

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

OVERVIEW AND PERFORMANCE MEASURES

ENVIRONMENT AND RECREATION

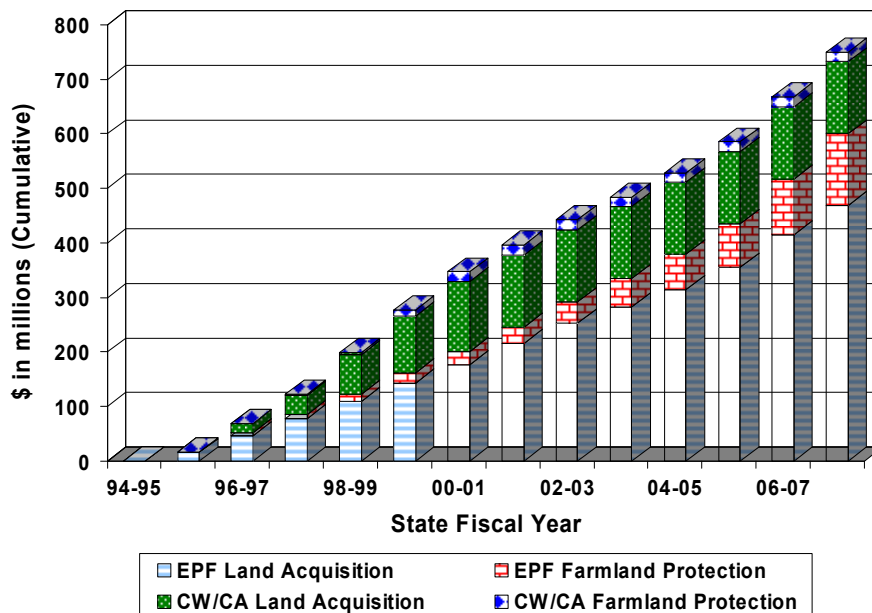
The following charts provide information on performance and fiscal measures related to New York's environmental protection and recreation programs. Annual environmental funding will reach nearly \$1.8 billion in the proposed budget.

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)

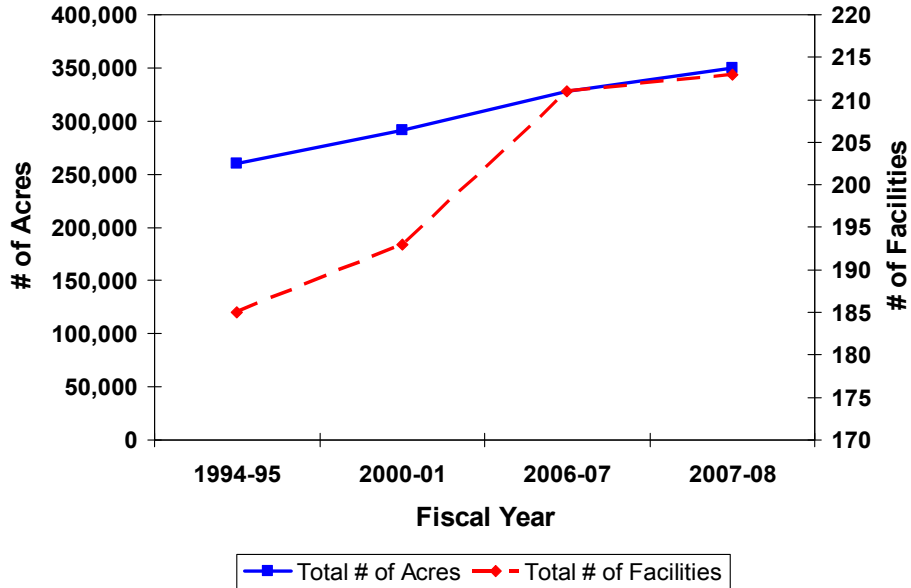
The State has preserved valuable open space for recreational, habitat protection and water quality purposes. The two primary funding sources were the 1996 Clean Water/Clean Air Bond Act (CW/CA) and Environmental Protection Fund (EPF).

