e.g., a fiscal year). See Section 6 below for a discussion of GAAP and cash-based accounting.

3. FUND STRUCTURE

State Operating Funds

In its Financial Plan updates for 2007-08, the Budget Division introduced a revised reporting format which provided a new “operating budget” (spending for current operations) and “capital budget” (long-term capital investment) presentation. The State Funds Operating Budget comprises the General Fund and other State supported activities financed by dedicated revenues in State Special Revenue Funds, as well as Debt Service Funds accounting for the payment of debt service on all tax-financed State long term debt. All capital spending, regardless of financing source, is included in the Capital Budget.

By distinguishing between the two types of spending and capturing all State funds in the operating category, this approach provides a more up-to-date view of the Budget than the traditional, more simplistic focus on General Fund/All Funds spending. The Division has proposed using long-term growth in personal income as a benchmark for growth in the State’s spending as measured by the “State Funds Operating” budget.

Governmental Funds

- a) **General Fund:** This is the major operating fund of the State. It receives all State income not earmarked for a particular program or activity and not specified by law to be deposited in another fund. State income for Financial Plan purposes consists of moneys deposited to the credit of the General Fund during the fiscal year from current revenues (taxes, fees, and miscellaneous receipts including certain repayments of State advances) and transfers. General Fund income finances disbursements from its two operating accounts — the Local Assistance Account and the State Purposes Account — and transfers to other funds.

The **Local Assistance Account** finances:

- State grants to, or State expenditures on behalf of, counties, cities, towns, villages, school districts and other local entities;
- certain contractual payments to localities;
- certain advances for reimbursable costs (see **advances**, below); and
- certain financial assistance to, or on behalf of, individuals and not-for-profit organizations.

The **State Purposes Account** finances:

- salaries and non-wage compensation for most State employees;
- other operating costs of State departments and agencies, the Legislature and the Judiciary;
- general state charges, which are costs mandated by statute or court decree or by agreements negotiated with employee unions for which the State is liable, including: pensions; health, dental and optical benefits; Social Security payments on behalf of State employees; unemployment insurance benefits; employee benefit programs; court judgments and settlements; assessments for local improvements; and taxes on public lands;
- certain contractual payments, including some contractual payments to localities and State lease-purchase payments for **certificates of participation** (see below);
- certain financial assistance to individuals and not-for-profit organizations;
- certain advances for reimbursable costs; and

- interest payments on **tax and revenue anticipation notes (TRANs)**, **bond anticipation notes (BANs)** and BANs issued in the form of commercial paper, if such short-term debt instruments are used by the State.

In addition to the above accounts, the General Fund includes the following funds:

- **Tax Stabilization Reserve Fund (TSRF):** This fund receives any General Fund cash surpluses existing at year-end up to a maximum contribution of two-tenths of one percent of total General Fund disbursements. The reserve fund is capped at 2 percent of General Fund disbursements for the fiscal year. Any General Fund surplus after the reserve contribution may be used to reduce taxes or may be carried over into the succeeding fiscal year. At the close of the fiscal year money may be loaned from the TSRF to avoid a deficit. Such loans must be repaid in three equal annual installments within a period of six years from the date of the loan. Cash assets of the TSRF are routinely loaned to the Local Assistance Account or the State Purposes Account during the fiscal year, but repaid in cash by March 31 of any fiscal year.
- **Rainy Day Reserve:** Created by the 2007 budget reform legislation, this fund may be used to respond to an economic downturn or catastrophic event, as defined in the law. The reserve may have a maximum balance equal to three percent of spending.
- **Contingency Reserve Fund:** Created by legislation accompanying the 1993-94 budget, this fund provides a reserve to fund extraordinary needs arising from litigation against the State. Its use is generally restricted to litigation cases of \$25 million or more, and requires an appropriation to authorize spending.
- **Community Projects Fund:** This fund was created by legislation accompanying the 1996-97 Budget to finance discretionary, usually local projects ("member items") sponsored by individual legislators and the Governor.
- **Fringe Benefit Escrow Fund:** This fund contains payments by State agencies of certain fringe benefit costs chargeable to other entities. It was reclassified by the State Comptroller in April 2001 from the Agency Fund group to the General Fund.

The General Fund, as reported by the State Comptroller in his annual GAAP financial statements, also includes the revenues and expenditures of funds budgeted as Internal Service Funds and Enterprise Funds and of certain Special Revenue Funds (see below).

