

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

DEPARTMENT OF AGRICULTURE AND MARKETS

MISSION

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York State 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, including encouraging the growth and economic health of the State's agricultural and food industry and conducting various inspection and testing programs to enforce laws on food safety, animal and plant health, and accuracy of labeling. 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 for 1999-2000 of 556 positions. The Agency is headquartered in Albany and maintains four regional offices located in Buffalo, Syracuse, Rochester and Brooklyn. Approximately 36 percent of the Department of Agriculture and Markets' programs are funded by tax dollars in the General Fund and the remaining 64 percent are financed by fees, Federal grants and the Clean Water/Clean Air Bond Act.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends funding of over \$85 million for the Department of Agriculture and Markets in 1999-2000. The cost of operating the Department will be supported from a combination of funding sources:

- Tax dollars from the General Fund will provide \$21.3 million in 1999-2000, or 30 percent of the Department's operating expenses.
- Fee revenues will produce \$41.8 million and support 59 percent of the Department's operating costs. These include fees from activities such as licensing food processing operators and certifying weighing and measuring devices, and operation of the State Fair.
- Federal funding of \$7.4 million finances the remaining 11 percent of the Department's operations.

This Budget recommends \$600,000 for capital projects to maintain, repair and rehabilitate the State Fair's 14 major buildings and other structures. The Executive Budget also recommends \$2 million in appropriations for a capital special revenue fund to continue support for development of private partnerships at the State Fair. In addition, \$478,000 is recommended from the Clean Water/Clean Air Bond Act for implementation of the 1996 Act, which authorized farmland preservation and agricultural non-point source pollution control and abatement projects as eligible purposes. Funding from the Environmental Protection Fund is also recommended for Soil and Water Conservation Districts, non-point source pollution control and farmland preservation programs.

The Executive Budget recommends \$12.2 million for local assistance to continue programs which provide valuable services to the State's agricultural community.

AGRICULTURE AND MARKETS

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 Coupon 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, gasoline, and measuring devices. In carrying out these purposes, the program:

- Licenses and inspects over 28,000 businesses that produce, process, manufacture, or distribute food products, enforces labeling laws governing 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 14 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 paid from admission, rental and concession fees. General Fund capital funding of \$600,000 is included in the budget to support costs of maintaining the Fair's facilities. In addition, a capital special revenue fund appropriation of \$2 million is recommended to allow the Fair to expand private partnerships and make capital improvements at the Fairgrounds.

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|----------------------|--|
| State Operations | \$69,151,800 | \$70,526,600 | + \$1,374,800 | \$13,777,700 |
| Aid To Localities | 11,669,800 | 12,199,800 | + 530,000 | 5,749,400 |
| Capital Projects | 1,917,000 | 3,078,000 | + 1,161,000 | 7,653,000 |
| Total | <u>\$82,738,600</u> | <u>\$85,804,400</u> | <u>+ \$3,065,800</u> | <u>\$27,180,100</u> |

AGRICULTURE AND MARKETS

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | 1999-00 Recommended Average Fill Level | | | | Change |
|--|--|----------------------------------|------------------------------|---------------------------------|------------|
| | Available 1998-99 | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| General Fund | 36 | 35 | .... | 35 | -1 |
| Agricultural Business Services | | | | | |
| General Fund | 88 | 88 | .... | 88 | .... |
| Special Revenue Funds — Federal | 3 | 3 | .... | 3 | .... |
| Special Revenue Funds — Other | 60 | 47 | .... | 47 | -13 |
| Fiduciary Funds | 9 | 9 | .... | 9 | .... |
| Consumer Food Services | | | | | |
| General Fund | 211 | 211 | .... | 211 | .... |
| Special Revenue Funds — Federal | 26 | 21 | .... | 21 | -5 |
| Special Revenue Funds — Other | 84 | 76 | .... | 76 | -8 |
| State Fair | | | | | |
| Enterprise Funds | 58 | 58 | .... | 58 | .... |
| Clean Water/Clean Air Administration Program | | | | | |
| Capital Project Funds | 8 | 8 | .... | 8 | .... |
| Total | 583 | 556 | .... | 556 | -27 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---------------------------------|----------------------|------------------------|----------------------|
| General Fund | \$21,332,200 | \$21,309,200 | -\$23,000 |
| Special Revenue Funds — Federal | 6,587,000 | 7,387,000 | + 800,000 |
| Special Revenue Funds — Other | 25,582,500 | 25,970,500 | + 388,000 |
| Enterprise Funds | 14,014,300 | 14,140,600 | + 126,300 |
| Fiduciary Funds | 1,635,800 | 1,719,300 | + 83,500 |
| Total | \$69,151,800 | \$70,526,600 | + \$1,374,800 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---------------------------------|----------------------|------------------------|----------------------|
| Administration | | | |
| General Fund | \$3,845,100 | \$3,863,600 | + \$18,500 |
| Agricultural Business Services | | | |
| General Fund | 7,190,600 | 7,187,700 | -2,900 |
| Special Revenue Funds — Federal | 4,302,000 | 5,152,000 | + 850,000 |
| Special Revenue Funds — Other | 16,631,900 | 16,644,200 | + 12,300 |
| Fiduciary Funds | 1,635,800 | 1,719,300 | + 83,500 |
| Consumer Food Services | | | |
| General Fund | 10,296,500 | 10,257,900 | -38,600 |
| Special Revenue Funds — Federal | 2,285,000 | 2,235,000 | -50,000 |
| Special Revenue Funds — Other | 8,950,600 | 9,326,300 | + 375,700 |
| State Fair | | | |
| Enterprise Funds | 14,014,300 | 14,140,600 | + 126,300 |
| Total | \$69,151,800 | \$70,526,600 | + \$1,374,800 |

AGRICULTURE AND MARKETS

STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total Personal Service | | Personal Service Regular (Annual Salaried) | | Temporary Service (Nonannual Salaried) | |
|--|------------------------|--------------------|---|--------------------|---|-------------------|
| | Amount | Change | Amount | Change | Amount | Change |
| Administration | \$1,970,200 | + \$1,500 | \$1,870,200 | -\$400 | \$91,200 | + \$1,700 |
| Agricultural Business Services | 4,560,300 | + 123,600 | 4,033,600 | + 114,000 | 416,500 | + 7,600 |
| Consumer Food Services | 8,771,500 | + 161,400 | 8,383,300 | + 154,300 | 101,900 | + 1,900 |
| Total | <u>\$15,302,000</u> | <u>+ \$286,500</u> | <u>\$14,287,100</u> | <u>+ \$267,900</u> | <u>\$609,600</u> | <u>+ \$11,200</u> |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|--|---|------------------|
| | Amount | Change |
| Administration | \$8,800 | + \$200 |
| Agricultural Business Services | 110,200 | + 2,000 |
| Consumer Food Services | 286,300 | + 5,200 |
| Total | <u>\$405,300</u> | <u>+ \$7,400</u> |

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Supplies and Materials | |
|--|--------------------|-------------------|------------------------|-------------------|
| | Amount | Change | Amount | Change |
| Administration | \$1,893,400 | + \$17,000 | \$29,100 | |
| Agricultural Business Services | 2,627,400 | -126,500 | 168,400 | + \$10,000 |
| Consumer Food Services | 1,486,400 | | 151,800 | |
| Total | <u>\$6,007,200</u> | <u>-\$109,500</u> | <u>\$349,300</u> | <u>+ \$10,000</u> |

| Program | Travel | | Contractual Services | |
|--|--------------------|------------------|----------------------|-------------------|
| | Amount | Change | Amount | Change |
| Administration | \$30,600 | | \$1,833,700 | + \$17,000 |
| Agricultural Business Services | 399,800 | + \$3,500 | 1,811,900 | -140,000 |
| Consumer Food Services | 863,600 | | 341,800 | |
| Total | <u>\$1,294,000</u> | <u>+ \$3,500</u> | <u>\$3,987,400</u> | <u>-\$123,000</u> |

| Program | Equipment | |
|--|------------------|----------------|
| | Amount | Change |
| Administration | | |
| Agricultural Business Services | \$247,300 | |
| Consumer Food Services | 129,200 | |
| Total | <u>\$376,500</u> | <u>. . . .</u> |