Open Space Investment



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

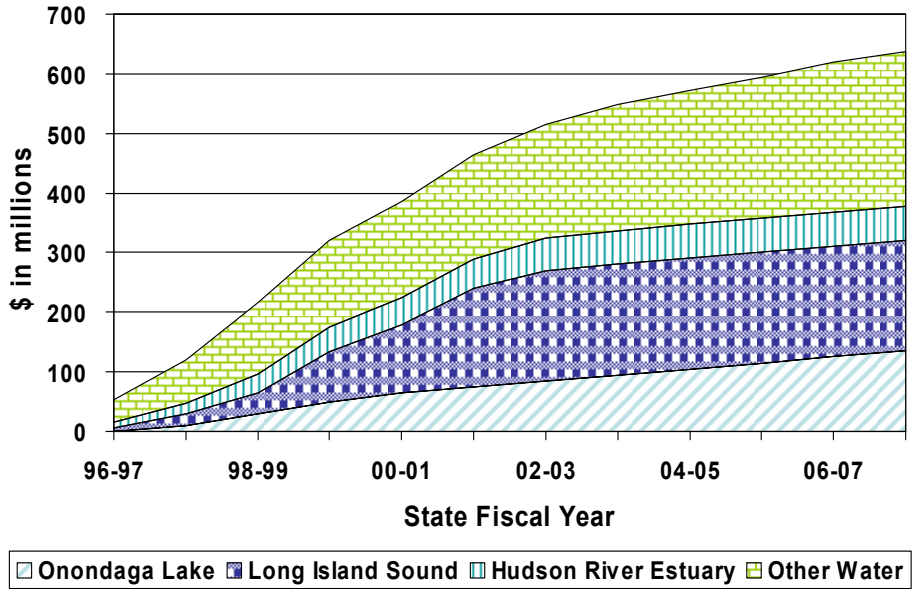


This Budget includes a \$110 million capital infusion in 2008-09, with portions of this historic investment being used to support the \$1 billion Upstate revitalization efforts. This project would provide funds for improvements in the state parks system (\$90.5 million) and the remainder to fund projects 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.

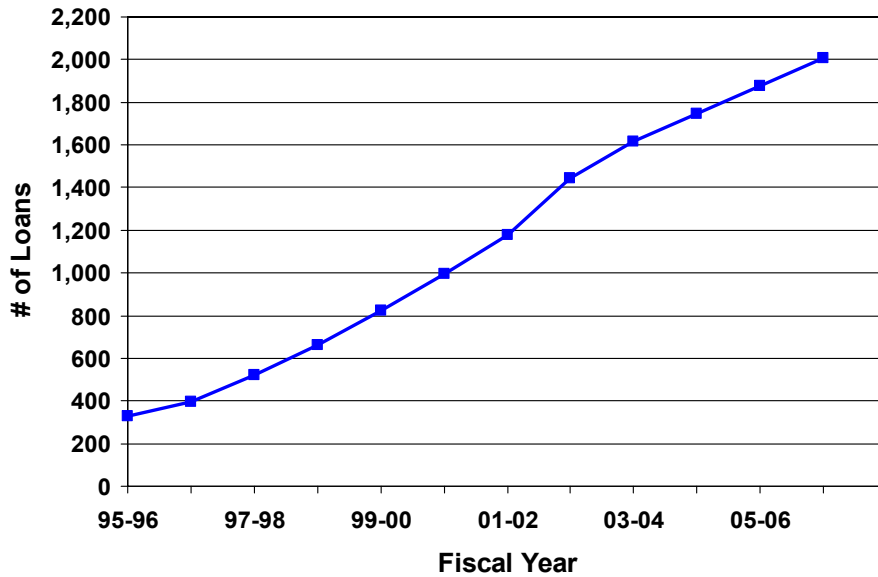
Significant investments have been made in improving the quality of the State’s water bodies. Over \$600 million has been invested in improving Onondaga Lake, Long Island Sound and the Hudson River. Achievements include significant reductions in ammonia levels, reduction in phosphorous discharges into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

Investment in Water Quality
Department of Environmental Conservation



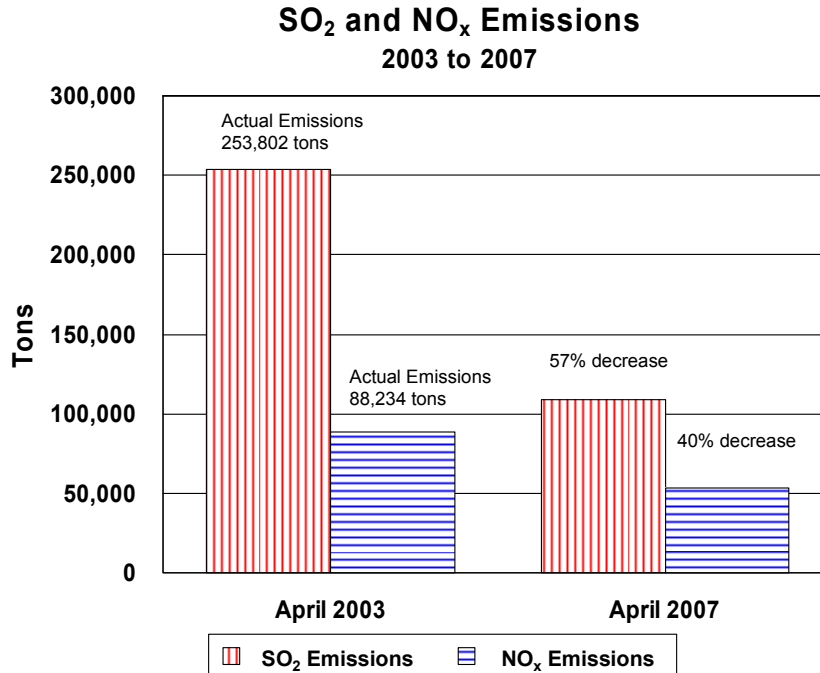
Additionally, the chart below shows the commitment to local communities and their water quality infrastructure needs. The Environmental Facilities Corporation has provided municipalities across the State with over 2,000 low interest and no interest loans from the Clean Water and Safe Drinking Water State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