- b) **Special Revenue Funds:** These funds are collectively the largest group of funds within the State in both size and number. They account for State receipts from specific revenue sources and are legally restricted to disbursement for specified purposes. This governmental fund type is divided into two classifications in New York State — **Special Revenue Funds-Other** and **Special Revenue Funds-Federal**. An example of a Special Revenue Fund-Other is the Conservation Fund, which finances a number of State environmental programs. An example of a Special Revenue Fund-Federal is the Health and Human Services Fund where, for instance, Federal Medicaid reimbursements are received and disbursed. Although any earmarked revenue fund is treated as a Special Revenue Fund-Other for cash-basis budgeting and reporting purposes, some are combined with the General Fund for purposes of reporting on the basis of GAAP.
- c) **Capital Projects Funds:** These funds finance such capital construction costs as:
- planning, land acquisition, design, construction, construction management and supervision, and equipment costs attributable to: highway, parkway and rail

preservation projects; outdoor recreation and environmental conservation projects; and buildings and other capital facilities required by various State departments and agencies;

- aid payments to local governmental units and public authorities to help finance the following types of capital programs: highway, parkway, bridge, mass transportation, aviation, economic development, port development, community college, community and State mental health, outdoor recreation, State-assisted housing and environmental quality; and
- advances for capital construction costs reimbursable by public authorities, instrumentalities of the State, the Federal government or local governments.

Sources of revenue for this fund type include transfers from other State funds including the General Fund, dedicated taxes and other revenues, reimbursement of advances, bond proceeds, and Federal capital grants.

- d) **Debt Service Funds:** All tax-financed State debt service on long-term debt and payments on certain lease-purchase or other contractual obligations are paid from debt service funds. These account for the accumulation of money for, and the payment of principal and interest on, general long-term debt and certificates of participation. Lease-purchase payments for State University, Health and Mental Hygiene facilities under contractual agreements with public authorities are also paid from funds classified as debt service funds. Debt service on highway bonds supported by dedicated highway revenues is also reflected in this fund type. Sources of revenue for this fund type include transfers from the General Fund, dedicated taxes and other revenues.

Proprietary Funds

- a) **Internal Service Funds:** These funds are used to account for the financing of goods or services supplied by one State agency to other State agencies or governmental units on a cost reimbursement basis.
- b) **Enterprise Funds:** These funds are used to account for operations that operate similarly to private business enterprises.

The Internal Service Funds and Enterprise Funds are treated as Proprietary Funds for cash-basis budgeting and reporting purposes, and are combined with the General Fund for purposes of reporting on a GAAP basis.

Fiduciary Funds

- a) **Private-Purpose Trust Funds:** These funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
- b) **Pension Trust Fund:** This fund is used to account for the cash basis results of operations for the administration portion of the State's Common Retirement Fund. It does not reflect investment activity, balances, or other assets available to this fund. In addition, pension contributions and payments to retirees are excluded since these payments are not required to be appropriated.
- c) **Agency Funds:** These funds are used to account for funds held by the State in a purely custodial capacity. Cash is held temporarily until disbursements are made to individuals, private organizations or other governments.

4. APPROPRIATIONS AND EXPENDITURES

An **appropriation** is a statutory authorization to make expenditures during a specific State fiscal year, and to make disbursements (see below) for the purposes designated, up to the stated amount of the appropriation. Under the Constitution, an appropriation may be made for no longer than a two-year period (also see **reappropriation**, below).

Appropriations are authorizations, rather than mandates, to spend. **Expenditures** and disbursements (see below) need not, and generally do not, equal the amount of the appropriation from which they were made, since less than the full amount of the appropriation is usually spent within the fiscal year to which it pertains (see **carryover**, below). An appropriation thus represents maximum spending authority unless a lower maximum has been set by a **disbursement ceiling** (see below). When authorized by statute an appropriation may be **suballocated** (that is, moved) from one agency to another agency for the purpose of incurring obligations and making disbursements in the agency which receives the suballocation. (The term suballocation should not be confused with allocation which is defined in section 5).

In New York, all appropriations are classified in one of the following four categories:

- **State Operations:** This category relates to appropriations for the operation of State agencies, regardless of fund source. For example, an agency may have appropriations in several different funds (or accounts within funds), and all these appropriations would be categorized as “State Operations.” Also included in this category, although authorized by appropriation bills separate and distinct from those for the executive branch, are the appropriations for the operation of the Legislature and the Judiciary. (See also **personal service** and **nonpersonal service** defined below.)
- **Aid to Localities:** This category includes all appropriations for aid to localities, regardless of fund source.
- **Capital Projects:** When used as a category of appropriation, “Capital Projects” includes all appropriations for capital construction projects, regardless of fund source. (It should not be confused with the Capital Projects Fund or the Federal Capital Projects Fund).
- **Debt Service:** This category includes all appropriations for tax-financed State debt service on long-term debt; contractual-obligation and lease-purchase arrangements with several public authorities and municipalities; and lease-purchase payments for State University, Health and Mental Hygiene facilities. This also includes appropriations for interest rate exchange and similar agreements.

A **deficiency appropriation** is used to meet actual or anticipated obligations not foreseen when the annual budget and any supplemental budgets were enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists. A deficiency appropriation usually applies to the fiscal year during which it is made.