AGRICULTURE AND MARKETS

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|--------------------------------------|--------------|---------------|------------------|-------------|
| | Amount | Change | Amount | Change |
| Agricultural Business Services . . . | \$23,515,500 | + \$945,800 | \$2,579,800 | + \$1,600 |
| Consumer Food Services | 11,561,300 | + 325,700 | 5,151,800 | + 301,100 |
| State Fair | 14,140,600 | + 126,300 | 4,559,900 | + 96,100 |
| Total | \$49,217,400 | + \$1,397,800 | \$12,291,500 | + \$398,800 |

| Program | Nonpersonal Service | |
|--------------------------------------|---------------------|-------------|
| | Amount | Change |
| Agricultural Business Services . . . | \$20,935,700 | + \$944,200 |
| Consumer Food Services | 6,409,500 | + 24,600 |
| State Fair | 9,580,700 | + 30,200 |
| Total | \$36,925,900 | + \$999,000 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|--------------|
| General Fund | \$11,669,800 | \$9,199,800 | -\$2,470,000 |
| Special Revenue Funds — Federal | | 3,000,000 | + 3,000,000 |
| Total | \$11,669,800 | \$12,199,800 | + \$530,000 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|--------------|
| Agricultural Business Services | | | |
| General Fund | \$11,400,500 | \$9,199,800 | -\$2,200,700 |
| Special Revenue Funds — Federal | | 3,000,000 | + 3,000,000 |
| Legislative Initiatives | | | |
| General Fund | 269,300 | | -269,300 |
| Total | \$11,669,800 | \$12,199,800 | + \$530,000 |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|---|----------------------|------------------------|---------------|-----------------------------|
| State Fair | | | | |
| Capital Projects Fund | \$600,000 | \$600,000 | | \$5,847,000 |
| Misc. Capital Projects | 850,000 | 2,000,000 | + \$1,150,000 | 850,000 |
| Clean Water, Clean Air Implementation | | | | |
| Clean Water Clean Air Implementation Fund | 467,000 | 478,000 | + 11,000 | |
| Design and Construction Supervision | | | | |
| Capital Projects Fund | | | | 929,000 |
| Total | \$1,917,000 | \$3,078,000 | + \$1,161,000 | \$7,626,000 |

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

In 1995, the Governor's Commissioner of Economic Development reorganized and streamlined the State's economic development agencies. The Department assumed responsibility for administration of the Science and Technology Foundation's programs. The Urban Development Corporation and the Job Development Authority were consolidated, and now constitute the Empire State Development Corporation. The Department and the Empire State Development Corporation remain distinct entities, but are both headed by the Commissioner of Economic Development and share senior managers who oversee administration, policy formulation and research, as well as regional office operations.

The Department of Economic Development will have a workforce of 263 in 1999-2000. The Department's central office is in Albany, with ten regional offices located in Albany, Buffalo, Rochester, Syracuse, Utica, Binghamton, Fishkill, Ogdensburg, Plainview and New York City.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

State tax dollars from the General Fund will finance 81 percent, or \$43.8 million, of the Department of Economic Development's \$54 million Budget in 1999-2000. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I Love NY" logo, sale of advertising in the "I Love NY Travel Guide", and through seminars and programs run by the Department which directly offset the costs of these programs. Also included are Federal dollars used to help defense-dependent industries diversify into new markets, support recycling market development and to help small business comply with Clean Air Act mandates.

The 1999-2000 Budget provides:

- \$11 million for "I Love NY" tourism advertising;
- \$4.3 million for local tourism matching grants;
- \$500,000 for natural resource based tourism marketing;
- \$4.5 million for marketing and promoting the State's favorable business climate;
- \$177,000 for the Adirondack North Country Association;
- \$600,000 for economic development projects in the Catskill watershed;
- \$300,000 for the Tupper Lake Industrial Park development project; and
- \$2.9 million for local administration of Economic Development Zones, which includes funding for twelve new Zones that were designated in 1998.

ECONOMIC DEVELOPMENT

PROGRAM HIGHLIGHTS

MARKETING AND ADVERTISING

This program promotes New York State as a premier tourist destination and business location. Major activities include the "I Love NY" advertising campaign and local tourism matching grants administered through locally based tourism promotion agencies representing the State's 62 counties. The Department of Economic Development also manages tourist information services at the Beekmantown and Binghamton Gateway Centers, develops the State's tourism master plan, targets information to consumers and the travel trade, participates in national and international trade shows, provides technical assistance to tour directors, and creates publications for use by the Department and the other economic development agencies.

INTERNATIONAL

The International Trade program promotes exports from, and attracts foreign investment to, New York State. Based in New York City, this program manages the Department's international offices in Montreal, Toronto, London, and Tokyo, and contractual presences in Frankfurt and Jerusalem. 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.

ECONOMIC DEVELOPMENT ZONES

The Economic Development Zones program benefits distressed areas suffering from high unemployment. Businesses located in a designated Zone may qualify for tax incentives and other economic development benefits designed to encourage business expansion and job creation. Currently, there are 52 Economic Development Zones statewide that were selected on a competitive basis. Zones are located in the following communities: Albany, Amsterdam, Auburn, Binghamton, Brookhaven, Brooklyn Navy Yard, Buffalo, Dunkirk, East New York, East Harlem, Elmira, Friendship, Fulton, Geneva, Gloversville, Griffiss Air Force Base, Hancock Air Force Base, Hunts Point, Islip, Jamestown, Kingston, Kirkwood, Lackawanna, Lowville/Martinsburg, Moriah/Port Henry, Niagara Falls, North Shore/Staten Island, Norwich, Ogdensburg, Olean/Allegany, Oswego, Plattsburgh, Plattsburgh Air Force Base, Port Morris, Potsdam, Poughkeepsie, Riverhead, Rochester, Rockaway, Rome, Schenectady, South Jamaica, Seneca Army Depot, Stewart Air Force Base, Sunset Park/Red Hook/Southwest Brooklyn, Syracuse, Tioga County, Troy, Utica, Watertown, Watervliet Arsenal, and Yonkers.

BUSINESS ASSISTANCE PROGRAMS

To improve the competitiveness of New York State companies, the Department of Economic Development provides assistance to businesses for productivity assessments, business-specific skills training for new and existing workers and third-party technical assistance to develop strategies for expanding export markets.

SMALL BUSINESS ASSISTANCE

The Division for Small Business serves as an ombudsman for small business and also offers these enterprises training and technical assistance. In addition, the Department

provides State and Federal procurement assistance to small business. The Division also operates the Clean Air Act Ombudsman Unit, which helps small business comply with these environmental regulations.

LINKED DEPOSIT PROGRAM

This joint public/private program enables companies to obtain loans from commercial banks at an interest rate that is 2 percent to 3 percent lower than the prevailing rate. The banks are compensated by deposits of State funds earning interest at comparably reduced rates. When fully capitalized, there will be \$150 million available for this effort.

RECYCLING MARKET DEVELOPMENT PROGRAM

The Department of Economic Development is the lead agency in developing New York's recycling industries and creating programs to help municipalities and businesses develop uses for secondary materials.

MINORITY AND WOMEN'S BUSINESS DEVELOPMENT

The Division of Minority and Women's Business Development was established to increase the participation of minority- and women-owned businesses in State procurement opportunities. The Division identifies and certifies minority- and women-owned business enterprises; publishes a directory of certified firms to market small businesses to public and private sector organizations; and provides technical assistance to minority- and women-owned businesses.