Cumulative SRF Loans Issued



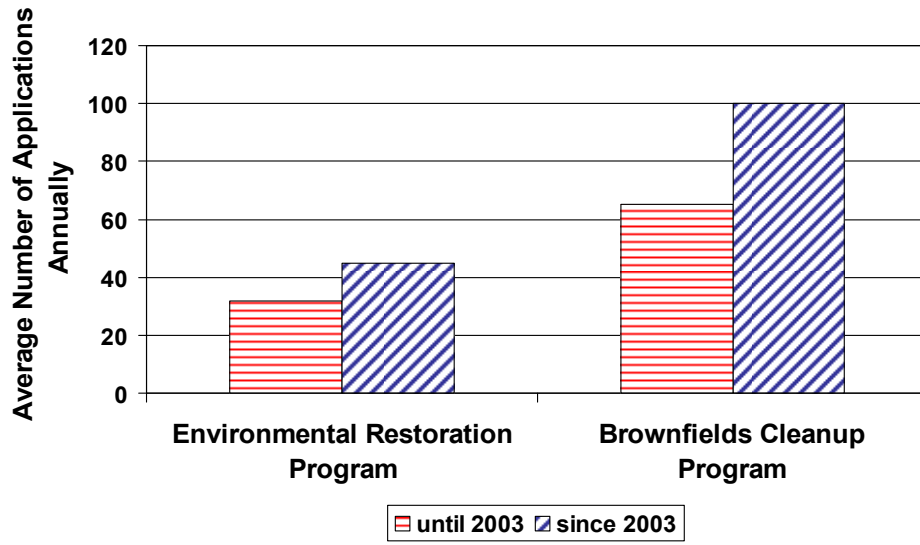
ENVIRONMENT AND RECREATION

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.

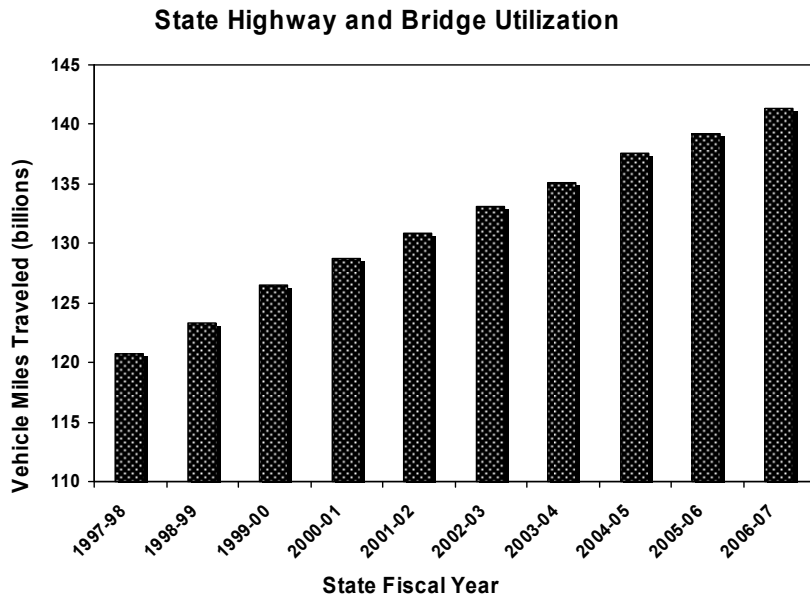
**Superfund and Brownfields Accomplishments
Since Passage of Superfund/Brownfields
Law in 2003**



TRANSPORTATION

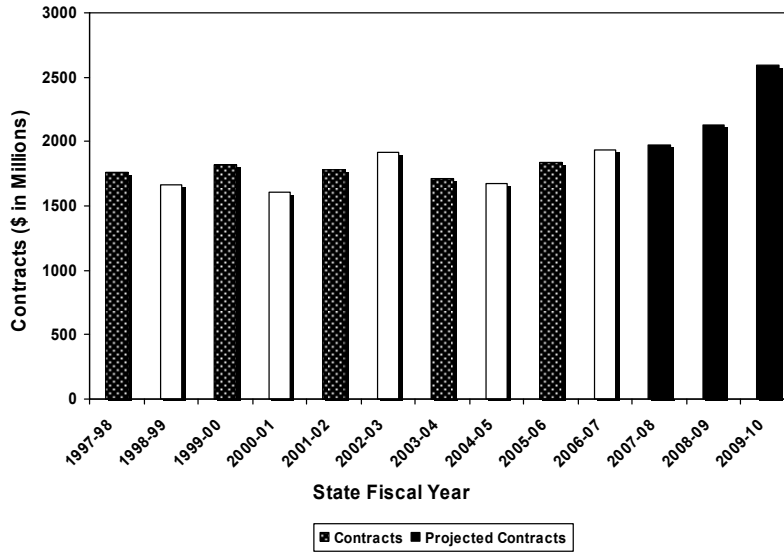
The following charts provide information on performance and fiscal measures related to New York's highway and bridge, and transit programs. Information depicted on the following charts is based on the most recent data available from the Department of Transportation (DOT), Department of Motor Vehicles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