Section 53 of the State Finance Law authorizes the enactment of a **special emergency appropriation** which may be allocated by the Governor to various funds. As set forth in the statute, allocations to the General Fund, Capital Projects funds and funds receiving Federal moneys are subject to the prior approval of the chairpersons of the Senate Finance and Assembly Ways and Means committees.

Personal service represents an appropriation for salaries and non-wage compensation for State employees and certain payments to non-State employees.

Nonpersonal service represents an appropriation for such items as contractual services, equipment and supplies.

Maintenance undistributed is an appropriation which does not define the amounts to be available for personal and nonpersonal service. Such an appropriation allows flexibility in the management of a program. The terms lump sum and maintenance undistributed are often used synonymously, although they are not equivalent.

A **lump-sum appropriation** is one made for personal service, nonpersonal service or maintenance undistributed; or for local assistance or capital projects for all State agencies, or to an agency alone or on behalf of itself and one or more other agencies. A lump sum is appropriated for a stated purpose without specifying maximum amounts that may be spent for specific activities or individual objects of expenditure. Such an appropriation cannot be obligated and expended without an **allocation** (see below, section 5). Under the 2007 budget reform legislation, the Legislature is prohibited from adding lump sum appropriations.

A **reappropriation** is a legislative enactment that continues the undisbursed balance of an appropriation that would otherwise lapse (see **lapsed appropriation**, below). Reappropriations are commonly used in the case of federally funded programs and capital projects, where the funding amount is intended to support activities that may span several fiscal years. For example, funds for capital projects are customarily recommended and appropriated in amounts sufficient to cover the total estimated cost of all phases of a specific project (such as land acquisition, design and construction). As contracts within each phase are established, portions of the capital construction appropriation are allocated; and disbursements are made to meet the actual costs incurred as each phase of the project progresses. In ensuing years, the balances not disbursed are reappropriated to cover the costs of subsequent construction phases in the project.

An **obligation** is a commitment (such as a contract or purchase order) to spend against a given appropriation. An **encumbrance** provides a mechanism for reserving all or a portion of an appropriation for future expenditure. Entering into a contract usually requires an encumbrance, although the funds will be expended or disbursed over a period of several months. Encumbrance accounting enables management to avoid spending in excess of authorized appropriations.

A **carryover** is the balance of an appropriation that remains at the end of the fiscal year for which it was appropriated, against which liabilities were incurred but for which cash payments were not disbursed before the end of the fiscal year. Disbursements may be made against a carryover balance through June 30 of the following fiscal year to liquidate any such liabilities for State Operations, or through September 15 for Aid to Localities, Capital Projects, and Debt Service.

A **lapsed appropriation** is an appropriation which has expired and against which obligations can no longer be incurred, nor payment made. An appropriation lapses, and is no longer available to authorize any encumbrances or cash payments, on June 30 for State Operations and on September 15 for Aid to Localities, Capital Projects, and Debt Service.

5. BUDGET EXECUTION AND CONTROL

Certificates of several types are issued by the Budget Director to authorize various fiscal actions. Copies of all certificates must be sent to the State Comptroller and to the chairpersons of the two legislative fiscal committees.

For State Operations, and in some cases Aid to Localities, a **certificate of approval** issued by the Budget Director formally authorizes certain financial transactions. These transactions include **allocations** or **segregations**, **apportionments** and **interchanges**:

- An **allocation** or a **segregation** authorizes expenditures from appropriated funds for specified purposes, activities or objects. It is used as a control device for appropriated funds (e.g., quarterly allocations) and to distribute lump-sum appropriations within State agencies.
- An **apportionment** transfers part of an appropriation from certain lump-sum “all State departments and agencies” appropriations to specific agencies.
- An **interchange** is the movement of appropriation authority by certificate to increase or decrease the funds for any items within the same fund and program. In accordance with the State Finance Law, the amounts appropriated to a department or agency from a given fund may also be interchanged among appropriations in different programs, subject to the following formula (with the exclusion of the State University of New York, the City University of New York, and other specific appropriations as may be noted in the various appropriation bills): the total amount appropriated for any given program or purpose may not, in aggregate, be increased or decreased via interchanges by more than the total of 5 percent of the first \$5 million, 4 percent of the second \$5 million and 3 percent of amounts in excess of \$10 million.

A **certificate of transfer** authorizes the transfer of appropriation authority and/or positions between agencies and/or funds. All such transfers must be specifically authorized in statute. Transfers of appropriation authority must be distinguished from operating transfers which move moneys (cash) between funds or accounts.