POLICY AND RESEARCH

This joint Empire State Development Corporation/Department of Economic Development division develops the annual State strategic plan for economic development; collects and disseminates economic and demographic information; performs policy analysis and economic research; monitors and intervenes in State regulatory activities affecting energy supply, telecommunications, transportation, environmental facilities and commercial/industrial site and facility development; and coordinates the development and review of State economic development programs.

| ALL FUNDS APPROPRIATIONS | | | | |
|-------------------------------------|------------------------------|---|-------------------|---|
| <u>Category</u> | <u>Available 1998-99</u> | <u>Appropriations Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations Recommended 1999-00</u> |
| State Operations | \$37,419,900 | \$40,855,700 | + \$3,435,800 | \$8,775,000 |
| Aid To Localities | 17,911,500 | 13,653,600 | -4,257,900 | 4,795,000 |
| Capital Projects | | | | |
| Total | <u>\$55,331,400</u> | <u>\$54,509,300</u> | <u>-\$822,100</u> | <u>\$13,570,000</u> |

ECONOMIC DEVELOPMENT

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | 1999-00 Recommended Average Fill Level | | | | Change |
|---------------------------------------|--|----------------------------------|------------------------------|---------------------------------|------------|
| | Available 1998-99 | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| General Fund | 55 | 51 | .... | 51 | -4 |
| Special Revenue Funds — Other | 8 | 8 | .... | 8 | .... |
| Economic Development | | | | | |
| General Fund | 153 | 144 | .... | 144 | -9 |
| Special Revenue Funds — Other | 4 | 4 | .... | 4 | .... |
| Marketing and Advertising Program | | | | | |
| General Fund | 44 | 42 | .... | 42 | -2 |
| Special Revenue Funds — Other | 1 | 1 | .... | 1 | .... |
| Science & Technology - Administration | | | | | |
| General Fund | 9 | 8 | .... | 8 | -1 |
| Clean Air | | | | | |
| Special Revenue Funds — Other | 5 | 5 | .... | 5 | .... |
| Total | 279 | 263 | .... | 263 | -16 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---------------------------------|----------------------|------------------------|----------------------|
| General Fund | \$30,999,000 | \$35,195,800 | + \$4,196,800 |
| Special Revenue Funds — Federal | 1,000,000 | 1,000,000 | .... |
| Special Revenue Funds — Other | 5,420,900 | 4,659,900 | -761,000 |
| Total | \$37,419,900 | \$40,855,700 | + \$3,435,800 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---------------------------------------|----------------------|------------------------|----------------------|
| Administration | | | |
| General Fund | \$3,111,000 | \$3,014,000 | -\$97,000 |
| Special Revenue Funds — Other | 1,833,100 | 1,739,900 | -93,200 |
| Economic Development | | | |
| General Fund | 12,952,800 | 12,666,800 | -286,000 |
| Special Revenue Funds — Federal | 1,000,000 | 1,000,000 | .... |
| Special Revenue Funds — Other | 1,420,000 | 1,420,000 | .... |
| Marketing and Advertising Program | | | |
| General Fund | 14,326,200 | 18,920,100 | + 4,593,900 |
| Special Revenue Funds — Other | 1,000,000 | 1,000,000 | .... |
| Science & Technology - Administration | | | |
| General Fund | 609,000 | 594,900 | -14,100 |
| Clean Air | | | |
| Special Revenue Funds — Other | 1,167,800 | 500,000 | -667,800 |
| Total | \$37,419,900 | \$40,855,700 | + \$3,435,800 |

ECONOMIC DEVELOPMENT

STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total Personal Service | | Personal Service Regular (Annual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|---|------------------------|-------------------|---|-------------------|---|----------------|
| | Amount | Change | Amount | Change | Amount | Change |
| Administration | \$2,070,000 | -\$97,000 | \$2,041,800 | -\$97,000 | \$28,200 | |
| Economic Development | 7,545,000 | -286,000 | 7,514,000 | -286,000 | 31,000 | |
| Marketing and Advertising Program | 1,736,900 | -79,100 | 1,722,400 | -79,100 | 14,500 | |
| Science & Technology - Administration . . | 320,900 | -14,100 | 320,900 | -14,100 | | |
| Total | \$11,672,800 | -\$476,200 | \$11,599,100 | -\$476,200 | \$73,700 | |

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Supplies and Materials | |
|--|---------------------|----------------------|------------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration | \$944,000 | | \$110,000 | |
| Economic Development | 5,121,800 | | 131,000 | |
| Marketing and Advertising Program | 17,183,200 | + \$4,673,000 | 31,000 | |
| Science & Technology - Administration | 274,000 | | 8,000 | |
| Total | \$23,523,000 | + \$4,673,000 | \$280,000 | |

| Program | Travel | | Contractual Services | |
|--|------------------|----------------|----------------------|----------------|
| | Amount | Change | Amount | Change |
| Administration | \$42,000 | | \$749,000 | |
| Economic Development | 274,000 | | 3,092,000 | |
| Marketing and Advertising Program | 39,400 | | 750,000 | |
| Science & Technology - Administration | 19,000 | | 244,000 | |
| Total | \$374,400 | | \$4,835,000 | |

| Program | Equipment | | Maintenance Undistributed | |
|--|------------------|----------------|---------------------------|----------------------|
| | Amount | Change | Amount | Change |
| Administration | \$43,000 | | | |
| Economic Development | 153,000 | | \$1,471,800 | |
| Marketing and Advertising Program | 800 | | 16,362,000 | + \$4,673,000 |
| Science & Technology - Administration | 3,000 | | | |
| Total | \$199,800 | | \$17,833,800 | + \$4,673,000 |

ECONOMIC DEVELOPMENT

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|--|--------------------|-------------------|------------------|-------------------|
| | Amount | Change | Amount | Change |
| Administration | \$1,739,900 | -\$93,200 | \$487,100 | -\$56,000 |
| Economic Development | 2,420,000 | | 130,000 | |
| Marketing and Advertising Program | 1,000,000 | | 70,000 | |
| Clean Air | 500,000 | -667,800 | 195,000 | -260,300 |
| Total | \$5,659,900 | -\$761,000 | \$882,100 | -\$316,300 |

| Program | Nonpersonal Service | | Maintenance Amount | Undistributed Change |
|--|---------------------|-------------------|-----------------------|-------------------------|
| | Amount | Change | | |
| Administration | \$1,252,800 | -\$37,200 | | |
| Economic Development | 2,220,000 | | \$70,000 | |
| Marketing and Advertising Program | 930,000 | | | |
| Clean Air | 305,000 | -407,500 | | |
| Total | \$4,707,800 | -\$444,700 | \$70,000 | |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|---------------------|
| General Fund | \$12,911,500 | \$8,653,600 | -\$4,257,900 |
| Special Revenue Funds — Federal | 5,000,000 | 5,000,000 | |
| Total | \$17,911,500 | \$13,653,600 | -\$4,257,900 |
| Adjustments: | | | |
| Transfer(s) To State University of New York General Fund | + 333,000 | | |
| Appropriated 1998-99 | \$18,244,500 | | |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|---------------------|
| Economic Development General Fund | \$5,904,000 | \$3,977,000 | -\$1,927,000 |
| Marketing and Advertising Program General Fund | 4,676,600 | 4,676,600 | |
| Science and Technology Special Revenue Funds — Federal | 5,000,000 | 5,000,000 | |
| Legislative Initiatives General Fund | 2,330,900 | | -2,330,900 |
| Total | \$17,911,500 | \$13,653,600 | -\$4,257,900 |

EMPIRE STATE DEVELOPMENT CORPORATION

MISSION

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

ECONOMIC AND REAL ESTATE DEVELOPMENT

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

STATE FACILITY FINANCING

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

HOUSING PORTFOLIO MAINTENANCE

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

PRIVATIZATION INITIATIVES

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

ORGANIZATION AND STAFFING

In 1995, the Governor's Commissioner of Economic Development reorganized and streamlined the State's economic development agencies, including the Urban Development Corporation, the Department of Economic Development (DED), the Job Development Authority (JDA) and the Science and Technology Foundation (STF). The Corporation now encompasses both UDC and JDA, and DED now administers STF programs. The Department of Economic Development and the Empire State Development Corporation remain distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. The Corporation will have a workforce of 317 in 1999-2000. From the Corporation's central office in New York City, a Chief Operating Officer is responsible for day-to-day operations. The Corporation and Department of Economic Development share ten regional offices.