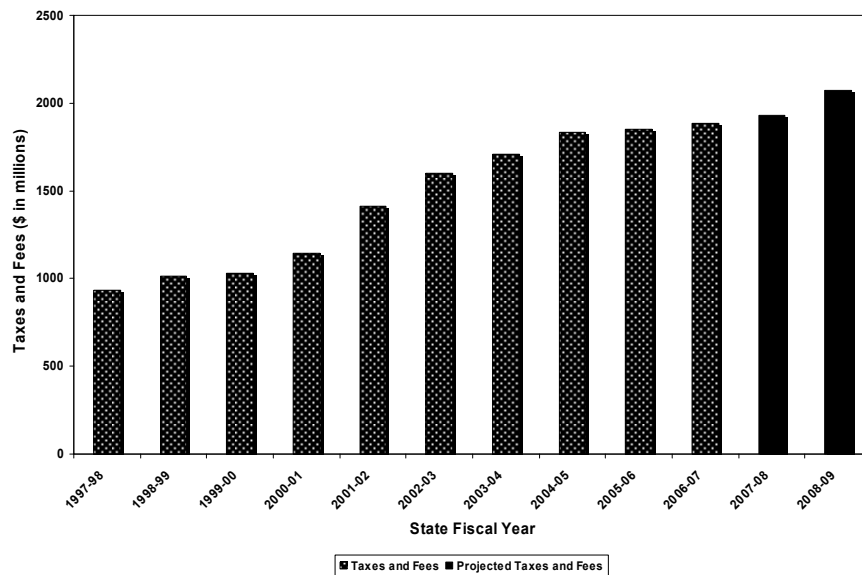
Utilization of New York's highway and bridge system has increased significantly, with the number of vehicle miles traveled on State highways and bridges up by 17 percent since 1997-98. Increased utilization, along with the regular freeze and thaw cycles experienced by northern states, increases wear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

Highway and Bridge Construction Projects

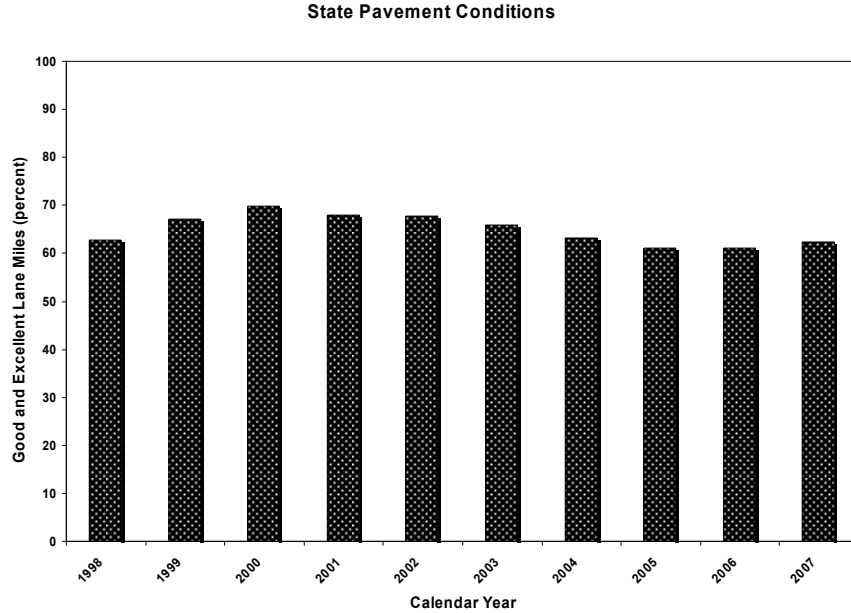


In order to maintain New York’s transportation system in the face of increased utilization, the level of annual investment has also increased. Capital investment in highway and bridges authorized from 1997-98 through 2006-07 increased \$176 million, or 10 percent. By the end of the most recently authorized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

Dedication of Revenues to Highway and Bridge Trust Fund

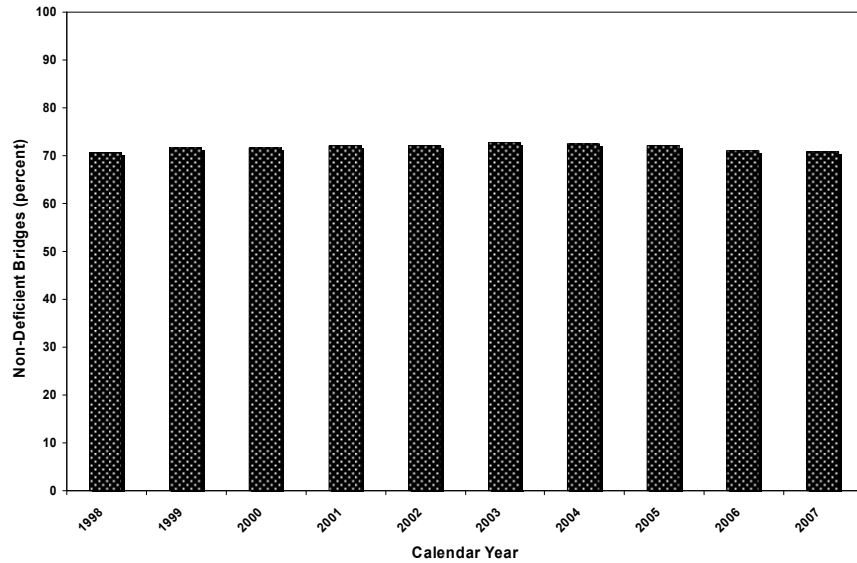


To finance this additional investment, New York has dedicated an increasing amount of transportation-related revenues to the State's Dedicated Highway and Bridge Trust Fund (DHBTF). This dedication has increased by 101 percent since 1997-98.