For **Capital Projects**, the appropriation format differs somewhat from the program structure found in State Operations and Aid to Localities. Capital Projects appropriations are structured as follows:

- one or more **comprehensive construction programs (CCPs)**, which may or may not relate to agency operating or local aid programs or other organizational arrangements;
- a **grouping of appropriations into one or more purposes within CCPs**, which purposes may or may not relate to other agency organizational structures; and
- **one or more appropriations or projects in each purpose**. Some appropriations have “project schedules” that list institutions or projects for which construction work will be done.

For Capital Projects, a **certificate of approval of availability** issued by the Budget Director in accordance with an appropriation authorizes the State Comptroller to encumber, expend and disburse funds to the extent required for specific projects or phases of projects.

Capital Projects Funds **interchanges or transfers** must be accompanied by a certification of need and availability of funds and may be made as follows:

In the case of **interchanges**, which are movements of funds by certificate between items within an appropriation “project schedule,” no certification is required when the appropriation states that schedule amounts are estimates and are interchangeable among the various projects; all other interchanges require the certification of need and availability.

In the case of transfers, a **certificate of transfer** authorizes the transfer of a specified amount, within available limits, from an appropriation for a given capital project to an appropriation for another capital project within the same CCP and agency. However, the Budget Director cannot authorize any Capital Projects Fund transfer which would increase or decrease the total of appropriations (including reappropriations) for projects sharing the

same purpose by an amount exceeding the total of the following percentages of the total amount of the original appropriation for the project: 25 percent of the first \$5 million, 20 percent of the second \$5 million, 15 percent of the third \$5 million, and 10 percent of any amount in excess of \$15 million.

6. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Generally Accepted Accounting Principles (GAAP) for governments are uniform minimum standards and guidelines for financial accounting and reporting as promulgated by authoritative national standard-setting bodies, primarily the National Council on Governmental Accounting (NCGA); its successor, the Governmental Accounting Standards Board (GASB); and the American Institute of Certified Public Accountants (AICPA). NCGA's *Statement One — Governmental Accounting and Financial Reporting Principles*, published in 1979, succeeding statements by NCGA (reaffirmed by GASB), and statements promulgated by GASB are the most widely recognized sources for authoritative guidance. New York presents its State Financial Plan and Executive Budget on both a cash basis and in accordance with GAAP.

The GASB issued Statement 34 entitled *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*. This statement establishes new financial statement reporting requirements for State and local governments. New York State implemented GASB 34 when reporting its GAAP financial results for the 2002-03 fiscal year in July 2003. The Division of the Budget has modified its GAAP-basis projections to conform with GASB 34. These changes include new statements that reflect the State's net overall financial condition, including activities that affect State assets and liabilities during the fiscal year.

Projected operating results in the General Fund as measured on the cash basis of accounting may sometimes differ from projections measured in accordance with GAAP. Generally, these differences are caused by the inclusion of certain funds in the GAAP General Fund which are outside the cash basis General Fund, plus the recognition of differences between cash and GAAP. The conversion tables in the *Financial Plan* volume show these differences classified into the following major categories:

- “Perspective Differences” represent the projected cash basis operating results of the Miscellaneous State Special Revenue Fund which is treated as part of the General Fund in the GAAP basis financial plan, but as part of the Special Revenue Funds in the cash basis financial plan. The Miscellaneous State Special Revenue Fund includes dozens of individual accounts which finance the operation of agencies and programs from sources other than General Fund tax dollars.
- “Entity Differences” represent the projected cash basis operating results of the proprietary funds (Internal Service Funds and Enterprise Funds) which are treated as part of the General Fund in the GAAP basis financial plan. On a cash basis the proprietary funds are reported separately and are not part of the all governmental funds financial plan.
- “Changes in Accruals” result from timing differences between the recognition of individual accounting transactions on a cash basis and under Generally Accepted Accounting Principles. On a cash basis, receipts are recorded when moneys are deposited in the State Treasury, and disbursements are recorded when a check is drawn from the Treasury. Under GAAP, revenues are recorded when they are measurable and available, and expenditures are recorded when the State incurs an obligation to pay. It is in this column that revenues and expenditures are attributed

to the appropriate fiscal year. For example, positive numbers in this column reflect the accrual of revenues which are owed to the State but not yet received, and obligations of the State for which payment has not yet been made. Negative entries generally reflect the reduction of receipts or disbursements which are attributed under GAAP to a different fiscal period.

- “Eliminations” exclude activity related to State advances and the repayment of such advances, which are treated as receipts and disbursements in the cash basis financial plan. On a GAAP basis, the repayment is not a revenue, and the advance is not an expenditure unless it is determined to be uncollectible. This category also includes transactions related to the elimination of SUNY/CUNY Senior College operations, which are not part of the governmental fund structure on a GAAP basis.
- “Intra-fund Eliminations” remove any transactions which occur between two funds in the same fund type, in order to avoid counting such transactions twice.
- “Reclassifications” show the movement of transactions from one category of the financial plan to another, and do not impact the operating results of a given fund.