EMPIRE STATE DEVELOPMENT CORPORATION

OVERSIGHT

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

SUBSIDIARIES

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

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

- The Empire State Development Corporation's activities are funded from State General Fund appropriations and corporate revenues generated by Corporation-owned residential and non-residential properties and by its financing programs. The Corporation's operating budget will be entirely supported by corporate revenues in 1999-2000.
- The Executive Budget will provide \$117 million in support for economic development initiatives, including: the JOBS NOW program for large-scale projects which will create new jobs; the Empire State Economic Development Fund for projects that create or retain jobs; the Urban and Community Development and Minority- and Women-Owned Business Development and Lending programs; military base re-use and retention initiatives; projects in the Upper Manhattan/South Bronx Empowerment Zone; and construction of a new trading center for the New York Stock Exchange.

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 CORPORATION

ALL FUNDS APPROPRIATIONS

| <u>Category</u> | <u>Available 1998-99</u> | <u>Appropriations Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations Recommended 1999-00</u> |
|-----------------------------|------------------------------|---|-----------------------------|---|
| State Operations | | | | |
| Aid To Localities | \$135,767,600 | \$117,004,100 | -\$18,763,500 | \$12,600,000 |
| Capital Projects | | | | 350,000,000 |
| Total | <u>\$135,767,600</u> | <u>\$117,004,100</u> | <u>-\$18,763,500</u> | <u>\$362,600,000</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| <u>Fund Type</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|------------------------|------------------------------|--------------------------------|-----------------------------|
| General Fund | \$135,767,600 | \$117,004,100 | -\$18,763,500 |
| Total | <u>\$135,767,600</u> | <u>\$117,004,100</u> | <u>-\$18,763,500</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|--|------------------------------|--------------------------------|-----------------------------|
| Payments to Municipalities General Fund | \$4,100 | \$4,100 | |
| Economic Development General Fund | 135,763,500 | 117,000,000 | -\$18,763,500 |
| Total | <u>\$135,767,600</u> | <u>\$117,004,100</u> | <u>-\$18,763,500</u> |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Comprehensive Construction Programs</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations 1999-00</u> |
|---|------------------------------|--------------------------------|-------------------------|-------------------------------------|
| Regional Development Capital Projects Fund | | | | \$350,000,000 |
| Total | <u>.</u> | <u>.</u> | <u>.</u> | <u>\$350,000,000</u> |

ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

MISSION

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

As part of its central mission, the Authority manages energy research, development and demonstration programs which are funded by assessments on gas and electric utilities. The Authority's programs strengthen New York's economic base by nurturing the growth of new products and industries and helping businesses reduce their costs. Projects are selected on a competitive basis to promote applied research on State energy problems. The Energy Research and Development Authority administers Federal grant programs which help businesses, schools and hospitals implement energy efficiency measures. It also issues tax-exempt bonds on behalf of investor-owned utilities for capital improvements. In 1998, the Authority was named administrator of the System Benefits Charge, intended to fund energy programs for the public during the transition to a fully competitive energy market. Programs will focus on low-income consumers, energy efficiency, research, development and environmental protection.

The Authority also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Malta Rocket Fuel Area Superfund Site in Saratoga County.

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: the commissioners of the departments of Transportation and Environmental Conservation and the chairs of the Public Service Commission and the Power Authority of the State of New York. All board members serve without compensation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Energy Research and Development Authority is partially funded by assessments on State public utility gross intrastate operating receipts. The 1999-2000 Budget recommends nearly \$15 million in appropriations for the Authority's energy, research and development programs and \$12.5 million for ongoing work at West Valley. The Authority will also continue to administer the Federal Petroleum Overcharge Recovery Program.

| Category | ALL FUNDS APPROPRIATIONS | | | |
|-----------------------------|-----------------------------|--|------------------|--|
| | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
| State Operations | \$18,206,000 | \$17,906,000 | -\$300,000 | \$3,772,000 |
| Aid To Localities | | | | |
| Capital Projects | 12,317,000 | 12,617,000 | + 300,000 | |
| Total | <u>\$30,523,000</u> | <u>\$30,523,000</u> | <u>.</u> | <u>\$3,772,000</u> |

ENERGY RESEARCH AND DEVELOPMENT

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|-------------------|
| Special Revenue Funds — Federal | \$2,200,000 | \$3,000,000 | + \$800,000 |
| Special Revenue Funds — Other | 16,006,000 | 14,906,000 | -1,100,000 |
| Total | \$18,206,000 | \$17,906,000 | -\$300,000 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|-------------------|
| Research, Development and Demonstration Special Revenue Funds — Other | \$16,006,000 | \$14,906,000 | -\$1,100,000 |
| Planning and Operation Special Revenue Funds — Federal | 2,200,000 | 3,000,000 | + 800,000 |
| Total | \$18,206,000 | \$17,906,000 | -\$300,000 |

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Maintenance Undistributed | |
|--|---------------------|-------------------|---------------------------|-------------------|
| | Amount | Change | Amount | Change |
| Research, Development and Demonstration | \$14,906,000 | -\$1,100,000 | \$14,906,000 | -\$1,100,000 |
| Planning and Operation | 3,000,000 | + 800,000 | 3,000,000 | + 800,000 |
| Total | \$17,906,000 | -\$300,000 | \$17,906,000 | -\$300,000 |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|--------------------|-----------------------------|
| Western New York Nuclear Service Center Program Capital Projects Fund | \$12,200,000 | \$12,500,000 | + \$300,000 | |
| Clean Water, Clean Air Implementation Clean Water Clean Air Implementation Fund | 117,000 | 117,000 | | |
| Total | \$12,317,000 | \$12,617,000 | + \$300,000 | |

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

MISSION

The Department of Environmental Conservation is charged with the responsibility to conserve, improve and protect 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 the implementation of the \$1.75 billion Clean Water/Clean Air Bond Act, which was overwhelmingly approved by the voters in 1996.

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 Buffalo, Watertown, Avon, Syracuse, Long Island City, Ray Brook, Schenectady, New Paltz and Stony Brook. These regional offices are the operational arms of the Department. They 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 assure compliance with State and Federal environmental statutes, consistent with policy and management direction from program divisions in the Central Office.

The Department will have a workforce of 3,909 in 1999-2000. Approximately 39 percent of these positions are paid by State tax dollars from the General Fund; 46 percent are supported by State-imposed fees and other revenues and the remaining 15 percent are financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 1999-2000 Executive Budget recommends funding of more than \$1 billion for the Department of Environmental Conservation, including \$118.8 million in General Fund support. This recommendation will support the Department's core mission and ensure funding for ongoing priority projects.

General Fund appropriations will finance 26 percent of the Department of Environmental Conservation's operations in 1999-2000. Fees and license revenues will support 56 percent, including the major permitting functions, the hazardous substances bulk storage and oil spill programs, and the hazardous waste remedial and enforcement programs. Federal funds will support the remaining 18 percent of the Department's budget.

The Environmental Protection Fund (EPF), established in 1993, will continue to provide dedicated resources of \$125 million to support environmental programs, including open space protection, local landfill closure and recycling programs, municipal park and waterfront revitalization projects, and farmland preservation and non-point source pollution control projects. The Fund is supported by revenues from the sale/lease of State property (\$5 million), conservation license plates (\$1.5 million), the real estate transfer tax (\$112 million), and other revenues (\$6.5 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), Environmental Restoration Projects (\$200 million), Solid Waste Projects (\$175 million) and Air Quality Projects (\$230 million).

The Clean Air Fund, first established in 1993-94, 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

ENVIRONMENTAL CONSERVATION

fees and fees on regulated pollutants emitted by factories, power plants and other stationary source facilities. In 1999-2000, fees that support the stationary source program will be increased to support the program requirements. Additionally, the mobile source program will be expanded to include the roadside inspection of heavy duty trucks and vehicles and will be supported by an increase in registration fees for heavy duty trucks and buses.