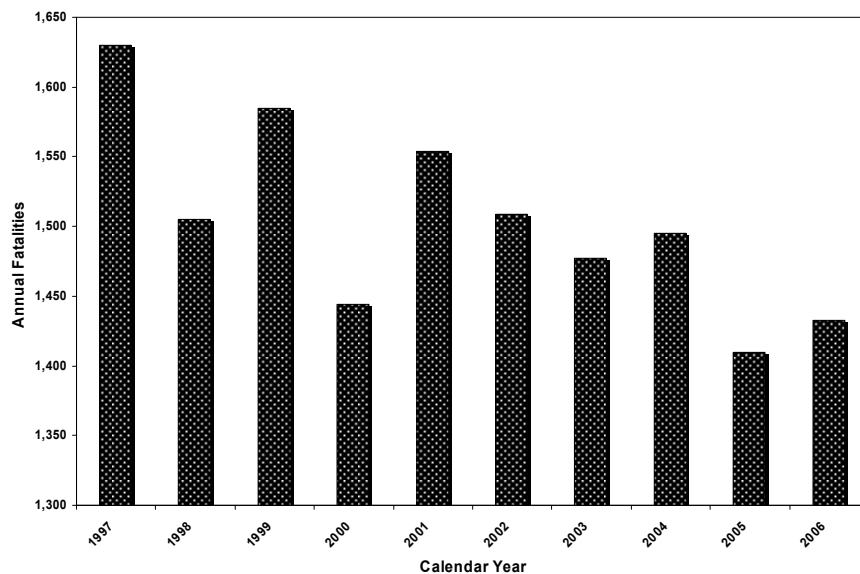
The condition of State pavements has remained relatively stable since 1998, with the percentage of pavement rated good and excellent decreasing slightly from 63 percent in 1998 to 62 percent in 2007. This decline is due primarily to an aging infrastructure that is nearing its useful life, the loss of 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.

State Bridge Conditions



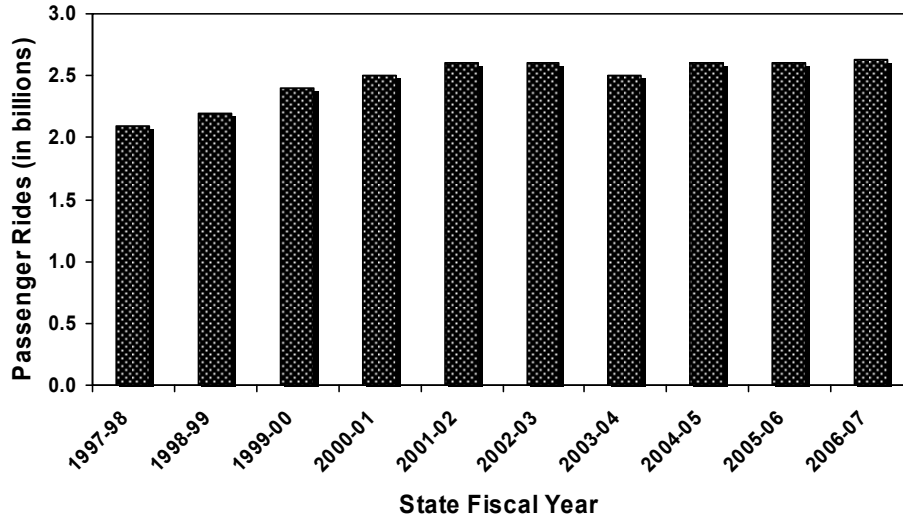
The condition of State bridges has also remained stable over a 9 year period, with the percentage rated non-deficient beginning and ending the period at 71 percent in 1998 and 2007. However, since 2003, the percentage of non-deficient bridges has declined. The Executive Budget again includes resources 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.