GAAP Basis Reporting Differences

In general, the General Fund revenue and expenditure projections contained in the Budget reflect the application of Generally Accepted Accounting Principles as applied by the State Comptroller in his audited financial statements. There is one exception to this policy. Activity related to public authorities has not been reclassified as operating transfers. These reclassifications do not affect operating results and only further complicate the differences between cash basis financial plans and GAAP basis financial plans. Accordingly, these reclassifications have not been included.

GAAP Revenues

The *Economic and Revenue Outlook* volume provides tax-by-tax descriptions of the cash-based estimates of tax receipts underlying the cash-based financial plans. This section deals with estimates of GAAP revenues that are included in the GAAP financial plan. The following is a brief description of how such estimates are generated, what factors are considered in their preparation, and how such estimates differ from those prepared on the cash basis.

In general, cash-based estimates are forecasts of the deposits of cash (net of refund payments) that will occur during the fiscal year. Estimates of GAAP revenue attempt to more closely measure what the State actually “earned” during the period, regardless of when the cash transactions that represent those earnings occur. The State, of course, “earns” money when taxpayers incur liability for taxes, for example, by receiving money subject to income taxes or purchasing goods or services subject to the sales or excise levies, or by wagering on horse races in betting pools subject to the pari-mutuel tax. Taxpayers may discharge that liability in a variety of ways. For example, in the case of the sales tax they often pay the money directly to an authorized agent of the State who must then transmit it to the State, sometimes in a period different from that in which the actual liability was incurred and discharged by the taxpayer. In the case of the personal income tax, they may be subject to withholding by their employer (another agent of the State) or

make estimated and final tax payments directly to the State. Some taxpayers overpay their liability and are due refunds for a given liability period. Such refunds or final payments are usually paid in years (or accounting periods) different from those to which the transaction relates.

In theory, GAAP revenue estimates attempt to gather all the (actual or estimated) transactions that apply to tax liabilities earned in a given State fiscal year, regardless of the year in which the related cash transaction occurs, to appropriately “measure” what the State has earned. In practice, given the limits of both information systems and time, some accommodations are made in the development of these “earnings” estimates. During any one fiscal year the State will receive money earned in the current year and in any of several prior years (and sometimes money not yet earned). Estimates of those prior-year earnings are not changed each time a new transaction is disclosed and so GAAP revenue estimates are not “pure.”

However, for any given tax, GAAP revenue estimates should attempt to measure (as an increase in revenue, or a receivable) how much the State is owed, but has not yet received, from taxpayers for the activity during a State fiscal year. Similarly, they must reflect (as a reduction in revenue, or a payable) any amounts that the State has received but must refund (in some future period) as a result of overpayments of liability by taxpayers.

In some sources, the receivable and payable amounts are relatively trivial and do not change materially from year to year. In others, the accruals are large and variable. GAAP revenue estimates differ from cash receipt estimates by how much the receivable and payable balances change from year to year. If receivables are growing relative to payables in a particular source (i.e., if the net amount owed to the State is larger at the end of the year than at the beginning of the year), estimated GAAP revenues will exceed forecasted cash receipts. Should payables rise faster than receivables, the opposite relationship will exist.

GAAP Expenditures

As previously mentioned, GAAP measures expenditures when the State incurs a liability to pay, rather than when a check is written against the Treasury. The Comptroller generally applies a 12-month recognition rule — if the liability is determined to exist and will be disbursed in the 12 months following the close of the fiscal year, the expenditure will be recorded in that fiscal year. Thus, the GAAP basis financial plan includes liabilities projected to be incurred during a given fiscal year for which actual payments will not be made for up to 12 months following the close of such fiscal year.

The most significant of these liabilities occur in the categories of local assistance and State operations. The GAAP basis financial plan reflects:

- Amounts owed to local governments for Medicaid, public health, criminal justice and court-ordered handicapped programs which are all reimbursed on a lag basis.
- Employee salaries remaining unpaid at the close of each fiscal year, and the related fringe benefits.

7. ACCOUNTABILITY, AUDIT AND INTERNAL CONTROL

Internal controls are the measures an organization adopts to encourage adherence to agency policies and procedures; promote operational efficiency and effectiveness; safeguard assets; and ensure the reliability of data. Internal controls encompass both internal administrative controls and internal accounting controls.

Internal audit is an independent appraisal of operations, conducted under the direction of agency management, to assess the effectiveness of internal controls.

Internal Control Review (ICR) is a detailed evaluation of the degree to which the organization has designed, established, documented and followed the policies and procedures necessary to achieve specific functional goals and objectives and avoid unwanted outcomes. The ICR focuses upon how well procedures operate for a given function.