General Fund appropriations will support the preservation and maintenance of the State's dams, bridges, regional facilities, maintenance centers, and the 20 percent match required for Federal grants provided through the State Revolving Fund, which provides low-cost loans to municipalities for water pollution control projects. 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 1999-2000 Executive Budget provides more than \$1 billion to support the Department's critical environmental, resource management and recreation programs. Specific actions include:

- \$233 million from the Clean Water/Clean Air Bond Act for priority projects to restore brownfields, improve our air and water resources and support local landfill closure/recycling efforts. With the \$50 million included in the Department of Health and the \$789 million available from appropriations made from 1996-97 through 1998-99, a total of \$1.07 billion will be provided for Bond Act projects through 1999-2000.
- \$125 million in new funding from the Environmental Protection Fund (EPF) to provide resources to address such high priority programs as Watershed land purchases, implementation of the Hudson River Estuary Management Plan, stewardship projects at State parks and lands and the Hudson River Park project. Other projects funded by the EPF in 1999-2000 include: land acquisition; landfill closure; local waste reduction/recycling and marketing of recycled materials; municipal park grants; local waterfront revitalization projects, non-point source water pollution control projects; farmland protection; and the development and operation of the Pesticide Sales and Use Database; and the Albany Pine Bush Commission, biodiversity stewardship, and Long Island Pine Barrens/South Shore Estuary Reserve planning.
- \$34.5 million from available 1998-99 EPF revenues for the Hudson River Estuary, waterfront revitalization, historic preservation and stewardship projects.
- \$1.6 million to implement the New York City Watershed Agreement. These funds will support State enforcement and monitoring efforts in the Watershed area and the provision of technical assistance to participating Watershed communities.
- \$505.6 million in new and reappropriated funds from the 1986 Environmental Quality Bond Act for the cleanup of inactive hazardous waste sites and municipal landfill closures.
- \$134.4 million in new State and Federal funds for the State Revolving Fund low-interest loan program to build and rehabilitate municipal sewage treatment facilities.
- \$36.3 million to support the programs of the Conservation Fund. In 1999-2000, an increase in licensing fees will be required to meet continuing program needs.
- \$22.2 million in new funding for basic capital infrastructure projects to ensure health, safety and compliance with State and Federal laws and environmental requirements.
- \$27.8 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 require permits for major stationary sources of air pollution. In 1999-2000, a new program to control air pollution from heavy duty vehicles will begin.

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- \$353 million to support the operations of the Department, including a workforce of 3,909.
- \$1.6 million for the costs of operating an Environmental Conservation Academy to train 50 new Environmental Conservation Officers and Forest Rangers.
- \$2 million in new funding for capital projects to enhance natural resource based tourism activities, including interpretive and other facilities.

The 1999-00 Executive Budget also recommends the establishment of a dedicated Hudson River Trust Account — within the EPF — that will support restoration and protection projects to implement the Hudson River Estuary Plan.

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.

Since 1995-96, the Department has restructured its operations to eliminate redundant management layers and refocused its attention on those activities that present the greatest environmental risk. 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 the operation of 12 fish hatcheries, 2 game farms and 260 boat launching and fishing access sites. The primary source of funding for this program is sporting license fees (approximately \$32 million) annually deposited to the Conservation Fund.

The Lands and Forests program manages the more than 4 million acres of State land under the Department's jurisdiction, including nearly 3 million acres of State-owned land within the Adirondack and Catskill parks. 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 the State's 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 through technical and environmental reviews of new and existing mined lands.

The Department also operates 51 campgrounds and 23 day-use areas within the Adirondack and Catskill parks, as well as the Belleayre Mountain Ski Center. Those recreational facilities serve approximately 2 million visitors annually, generating tourist trade to their host communities. Camping and skiing user fees are intended to fully support facility operations.

ENVIRONMENTAL QUALITY/REMEDATION

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

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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. Since 1982, the Department has ordered the closing of over 450 landfills that posed an imminent threat to the environment. This has created a significant financial burden for municipalities who must bear the cost of landfill closure. The Clean Water/Clean Air Bond Act will provide additional resources to augment those provided from the 1986 Environmental Quality Bond Act (EQBA) and the Environmental Protection Fund to help municipalities defray these costs.

The 1990 amendments to the Federal Clean Air Act imposed sweeping new mandates on the State. While the cost of complying with the Act is expected to be significant, the cost of non-compliance would be equally 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 2-for-1 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 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 travel and inspect vehicle emission systems — all Federal requirements. In 1997-98, the State began implementation of a decentralized vehicle emission testing system mandated by the Federal Clean Air Act. 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 1999-2000, the new Heavy Duty Inspection and Maintenance Program will begin and be supported by registration fees.

The 1986 Environmental Quality Bond Act 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 enforcement actions, violators have been required to commit more than \$2.6 billion for the investigation and remediation of identified inactive hazardous waste sites. This is in addition to the \$736 million spent from Bond Act funds to investigate and remediate 924 toxic waste sites.

ENVIRONMENTAL ENFORCEMENT/REGULATION

Since the Department of Environmental Conservation was created in 1970, more than 1,000 Federal and State laws have been enacted which require the Department to enforce and regulate a myriad of activities undertaken by businesses, local governments and individuals which can have an impact on the environment and the State's natural resources.

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. The Department's Environmental Conservation Officers work closely with other staff to ensure that environmental laws and regulations are enforced.

Over the last three years, 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.

ENVIRONMENTAL CONSERVATION

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|------------------------|--|
| State Operations | \$348,808,200 | \$351,986,000 | + \$3,177,800 | \$130,501,900 |
| Aid To Localities | 2,475,602 | 532,800 | -1,942,802 | 600,000 |
| Capital Projects | 553,419,000 | 663,597,000 | + 110,178,000 | 4,203,608,000 |
| Total | \$904,702,802 | \$1,016,115,800 | + \$111,412,998 | \$4,334,709,900 |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | 1999-00 Recommended Average Fill Level | | | | Change |
|---|--|----------------------------------|------------------------------|---------------------------------|------------|
| | Available 1998-99 | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| General Fund | 122 | 122 | | 122 | |
| Special Revenue Funds — Federal | 183 | 183 | | 183 | |
| Special Revenue Funds — Other | 16 | 16 | | 16 | |
| Operations | | | | | |
| General Fund | 395 | 395 | | 395 | |
| Special Revenue Funds — Other | 73 | 73 | | 73 | |
| Air and Water Quality Management | | | | | |
| General Fund | 162 | 162 | | 162 | |
| Special Revenue Funds — Federal | 208 | 208 | | 208 | |
| Special Revenue Funds — Other | 449 | 449 | | 449 | |
| Solid and Hazardous Waste Management | | | | | |
| General Fund | 190 | 190 | | 190 | |
| Special Revenue Funds — Federal | 82 | 82 | | 82 | |
| Special Revenue Funds — Other | 514 | 514 | | 514 | |
| Environmental Enforcement | | | | | |
| General Fund | 205 | 235 | | 235 | + 30 |
| Special Revenue Funds — Other | 288 | 258 | | 258 | -30 |
| Fish, Wildlife and Marine Resources | | | | | |
| General Fund | 87 | 96 | | 96 | + 9 |
| Special Revenue Funds — Federal | 91 | 91 | | 91 | |
| Special Revenue Funds — Other | 308 | 308 | | 308 | |
| Forest and Land Resources | | | | | |
| General Fund | 262 | 262 | | 262 | |
| Special Revenue Funds — Federal | 14 | 14 | | 14 | |
| Special Revenue Funds — Other | 102 | 102 | | 102 | |
| Clean Water/Clean Air Administration Program | | | | | |
| Capital Project Funds | 95 | 95 | | 95 | |
| Rehabilitation and Improvement | | | | | |
| Capital Project Funds | 54 | 54 | | 54 | |
| Total | 3,900 | 3,909 | | 3,909 | + 9 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------------|
| General Fund | \$88,201,100 | \$91,364,700 | + \$3,163,600 |
| Special Revenue Funds — Federal | 60,950,100 | 63,993,100 | + 3,043,000 |
| Special Revenue Funds — Other | 199,657,000 | 196,628,200 | -3,028,800 |
| Total | \$348,808,200 | \$351,986,000 | + \$3,177,800 |
| Adjustments: | | | |
| Transfer(s) To | | | |
| Environmental Facilities Corporation | | | |
| Special Revenue Funds — Other | + 258,200 | | |
| Appropriated 1998-99 | \$349,066,400 | | |