Motor Vehicle Fatalities



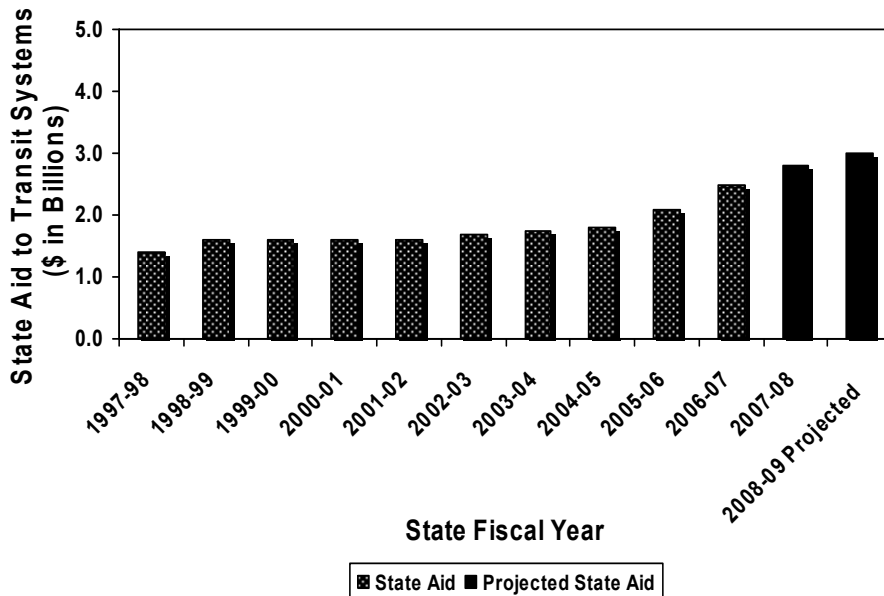
State highways and bridges have, nevertheless, improved in safety despite increased utilization. Motor vehicle fatalities have decreased by 197 annually since 1997, a reduction of 12 percent.

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	100,000	100,000	0
General Fund 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 Fun; \$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.

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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	<u>183,194,150</u>	<u>179,922,000</u>	<u>(3,272,150)</u>	<u>244,708,300</u>

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	<u>630</u>	<u>615</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	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	<u>131,206,800</u>	<u>134,577,000</u>	<u>3,370,200</u>

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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	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	<u>131,206,800</u>	<u>134,577,000</u>	<u>3,370,200</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	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	<u>23,566,000</u>	<u>579,100</u>	<u>22,509,000</u>	<u>322,600</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	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	<u>446,000</u>	<u>255,000</u>	<u>611,000</u>	<u>1,500</u>

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	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	<u>10,936,000</u>	<u>88,200</u>	<u>1,514,000</u>	<u>992,500</u>

<u>Program</u>	<u>Travel</u>		<u>Contractual Services</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
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	<u>1,148,000</u>	<u>144,000</u>	<u>7,322,000</u>	<u>(1,197,900)</u>

<u>Program</u>	<u>Equipment</u>	
	<u>Amount</u>	<u>Change</u>
Administration	466,000	424,600
Agricultural Business Services	449,000	(49,600)
Consumer Food Services	37,000	(225,400)
Total	<u>952,000</u>	<u>149,600</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
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	<u>100,075,000</u>	<u>2,702,900</u>	<u>17,647,000</u>	<u>(1,706,600)</u>

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	<u>52,784,000</u>	<u>(25,234,500)</u>	<u>29,644,000</u>	<u>29,644,000</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	28,237,350	21,595,000	(6,642,350)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Total	<u>48,237,350</u>	<u>41,595,000</u>	<u>(6,642,350)</u>

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	<u>48,237,350</u>	<u>41,595,000</u>	<u>(6,642,350)</u>

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	<u>3,750,000</u>	<u>3,750,000</u>	<u>0</u>	<u>44,831,000</u>

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 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
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	215	230	15

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	45,083,000	56,607,000	11,524,000

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	45,083,000	56,607,000	11,524,000

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	<u>29,556,000</u>	<u>31,956,000</u>	<u>2,400,000</u>	<u>3,900,000</u>

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	<u>5,914,000</u>	<u>7,945,000</u>	<u>2,031,000</u>

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	<u>5,914,000</u>	<u>7,945,000</u>	<u>2,031,000</u>

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

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Research, Development and Demonstration	7,945,000	2,031,000	3,785,000	546,000
Total	<u>7,945,000</u>	<u>2,031,000</u>	<u>3,785,000</u>	<u>546,000</u>

Program	Nonpersonal Service	
	Amount	Change
Research, Development and Demonstration	4,160,000	1,485,000
Total	<u>4,160,000</u>	<u>1,485,000</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	10,142,000	10,511,000	369,000
Total	<u>10,142,000</u>	<u>10,511,000</u>	<u>369,000</u>

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	<u>10,142,000</u>	<u>10,511,000</u>	<u>369,000</u>

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	<u>13,500,000</u>	<u>13,500,000</u>	<u>0</u>	<u>0</u>

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

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
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	<u>505,117,850</u>	<u>494,685,300</u>	<u>(10,432,550)</u>

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	<u>509,128,850</u>		

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

Program	Available 2007-08	Recommended 2008-09	Change
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	<u>505,117,850</u>	<u>494,685,300</u>	<u>(10,432,550)</u>

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	<u>32,185,300</u>	<u>1,323,450</u>	<u>5,679,000</u>	<u>(1,526,000)</u>

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	<u>1,255,000</u>	<u>(1,329,000)</u>	<u>16,207,000</u>	<u>1,836,000</u>

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	<u>3,312,000</u>	<u>2,290,000</u>	<u>0</u>	<u>(39,000)</u>

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	<u>5,732,300</u>	<u>91,450</u>

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	<u>353,219,000</u>	<u>(10,232,000)</u>	<u>132,742,000</u>	<u>(8,240,000)</u>