Vulnerability Assessment (VA) is an assessment by an agency of its susceptibility to operational breakdowns which could lead to inadequate or inappropriate program outcomes, including waste of resources. The VA analyzes the overall organizational and administrative environment, the potential for failures and related impact. VAs help the agency schedule the timing and frequency of ICRs or identify weaknesses which can be immediately corrected.

Testing is that part of an internal control review which assesses whether actual practice follows, or complies with, prescribed policies and procedures. The assessment is made by interviewing or observing staff, following a transaction through the process, or sampling documentation of transactions to determine if required steps are executed.

Corrective Action Plan is a step-by-step plan of action and schedule for resolving the internal control weaknesses identified by a vulnerability assessment or internal control review.

Certification is the annual affirmation by each agency that it is in conformance with the Internal Control Act which requires the establishment and maintenance of a system of internal controls and a program of internal control review by State agencies and covered public authorities. Agencies may submit a plan to achieve compliance with the Act in lieu of a certification. In addition to the certification, each agency submits an Annual Internal Control Summary which describes certain aspects of its internal control system for the preceding year.

8. DEBT AND CAPITAL FINANCING

The **Annual Information Statement (AIS)** is the State's principal means for disclosing financial information that is required to meet its legal obligations under Federal securities law and constitutes the official form of such financial disclosure information. The State publishes the AIS annually, generally within 30 days of the adoption of a budget by the State Legislature. The AIS is updated on a quarterly basis (the "Quarterly Updates") and may be supplemented ("Supplements") for significant events or developments that occur between updates. The AIS, updates and supplements are available online at www.budget.state.ny.us.

Appropriation-backed bonds refer to long-term obligations sold by the State's public authorities under a variety of financial arrangements — primarily **lease-purchase and contractual service agreements**. Debt service on such obligations is appropriated annually by the State, although the State has no legal obligation to continue to make such appropriations. This form of debt represents an important source of financing for capital projects in the State's transportation, criminal justice, mental hygiene, education, health, and housing programs.

Bond anticipation notes (BANs) are short-term notes which occasionally may be sold by the Comptroller to finance capital expenditures until long-term bonds are sold. Since these obligations are outstanding for no more than two years (with certain exceptions), the interest rates paid on such obligations are typically lower than that for long-term bonds.

Bondable capital spending refers to disbursements for capital purposes which, by statute, may be financed by the proceeds of bonds or other debt obligations.

Certificates of Participation represent shares of lease-purchase payments for personal or real property made by State agencies. These tax-exempt certificates may be sold publicly or privately to investors by the Comptroller, pursuant to Article 5-A of the State Finance Law. These payments are not State debt under Article VII of the State Constitution and are subject to annual appropriation.

A **credit rating** is assigned by a non-governmental agency serving the financial market (such as Standard & Poor's), and represents that agency's opinion concerning the likelihood that the principal and interest on State debt will be paid on time. The State's current general obligation and personal income tax revenue bonds are assigned a rating of AA by Standard & Poor's, AA-minus by Fitch, and Aa3 by Moody's Investors Service.

The **Debt Reform Act of 2000**, which applies to all new State-supported debt issued after March 31, 2000, imposes phased-in caps that limit new debt outstanding to 4 percent of personal income and new debt service costs to 5 percent of total governmental receipts. Both caps began in 2000-01 at an initial phase-in level of .75 percent. Pursuant to section 23 of the State Finance Law, the State is required to calculate compliance with the caps annually and report the findings in the Financial Plan update most proximate to October 31.

General obligation bonds refer to long-term obligations of the State, used to finance capital projects. These obligations must be authorized by the voters in a general election, are issued by the Comptroller, and are backed by the **full faith and credit** of the State. Under current provisions of the Constitution, only one bond issue may be put before the voters at each general election, and it must be for a single work or purpose. The amount of general obligation bonds or notes which the State expects to issue in a given fiscal year is shown in the Capital Projects fund-type of the Governmental Funds Financial Plan in the Other Financing Sources category. Debt service must be paid from the first available taxes whether or not the Legislature has enacted the required appropriations for such payments.

Impoundment is the term used to describe the setting aside, in a separate account, of income necessary to pay principal and interest on obligations. The specific method of impoundment — including the timing and amounts — is generally specified by State law for each obligation, and is an integral element of the security behind any obligation.

Moral obligation debt refers to long-term bonds issued by certain State public authorities, also known as public benefit corporations, which are essentially supported by their own revenues. Moral obligation debt is not incurred pursuant to a referendum, is not considered State debt, and is not backed by the full faith and credit of the State. However, the authorities selling such obligations have been allowed to establish procedures where, under certain conditions, the State may be called upon to meet deficiencies in debt service reserve funds supporting such bonds. An appropriation must be enacted by the Legislature to meet any such obligation.