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------------|
| Administration | | | |
| General Fund | \$7,333,700 | \$7,474,100 | + \$140,400 |
| Special Revenue Funds — Federal | 9,405,100 | 9,704,000 | + 298,900 |
| Special Revenue Funds — Other | 1,819,500 | 1,855,300 | + 35,800 |
| Operations | | | |
| General Fund | 25,974,500 | 26,755,200 | + 780,700 |
| Special Revenue Funds — Other | 13,972,100 | 14,031,000 | + 58,900 |
| Air and Water Quality Management | | | |
| General Fund | 10,790,700 | 10,377,500 | -413,200 |
| Special Revenue Funds — Federal | 27,040,000 | 29,027,500 | + 1,987,500 |
| Special Revenue Funds — Other | 63,008,500 | 63,238,200 | + 229,700 |
| Solid and Hazardous Waste Management | | | |
| General Fund | 15,727,400 | 10,544,900 | -5,182,500 |
| Special Revenue Funds — Federal | 6,443,000 | 6,457,600 | + 14,600 |
| Special Revenue Funds — Other | 54,929,900 | 53,591,300 | -1,338,600 |
| Environmental Enforcement | | | |
| General Fund | 11,808,100 | 15,746,800 | + 3,938,700 |
| Special Revenue Funds — Other | 26,654,700 | 24,508,200 | -2,146,500 |
| Fish, Wildlife and Marine Resources | | | |
| General Fund | 5,611,900 | 6,177,100 | + 565,200 |
| Special Revenue Funds — Federal | 15,341,700 | 14,834,800 | -506,900 |
| Special Revenue Funds — Other | 24,025,600 | 24,378,200 | + 352,600 |
| Forest and Land Resources | | | |
| General Fund | 13,954,800 | 14,289,100 | + 334,300 |
| Special Revenue Funds — Federal | 2,720,300 | 3,969,200 | + 1,248,900 |
| Special Revenue Funds — Other | 15,246,700 | 15,026,000 | -220,700 |
| Maintenance Undistributed | | | |
| General Fund | -3,000,000 | | + 3,000,000 |
| Total | <u>\$348,808,200</u> | <u>\$351,986,000</u> | <u>+ \$3,177,800</u> |

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STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total Personal Service | | Personal Service Regular (Annual Salaried) | | Temporary Service (Nonannual Salaried) | |
|---|------------------------|----------------------|---|----------------------|---|-------------------|
| | Amount | Change | Amount | Change | Amount | Change |
| Administration | \$6,127,300 | + \$129,300 | \$5,870,800 | + \$120,000 | \$223,500 | + \$7,800 |
| Operations | 15,766,500 | + 247,800 | 14,713,100 | + 209,800 | 968,100 | + 34,000 |
| Air and Water Quality Management | 9,159,100 | -68,100 | 9,056,000 | -72,300 | 54,700 | + 1,900 |
| Solid and Hazardous Waste Management . . | 9,214,900 | -226,000 | 9,025,600 | -233,700 | 97,200 | + 3,400 |
| Environmental Enforcement | 12,171,400 | + 2,259,400 | 10,281,600 | + 2,181,200 | | |
| Fish, Wildlife and Marine Resources . . . | 4,201,400 | -1,000 | 3,979,000 | -9,100 | 195,400 | + 6,900 |
| Forest and Land Resources | 12,958,100 | + 257,400 | 11,629,300 | + 202,000 | 541,900 | + 19,000 |
| Total | \$69,598,700 | + \$2,598,800 | \$64,555,400 | + \$2,397,900 | \$2,080,800 | + \$73,000 |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|---|---|--------------------|
| | Amount | Change |
| Administration | \$33,000 | + \$1,500 |
| Operations | 85,300 | + 4,000 |
| Air and Water Quality Management | 48,400 | + 2,300 |
| Solid and Hazardous Waste Management . . | 92,100 | + 4,300 |
| Environmental Enforcement | 1,889,800 | + 78,200 |
| Fish, Wildlife and Marine Resources . . . | 27,000 | + 1,200 |
| Forest and Land Resources | 786,900 | + 36,400 |
| Total | \$2,962,500 | + \$127,900 |

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**STATE OPERATIONS — GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
1999-00 RECOMMENDED**

| Program | Amount | Total | | Supplies and Materials | |
|-------------------------------------|---------------------|--------|--------------------|------------------------|--------------------|
| | | Amount | Change | Amount | Change |
| Administration | \$1,346,800 | | + \$11,100 | \$257,400 | + \$400 |
| Operations | 10,988,700 | | + 532,900 | 878,200 | + 82,000 |
| Air and Water Quality | | | | | |
| Management | 1,218,400 | | -272,100 | 279,400 | + 13,400 |
| Solid and Hazardous Waste | | | | | |
| Management | 1,330,000 | | -4,956,500 | 3,500 | |
| Environmental Enforcement | 3,575,400 | | + 1,679,300 | 92,300 | |
| Fish, Wildlife and Marine | | | | | |
| Resources | 1,975,700 | | + 566,200 | 161,000 | |
| Forest and Land Resources | 1,331,000 | | + 76,900 | 390,000 | + 9,000 |
| Maintenance Undistributed | | | + 3,000,000 | | |
| Total | \$21,766,000 | | + \$637,800 | \$2,061,800 | + \$104,800 |

| Program | Amount | Travel | | Contractual Services | |
|-------------------------------------|--------------------|--------|--------------------|----------------------|---------------------|
| | | Amount | Change | Amount | Change |
| Administration | \$83,900 | | + \$6,700 | \$987,400 | + \$4,000 |
| Operations | 826,200 | | + 488,100 | 5,814,600 | -2,837,200 |
| Air and Water Quality | | | | | |
| Management | 174,300 | | + 12,800 | 379,000 | + 1,700 |
| Solid and Hazardous Waste | | | | | |
| Management | 3,300 | | + 500 | 4,400 | + 500 |
| Environmental Enforcement | 263,400 | | + 31,900 | 10,200 | |
| Fish, Wildlife and Marine | | | | | |
| Resources | 273,200 | | + 36,200 | 976,000 | + 40,000 |
| Forest and Land Resources | 547,100 | | + 67,000 | 292,300 | + 900 |
| Maintenance Undistributed | | | | | |
| Total | \$2,171,400 | | + \$643,200 | \$8,463,900 | -\$2,790,100 |

| Program | Amount | Equipment | | Maintenance Undistributed | |
|-------------------------------------|--------------------|-----------|----------------|---------------------------|----------------------|
| | | Amount | Change | Amount | Change |
| Administration | \$18,100 | | | | |
| Operations | 669,700 | | | \$2,800,000 | + \$2,800,000 |
| Air and Water Quality | | | | | |
| Management | 159,100 | | | 226,600 | -300,000 |
| Solid and Hazardous Waste | | | | | |
| Management | 1,600 | | | 1,317,200 | -4,957,500 |
| Environmental Enforcement | 20,500 | | | 3,189,000 | + 1,647,400 |
| Fish, Wildlife and Marine | | | | | |
| Resources | 75,500 | | | 490,000 | + 490,000 |
| Forest and Land Resources | 101,600 | | | | |
| Maintenance Undistributed | | | | | + 3,000,000 |
| Total | \$1,046,100 | | | \$8,022,800 | + \$2,679,900 |