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	<u>214,297,000</u>	<u>(3,372,000)</u>	<u>6,180,000</u>	<u>1,380,000</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	8,246,445	1,791,400	(6,455,045)
Total	<u>8,246,445</u>	<u>1,791,400</u>	<u>(6,455,045)</u>

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	<u>8,246,445</u>	<u>1,791,400</u>	<u>(6,455,045)</u>

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
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)

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
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)

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
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	<u>4,743,000</u>	<u>343,000</u>	<u>(4,400,000)</u>	<u>5,686,000</u>
Adjustments:				
Recommended Deficiency				
Air Resources		(4,400,000)		
Appropriated 2007-08		<u>343,000</u>		

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	<u>339,610,762</u>	<u>330,343,000</u>	<u>(9,267,762)</u>	<u>576,490,000</u>

HOUSING AND COMMUNITY RENEWAL

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
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	<u>950</u>	<u>950</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	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	<u>98,638,000</u>	<u>102,638,000</u>	<u>4,000,000</u>

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	<u>98,638,000</u>	<u>102,638,000</u>	<u>4,000,000</u>

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	<u>17,831,000</u>	<u>0</u>	<u>17,751,000</u>	<u>0</u>

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	<u>25,000</u>	<u>0</u>	<u>55,000</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	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	<u>17,163,000</u>	<u>4,000,000</u>	<u>444,000</u>	<u>0</u>

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	<u>485,000</u>	<u>0</u>	<u>14,223,000</u>	<u>4,000,000</u>

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	<u>2,011,000</u>	<u>0</u>

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	<u>67,644,000</u>	<u>0</u>	<u>39,214,000</u>	<u>0</u>

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	<u>26,929,000</u>	<u>0</u>	<u>1,501,000</u>	<u>0</u>

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

Fund Type	Available	Recommended	Change
	2007-08	2008-09	
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	<u>166,772,762</u>	<u>153,505,000</u>	<u>(13,267,762)</u>

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 a 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	<u>944</u>	<u>968</u>	<u>24</u>

**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	<u>300,182,000</u>	<u>316,337,000</u>	<u>16,155,000</u>

**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	<u>300,182,000</u>	<u>316,337,000</u>	<u>16,155,000</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
Regulation	800,000	300,000	800,000	300,000
Total	<u>800,000</u>	<u>300,000</u>	<u>800,000</u>	<u>300,000</u>

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	<u>120,314,100</u>	<u>(12,043,200)</u>	<u>20,620,300</u>	<u>(367,900)</u>

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	<u>99,693,800</u>	<u>(2,675,300)</u>	<u>0</u>	<u>(9,000,000)</u>

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	<u>1,012,100,000</u>	<u>1,123,000,000</u>	<u>110,900,000</u>	<u>878,923,000</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	660,100,000	636,000,000	(24,100,000)
Total	<u>660,100,000</u>	<u>636,000,000</u>	<u>(24,100,000)</u>

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	<u>660,100,000</u>	<u>636,000,000</u>	<u>(24,100,000)</u>

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

Comprehensive Construction Program	Available 2007-08	Recommended 2008-09	Change	Reappropriations 2008-09
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	<u>352,000,000</u>	<u>487,000,000</u>	<u>135,000,000</u>	<u>878,923,000</u>

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	<u>2,829</u>	<u>2,943</u>	<u>114</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	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	<u>121,430,000</u>	<u>124,480,000</u>	<u>3,050,000</u>

Adjustments:	
Transfer(s) From	
Special Pay Bill	
Special Revenue Funds - Other	(63,000)
Appropriated 2007-08	<u>121,367,000</u>

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	<u>121,430,000</u>	<u>124,480,000</u>	<u>3,050,000</u>

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	Recommended	Change
	2007-08	2008-09	
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	Recommended	Change
	2007-08	2008-09	
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	Recommended	Change	Reappropriations
	2007-08	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	<u>298,839,546</u>	<u>395,637,900</u>	<u>96,798,354</u>	<u>218,234,175</u>

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	<u>2,244</u>	<u>2,276</u>	<u>32</u>

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	<u>215,313,900</u>	<u>218,767,900</u>	<u>3,454,000</u>

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	<u>211,732,900</u>

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	<u>215,313,900</u>	<u>218,767,900</u>	<u>3,454,000</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	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	<u>113,650,600</u>	<u>(9,000)</u>	<u>76,380,200</u>	<u>(1,603,000)</u>

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	<u>31,891,100</u>	<u>1,386,000</u>	<u>5,379,300</u>	<u>208,000</u>

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)

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
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)

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
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 CNYRTA 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)

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/}
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 ^{c/}	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 ENVIRONMENT									
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 Corporation for the City of New York ^{d/}	July 1	10,756	10,270	0	486	486	425	0	61
Municipal Assistance Corporation 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 Commission	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 TRANSPORTATION									
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 Transportation 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.

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/}
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.

^{c/} 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.