An **official statement** accompanies the issuance of bonds, notes and publicly sold certificates of participation offered for sale by the State or its public authorities. This statement is prepared by the issuer and describes the issuer, the project or program being financed, and the security behind the bond issue. In addition, where payment of debt service is made primarily with State moneys, this statement includes the State's Annual Information Statement (the AIS), which include recent and projected fiscal and economic trends and developments that bear reasonably on the credit strength of the issue. It

discusses potential legal, fiscal or economic problems facing the issuer, State government and other relevant major governmental jurisdictions. Its primary purpose is to provide prospective bond or note purchasers sufficient information to make informed decisions on the creditworthiness of the issue.

State personal income tax revenue bonds are the primary funding vehicle for a broad range of State-supported debt programs. In 2001, legislation was enacted to permit certain State public authorities to issue State personal income tax revenue bonds. The legislation provides that 25 percent of personal income tax receipts (excluding refunds owed to taxpayers and deposits to the STAR Fund) be deposited to the Revenue Bond Tax Fund for purposes of making debt service payments on these bonds, with excess amounts returned to the General Fund. These bonds have reduced borrowing costs by improving the marketability and creditworthiness of State-supported obligations and by permitting the consolidation of multiple bonding programs to reduce administrative costs.

Pay-as-you-go financing refers to the use of current State resources, i.e., cash (as opposed to debt) to finance capital projects.

State-guaranteed debt refers to debt authorized by the voters to be sold by three public authorities: the Job Development Authority, the New York State Thruway Authority, and the Port Authority of New York and New Jersey. Such debt is backed by the full faith and credit of the State.

State-supported debt includes general obligation and appropriation-backed debt, and certificates of participation. This category includes all obligations for which the State appropriates and pays debt service. While tax supported debt (obligations supported by State taxes) represents the majority of obligations in this category, obligations supported by other State revenues (such as dormitory fees or patient revenues) are also included.

State-related debt includes all State-supported debt, as well as State-guaranteed and moral obligation debt. This broad category combines all forms of debt for which the State is directly or contingently liable.

Tax and revenue anticipation notes (TRANS) refer to short-term obligations of the State. The notes must be redeemed within one year of issuance. Prior to the debt reform actions of the 1990s, notes were sold to address short-term cashflow imbalances, but may also be issued to address a year-end deficit.

9. OTHER MISCELLANEOUS TERMS

An **account** is a subdivision of a fund and refers to a classification by which information on particular financial transactions and financial resources is recorded and arranged.

An **advance** is a payment by the State on behalf of an agency, an authority, a fund, a public benefit corporation, or the Federal government that must be reimbursed by such entity. Certain advances are made from the Capital Projects Fund for prefinancing the cost of capital projects undertaken by public authorities, State agencies or localities.

All Governmental Funds is a term referring to all State government funds within the following fund types: General, Special Revenue, Capital Projects, and Debt Service. In a discussion of appropriations rather than cash figures (e.g., in the *Agency Presentations* tables described earlier in this Guide), **All Funds** includes All Governmental Funds appropriations *plus* appropriations made from the non-governmental (Proprietary and Fiduciary) fund types.

Annualization refers to the expected full-year financial implications of a revenue item or an expenditure item initially budgeted for only part of a fiscal year.

Attrition refers to a method of achieving a reduction in personnel by not refilling positions that are vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Cap refers to an absolute dollar limit placed on spending and/or borrowing for a designated activity or program. The term is sometimes used to refer to the limitation of a disbursement for the current and/or forthcoming fiscal year(s) to the level of the preceding fiscal year or to some other predetermined level.

Chargeback refers to an assessment levied by the State on another government or other entity (e.g., a public authority, a private-sector enterprise, a trade association, or a nonprofit organization) for payment of costs incurred by the State in administering an activity or program on behalf of such government or entity. It may also refer to an assessment by one State agency against another.

A **deficit**, for purposes of the cash-basis Financial Plan, is an excess of disbursements over receipts at the end of a fiscal year. On a GAAP basis, a deficit is an excess of expenditures or expenses over revenues at the end of a fiscal year.

Fixed assets are assets of a long-term character, such as land, buildings, machinery, equipment and improvements other than buildings, that are intended to continue to be held or used. **General fixed assets** include all fixed assets not accounted for in proprietary funds or in trust and agency funds. Under GAAP, general fixed assets are recorded in an **account group** (which does not involve the measurement of results of operations), rather than in a fund, and the recording of “infrastructure” assets and depreciation is not required.

Full Time Equivalent (FTE) is a unit of measure which is equal to one filled, full-time, annual-salaried position.

A **joint-custody fund** is held within the State Treasury by both the State Comptroller and the Commissioner of Taxation and Finance (see sole-custody fund).

The **line item veto** in the State Constitution authorizes the Governor to veto individual appropriations for the Legislature and Judiciary, and appropriations added by the Legislature, contained within any multiple appropriation bill passed by the Legislature.