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|---|---------------|-------------|------------------|--------------|
| | Amount | Change | Amount | Change |
| Administration | \$11,559,300 | + \$334,700 | \$8,134,300 | -\$1,231,000 |
| Operations | 14,031,000 | + 58,900 | 3,253,400 | -7,100 |
| Air and Water Quality Management | 92,265,700 | + 2,217,200 | 35,687,600 | + 1,108,400 |
| Solid and Hazardous Waste Management | 60,048,900 | -1,324,000 | 22,508,700 | + 40,600 |
| Environmental Enforcement | 24,508,200 | -2,146,500 | 14,498,100 | -1,627,100 |
| Fish, Wildlife and Marine Resources | 39,213,000 | -154,300 | 18,901,600 | -62,500 |
| Forest and Land Resources | 18,995,200 | + 1,028,200 | 10,808,300 | + 1,045,900 |
| Total | \$260,621,300 | + \$14,200 | \$113,792,000 | -\$732,800 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---|---------------------|---------------|---------------------------|------------|
| | Amount | Change | Amount | Change |
| Administration | \$3,425,000 | + \$1,565,700 | | |
| Operations | 10,754,600 | + 66,000 | \$23,000 | |
| Air and Water Quality Management | 31,086,300 | + 1,108,800 | 25,491,800 | |
| Solid and Hazardous Waste Management | 12,091,100 | -1,412,400 | 25,449,100 | + \$47,800 |
| Environmental Enforcement | 9,510,100 | -519,400 | 500,000 | |
| Fish, Wildlife and Marine Resources | 18,850,400 | + 408,200 | 1,461,000 | -500,000 |
| Forest and Land Resources | 7,466,900 | -137,700 | 720,000 | + 120,000 |
| Total | \$93,184,400 | + \$1,079,200 | \$53,644,900 | -\$332,200 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|------------------------|----------------------|------------------------|--------------|
| General Fund | \$2,475,602 | \$532,800 | -\$1,942,802 |
| Total | \$2,475,602 | \$532,800 | -\$1,942,802 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|--------------|
| Administration General Fund | \$815,600 | \$6,300 | -\$809,300 |
| Air and Water Quality Management General Fund | 526,500 | 526,500 | |
| Other Community Projects General Fund | 1,133,502 | | -1,133,502 |
| Total | \$2,475,602 | \$532,800 | -\$1,942,802 |

ENVIRONMENTAL CONSERVATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|--------------|-----------------------------|
| Air Resources - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | | | | \$41,708,000 |
| Environmental Quality Bond Act Fund | | | | |
| Environmental Quality Bond Act Fund - 1986 | | | | 544,090,000 |
| Air Quality Projects | | | | |
| Clean Air Fund | | | | 2,619,000 |
| State Air Quality Projects | | | | |
| Capital Projects Fund - EQBA (Bondable) | | | | 1,137,000 |
| Water Resources - PWBA | | | | |
| Capital Projects Fund - PWBA (Bondable) | | | | 35,175,000 |
| Solid Waste Management | | | | |
| Capital Projects Fund | | \$495,000 | + \$495,000 | |
| Capital Projects Fund - Advances | | | | 2,483,000 |
| Federal Capital Projects Fund | | | | 38,153,000 |
| Environmental Protection and Enhancements | | | | |
| Environmental Protection Fund | | 34,475,000 | + 34,475,000 | |
| Environment and Recreation | | | | |
| Environmental Protection Fund | \$90,525,000 | 125,000,000 | + 34,475,000 | 228,649,000 |
| Fish and Wildlife | | | | |
| Capital Projects Fund | 500,000 | 500,000 | | 1,294,000 |
| Federal Capital Projects Fund | 1,400,000 | | -1,400,000 | 4,424,000 |
| Hudson River Habitat Restor. Fund | | | | 351,000 |
| Lands and Forests | | | | |
| Capital Projects Fund | 3,900,000 | 4,950,000 | + 1,050,000 | 16,670,000 |
| Forest Preserve Expansion Fund | | | | 161,000 |
| Water Resources - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | | | | 9,900,000 |
| Air Resources | | | | |
| Capital Projects Fund | 2,250,000 | | -2,250,000 | 5,685,000 |
| Clean Air Fund | 5,500,000 | 3,000,000 | -2,500,000 | 7,223,000 |
| Administration | | | | |
| Capital Projects Fund | 1,000,000 | 500,000 | -500,000 | 1,255,000 |
| Federal Capital Projects Fund | | | | 175,000 |
| Enterprise Fund | | | | 175,000 |
| Lands and Forests - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | | | | 658,000 |
| Environmental Quality Protection Bond Fund | | | | |
| Environmental Quality Protection Bond Fund | | | | 109,199,000 |
| 96 Clean Water/Air Bond Act Fund | | | | |
| Clean Water, Clean Air Bond Fund | | | | 1,585,527,000 |
| Pure Waters Bond Fund | | | | |
| Pure Waters Bond Fund | | | | 35,196,000 |
| Recreation | | | | |
| Capital Projects Fund | 650,000 | 2,650,000 | + 2,000,000 | 2,677,000 |
| Solid Waste Management - EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | | | | 40,048,000 |
| Operations | | | | |
| Capital Projects Fund | 6,300,000 | 9,550,000 | + 3,250,000 | 13,570,000 |
| Natural Resource Damages Fund | | | | 11,201,000 |
| Financial Security Fund | | | | 1,983,000 |
| Water Resources | | | | |
| Capital Projects Fund | 27,874,000 | 30,634,000 | + 2,760,000 | 103,007,000 |
| Capital Projects Fund - Advances | 3,290,000 | 3,170,000 | -120,000 | 14,314,000 |
| Federal Capital Projects Fund | 101,203,000 | 112,021,000 | + 10,818,000 | 275,010,000 |
| Clean Water, Clean Air Implementation | | | | |
| Clean Water Clean Air Implementation Fund | 6,027,000 | 6,027,000 | | 6,027,000 |
| Air Quality - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 44,000,000 | 37,000,000 | -7,000,000 | 88,457,000 |
| Clean Water - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 164,000,000 | 172,000,000 | + 8,000,000 | 296,965,000 |
| Solid Waste - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 25,000,000 | 14,000,000 | -11,000,000 | 82,682,000 |
| Environmental Restoration - Clean Water/Clean Air 96 | | | | |
| Capital Projects Fund - 1996 CWA (Bondable) | 10,000,000 | 10,000,000 | | 79,715,000 |
| Solid and Hazardous Waste Management - EQBA 86 | | | | |
| Capital Projects Fund - EQBA 86 (Bondable) | 30,000,000 | 37,625,000 | + 7,625,000 | 468,022,000 |
| Lands and Forests - EQBA 86 | | | | |
| Capital Projects Fund - EQBA 86 (Bondable) | | | | 374,000 |

ENVIRONMENTAL CONSERVATION

| <u>Comprehensive Construction Programs</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations 1999-00</u> |
|--|------------------------------|--------------------------------|------------------------|-------------------------------------|
| Solid and Hazardous Waste Management | | | | |
| Capital Projects Fund | | | | 2,706,000 |
| Capital Projects Fund - Advances | 30,000,000 | 60,000,000 | + 30,000,000 | 41,491,000 |
| Design and Construction Supervision | | | | |
| Capital Projects Fund | | | | 16,000 |
| Marine Resources | | | | |
| Capital Projects Fund | | | | 391,000 |
| Federal Capital Projects Fund | | | | 3,045,000 |
| <u>Total</u> | <u>\$553,419,000</u> | <u>\$663,597,000</u> | <u>+ \$110,178,000</u> | <u>\$4,203,608,000</u> |
| Adjustments: | | | | |
| Court of Claims | <u>-3,400,000</u> | | | |
| Appropriated for Fiscal 1998-99 | <u>\$550,019,000</u> | | | |

ENVIRONMENTAL FACILITIES CORPORATION

MISSION

The Environmental Facilities Corporation is a public benefit corporation established to help local governments, state agencies and private industry comply with State and Federal environmental laws and regulations. The Corporation works with these entities to design, construct, operate and finance air pollution control, water and waste water treatment, and solid and hazardous waste disposal facilities. The Environmental Facilities Corporation's largest program is the Clean Water State Revolving Loan Fund, which provides low-interest rate loans to municipalities to construct water pollution control facilities. The Corporation, in conjunction with the New York State Department of Health, jointly administers the Drinking Water State Revolving Loan Fund. Funding for these programs is provided by a Federal grant and a corresponding State match. The State match for the Drinking Water Revolving Loan Fund is provided from the Clean Water/Clean Air Bond Act. Administration of these programs is also supported by fees and interest generated through program operations.

ORGANIZATION AND STAFFING

The Environmental Facilities Corporation is governed by a seven-member Board of Directors who serve without compensation: the Commissioner of Environmental Conservation who serves as the chairman, the Commissioner of Health, the Secretary of State, and four members nominated to six-year terms by the Governor with Senate confirmation.

The Corporation is operated by a President appointed by the Board of Directors and has a workforce of 118, including 16 staff of the Department of Environmental Conservation who are assigned administratively to the Corporation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The operations of the Environmental Facilities Corporation are funded by:

- Financing fees and annual fees charged to municipalities 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.