^{d/} 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/}			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
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	Recommended	Change
	2007-08	2008-09	
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	Recommended	Change
	2007-08	2008-09	
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)**

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
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)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
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>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
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

SCIENCE, TECHNOLOGY, AND INNOVATION

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	<u>60,967,000</u>	<u>52,126,000</u>	<u>(8,841,000)</u>	<u>203,307,000</u>

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	<u>30</u>	<u>30</u>	<u>0</u>

SCIENCE, TECHNOLOGY, AND INNOVATION

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	4,227,000	4,036,000	(191,000)
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>4,727,000</u>	<u>4,536,000</u>	<u>(191,000)</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration Program			
General Fund	4,227,000	4,036,000	(191,000)
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>4,727,000</u>	<u>4,536,000</u>	<u>(191,000)</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 Program	2,216,000	(76,000)	2,216,000	(76,000)
Total	<u>2,216,000</u>	<u>(76,000)</u>	<u>2,216,000</u>	<u>(76,000)</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
Administration Program	1,820,000	(115,000)	35,000	5,000
Total	<u>1,820,000</u>	<u>(115,000)</u>	<u>35,000</u>	<u>5,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration Program	50,000	10,000	620,000	(70,000)
Total	<u>50,000</u>	<u>10,000</u>	<u>620,000</u>	<u>(70,000)</u>

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Administration Program	75,000	0	950,000	(75,000)
Total	<u>75,000</u>	<u>0</u>	<u>950,000</u>	<u>(75,000)</u>

Program	Special Departmental Charges	
	Amount	Change
Administration Program	90,000	15,000
Total	<u>90,000</u>	<u>15,000</u>

SCIENCE, TECHNOLOGY, AND INNOVATION

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

<u>Program</u>	<u>Total Amount</u>	<u>Change</u>	<u>Maintenance Amount</u>	<u>Undistributed Change</u>
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)**

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
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)**

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
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)**

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
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**

Program	Full-Time Equivalent Positions (FTE)		
	2007-08	2008-09	FTE Change
	Estimated FTEs 03/31/08	Estimated FTEs 03/31/09	
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)

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
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	<u>73,738,000</u>	<u>80,766,000</u>	<u>7,028,000</u>

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>
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	<u>14,815,000</u>	<u>1,396,000</u>	<u>14,729,000</u>	<u>1,396,000</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	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	<u>75,000</u>	<u>0</u>	<u>11,000</u>	<u>0</u>

**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)**

<u>Fund Type</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
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	<u>101,298,490</u>	<u>76,815,000</u>	<u>(24,483,490)</u>

**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>
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	<u>101,298,490</u>	<u>76,815,000</u>	<u>(24,483,490)</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,304,000</u>

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	<u>435,856,000</u>	<u>449,341,000</u>	<u>13,485,000</u>	<u>0</u>

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	<u>4,966</u>	<u>5,041</u>	<u>75</u>

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	<u>435,856,000</u>	<u>449,341,000</u>	<u>13,485,000</u>

TAXATION AND FINANCE

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>
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	<u>435,856,000</u>	<u>449,341,000</u>	<u>13,485,000</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>
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	<u>218,867,000</u>	<u>9,368,000</u>	<u>208,910,000</u>	<u>5,816,000</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>
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	<u>7,832,000</u>	<u>1,427,000</u>	<u>2,125,000</u>	<u>2,125,000</u>

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	<u>3,228,000</u>	<u>3,273,000</u>	<u>45,000</u>	<u>0</u>

TAX APPEALS

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
General Fund	31	31	0
Total	<u>31</u>	<u>31</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	3,228,000	3,273,000	45,000
Total	<u>3,228,000</u>	<u>3,273,000</u>	<u>45,000</u>

**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	<u>3,228,000</u>	<u>3,273,000</u>	<u>45,000</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	2,806,000	65,000	2,796,000	65,000
Total	<u>2,806,000</u>	<u>65,000</u>	<u>2,796,000</u>	<u>65,000</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	10,000	0
Total	<u>10,000</u>	<u>0</u>

TAX APPEALS

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	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>	<u>9,299,000</u>

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

Comprehensive Construction Program	Available 2007-08	Recommended 2008-09	Change	Reappropriations 2008-09
Canal Development Program				
New York State Canal System Development Fund	2,000,000	2,000,000	0	9,299,000
Total	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>	<u>9,299,000</u>

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**

<u>Program</u>	Full-Time Equivalent Positions (FTE)		
	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	<u>10,271</u>	<u>10,593</u>	<u>322</u>

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

<u>Fund Type</u>	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	<u>47,986,000</u>	<u>49,033,000</u>	<u>1,047,000</u>

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

<u>Program</u>	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	<u>47,986,000</u>	<u>49,033,000</u>	<u>1,047,000</u>

TRANSPORTATION

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

Program	Total		Personal Service	
	Amount	Change	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	<u>49,033,000</u>	<u>1,047,000</u>	<u>12,385,000</u>	<u>(641,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	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	<u>27,718,000</u>	<u>9,587,000</u>	<u>8,930,000</u>	<u>(7,899,000)</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	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	<u>2,863,177,300</u>	<u>3,036,265,000</u>	<u>173,087,700</u>

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	<u>2,863,177,300</u>	<u>3,036,265,000</u>	<u>173,087,700</u>

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	<u>4,445,040,000</u>	<u>4,637,562,000</u>	<u>192,522,000</u>	<u>14,834,713,000</u>