A **margin**, or **positive margin**, is a temporary excess of receipts over disbursements. When disbursements temporarily exceed receipts, a **negative margin** exists. A positive margin is not a surplus, nor is a negative margin a deficit, until the fiscal year ends.

A **matching formula** is a formula applied under an intergovernmental grant program which requires a recipient to match from its own funds a specified percentage of each dollar granted by one or more higher level(s) of government.

Nonrecurring receipts are receipts in a given fiscal year that are not normally expected to recur in subsequent fiscal years. **Recurring receipts** are normally derived from an income stream that is expected to continue from one fiscal year to the next.

An **offset fund** is an appropriated fund, usually of the Special Revenue Fund type, which is used to reimburse expenditures charged in the first instance to the General Fund.

Save harmless refers to a provision of law under which the State protects another entity against any decrease from a previous level of funding under a given State program.

Shortfall refers to a situation where actual revenues collected are less than those that had been projected.

A **sole-custody fund** is administered by an individual State agency official and is not under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. Sole-custody funds are usually fiduciary in nature. Examples include assets held for wards of the State.

A **surplus**, for purposes of the cash-basis Financial Plan, is an excess of receipts over disbursements at the end of a fiscal year. On a GAAP basis, a surplus is an excess of revenues over expenditures or expenses at the end of a fiscal year.

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|---------|-----------------------------------------------------------------------------|
| A&C | Department of Audit and Control |
| ABC | Division of Alcoholic Beverage Control |
| Ag&Mkts | Department of Agriculture and Markets |
| APA | Adirondack Park Agency |
| Arts | Council on the Arts |
| Bank | Banking Department |
| CDO | Capital Defender Office |
| Chamber | Executive Chamber |
| CPB | Consumer Protection Board |
| CPI | Commission on Public Integrity |
| CQCAPD | Commission on Quality of Care and Advocacy for Persons with Disabilities |
| CS | Department of Civil Service |
| CUNY | City University of New York |
| CVB | Crime Victims Board |
| DCJS | Division of Criminal Justice Services |
| DDPC | Developmental Disabilities Planning Council |
| DEC | Department of Environmental Conservation |
| DED | Department of Economic Development |
| DHCR | Division of Housing and Community Renewal |
| DHR | Division of Human Rights |
| DMNA | Division of Military and Naval Affairs |
| DMH | Department of Mental Hygiene |
| DMV | Department of Motor Vehicles |
| DOB | Division of the Budget |
| DOCS | Department of Correctional Services |
| DOH | Department of Health |
| DOL | Department of Labor |
| DOS | Department of State |
| DOT | Department of Transportation |
| DPCA | Division of Probation and Correctional Alternatives |
| DSP | Division of State Police |
| DTA | Division of Tax Appeals |
| DVA | Division of Veterans' Affairs |
| EFC | Environmental Facilities Corporation |
| ERDA | New York State Energy Research and Development Authority |
| ESDC | Empire State Development Corporation |
| GORR | Governor's Office of Regulatory Reform |
| HESC | Higher Education Services Corporation |
| HRPT | Hudson River Park Trust |

KEY TO AGENCY ABBREVIATIONS

| | |
|---------|-------------------------------------------------------------|
| IG | Inspector General, Office of the State |
| Ins | Insurance Department |
| IOLA | Interest on Lawyer Account |
| Law | Department of Law |
| Lottery | Division of the Lottery |
| MTA | Metropolitan Transportation Authority |
| OASAS | Office of Alcoholism and Substance Abuse Services |
| OCFS | Office of Children and Family Services |
| OER | Office of Employee Relations |
| OHS | Office of Homeland Security |
| OFT | Office for Technology |
| OGS | Office of General Services |
| OMH | Office of Mental Health |
| OMIG | Office of Medicaid Inspector General |
| OMRDD | Office of Mental Retardation and Developmental Disabilities |
| OPDV | Office for the Prevention of Domestic Violence |
| ORDA | Olympic Regional Development Authority |
| ORPS | Office of Real Property Services |
| OTDA | Office of Temporary and Disability Assistance |
| OWIG | Office of Welfare Inspector General |
| Parks | Office of Parks, Recreation and Historic Preservation |
| Parole | Division of Parole |
| PERB | Public Employment Relations Board |
| R&W | New York State Racing and Wagering Board |
| SCOC | State Commission of Correction |
| SED | State Education Department |
| SOFA | State Office for the Aging |
| SONYMA | State of New York Mortgage Agency |
| STI | Foundation for Science, Technology, and Innovation |
| SUCF | State University Construction Fund |
| SUNY | State University of New York |
| Tax | Department of Taxation and Finance |
| Thruway | NYS Thruway Authority |
| UDC | Urban Development Corporation |
| WCB | Workers' Compensation Board |