A total of \$7,162,800 is provided in 1999-2000 for the Corporation. State funds are also included in the Department of Environmental Conservation's and the Department of Health's budgets for the required match to Federal funding for the Clean Water State Revolving Loan Fund and Drinking Water State Revolving Loan Fund programs.

PROGRAM HIGHLIGHTS

The Environmental Facilities Corporation currently administers five major programs: the two State Revolving Loan Funds, Industrial Finance and Technical Advisory Services and the Clean Water/Clean Air Bond Act's small business environmental compliance assistance programs.

ENVIRONMENTAL FACILITIES

CLEAN WATER STATE REVOLVING LOAN FUND

This program was established in 1989 to help municipalities comply with the Federal Clean Water Act by providing low-interest rate loans to build water pollution control facilities. The program is supported by Federal and State appropriations which total \$1.8 billion and \$360 million, respectively, since 1989. The State Revolving Fund has made loans totaling \$4.1 billion to 290 municipalities 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 loans substantially reduce the cost of water pollution control projects for municipal borrowers making environmental compliance and protection more attainable.

DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM

In 1996, Congress enacted Federal authorizing legislation for the Drinking Water State Revolving Loan Fund program. This program, modeled after the Clean Water State Revolving Loan Fund program, provides low interest rate loans 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. Federal funding provided for the Drinking Water State Revolving Loan Fund requires a 20 percent State match. In 1999-2000, the program is supported by \$178.4 million in Federal awards, requiring a State match of \$35.7 million. The State's share of the Drinking Water State Revolving Loan Fund will be provided from the Clean Water/Clean Air Bond Act.

INDUSTRIAL FINANCE PROGRAM

Since 1976, the Industrial Finance Program has provided more than \$910 million in low-interest rate loans and \$188 million in loan refinancing to businesses and State agencies for environmental improvement projects. Projects eligible for loans include solid waste management facilities, hazardous waste site remediation, and water supply and waste water management facilities. Loans under the program are financed from the proceeds of special obligation 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 issues such as air pollution control; treatment, storage and disposal of industrial hazardous waste; inactive hazardous waste site remediation; water and waste water management; and resource recovery and recycling. This program is funded through fees paid by Corporation clients who use the services.

FINANCIAL ASSISTANCE TO BUSINESS

The Clean Water/Clean Air Bond Act provides \$60 million to assist small businesses in achieving compliance with environmental laws and regulations pertaining to air and water quality. The air and water quality programs will be funded at \$30 million each and will be used to assist small businesses in targeted sectors to procure capital equipment necessary to prevent pollution. The Environmental Facilities Corporation will work with village, town and city governments to identify businesses in need of assistance.

ENVIRONMENTAL FACILITIES

ALL FUNDS APPROPRIATIONS

| <u>Category</u> | <u>Available 1998-99</u> | <u>Appropriations Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations Recommended 1999-00</u> |
|-----------------------------|------------------------------|---|-------------------|---|
| State Operations | \$6,837,400 | \$6,863,800 | + \$26,400 | |
| Aid To Localities | | | | |
| Capital Projects | 292,000 | 299,000 | + 7,000 | |
| Total | <u>\$7,129,400</u> | <u>\$7,162,800</u> | <u>+ \$33,400</u> | <u>. . . .</u> |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| <u>Program</u> | <u>Available 1998-99</u> | <u>Personal Service (Regular)</u> | <u>Maintenance Undistributed</u> | <u>Total Recommended 1999-00</u> | <u>Change</u> |
|--|------------------------------|---|--------------------------------------|--|----------------|
| Administration | | | | | |
| Special Revenue Funds — Other | 96 | 96 | | 96 | |
| Clean Water/Clean Air Administration Program | | | | | |
| Capital Project Funds | 6 | 6 | | 6 | |
| Total | <u>102</u> | <u>102</u> | <u>. . . .</u> | <u>102</u> | <u>. . . .</u> |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| <u>Fund Type</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|-------------------|
| Special Revenue Funds — Other | \$6,837,400 | \$6,863,800 | + \$26,400 |
| Total | <u>\$6,837,400</u> | <u>\$6,863,800</u> | <u>+ \$26,400</u> |
| Adjustments: | | | |
| Transfer(s) From | | | |
| Environmental Conservation, Department of | | | |
| Special Revenue Funds — Other | -258,200 | | |
| Appropriated 1998-99 | <u>\$6,579,200</u> | | |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|-------------------|
| Administration | | | |
| Special Revenue Funds — Other | \$6,837,400 | \$6,863,800 | + \$26,400 |
| Total | <u>\$6,837,400</u> | <u>\$6,863,800</u> | <u>+ \$26,400</u> |

ENVIRONMENTAL FACILITIES

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|--------------------------|--------------------|-------------------|--------------------|--------------------|
| | Amount | Change | Amount | Change |
| Administration | \$6,863,800 | + \$26,400 | \$4,479,800 | + \$256,200 |
| Total | <u>\$6,863,800</u> | <u>+ \$26,400</u> | <u>\$4,479,800</u> | <u>+ \$256,200</u> |

| Program | Nonpersonal Service | |
|--------------------------|---------------------|-------------------|
| | Amount | Change |
| Administration | \$2,384,000 | -\$229,800 |
| Total | <u>\$2,384,000</u> | <u>-\$229,800</u> |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|------------------|-----------------------------|
| Clean Water, Clean Air Implementation Clean Water Clean Air Implementation Fund | \$292,000 | \$299,000 | + \$7,000 | |
| Total | <u>\$292,000</u> | <u>\$299,000</u> | <u>+ \$7,000</u> | <u>. . . .</u> |

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

Created in 1927, the Division of Housing and Community Renewal is responsible for the supervision, maintenance and development of affordable low- and moderate-income housing in New York State. The Division currently performs a number of activities in fulfillment of this mission, including:

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

ORGANIZATION AND STAFFING

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

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

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

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

Executive Budget recommendations for the Division of Housing and Community Renewal total over \$220 million. The 1999-2000 Budget will:

- Provide nearly \$7 million to administer the development of low-income housing and \$12 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio;
- Continue the Division's administration of the federally funded Weatherization Assistance Program, providing grants to local not-for-profit groups and governments to assist low-income households in reducing their energy consumption and lowering their fuel bills; and

HOUSING AND COMMUNITY RENEWAL

- Provide \$26.3 million to support rent regulation activities. The State's rent regulation laws, which were revised by the Legislature in the Spring 1997, continue to allow regulated apartments to move gradually toward the free market, while fully protecting the rights of existing tenants.

PROGRAM HIGHLIGHTS

COMMUNITY DEVELOPMENT

Community Development staff provide staff support to the Housing Trust Fund Corporation and the Affordable Housing Corporation, which are public benefit corporations that provide 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 Federal low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the Federal tax liability of investors who finance the acquisition and construction of these projects.

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:

- 246 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 98,000 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 over 20,000 apartments for low-income families; and
- Approximately 900 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program directly administers approximately 3,500 Federal Section 8 program vouchers, that provide rental assistance to low-income tenants in New York State.

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 \$25 million appropriation and \$113 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 \$51 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$25,000 to first-time low- and moderate-income home buyers. At these funding levels, the two programs will be able to construct approximately 1,700 new housing units in the upcoming State fiscal year.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$71 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, this Budget

HOUSING AND COMMUNITY RENEWAL

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

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|----------------------|--|
| State Operations | \$61,771,000 | \$61,526,000 | -\$245,000 | \$3,951,000 |
| Aid To Localities | 95,342,224 | 94,710,000 | -632,224 | 139,705,370 |
| Capital Projects | 63,200,000 | 67,700,000 | + 4,500,000 | 344,028,000 |
| Total | \$220,313,224 | \$223,936,000 | + \$3,622,776 | \$487,684,370 |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | Available 1998-99 | 1999-00 Recommended Average Fill Level | | | Change |
|---|----------------------|--|------------------------------|---------------------------------|------------|
| | | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| General Fund | 80 | 79 | | 79 | -1 |
| Housing Information Systems | | | | | |
| General Fund | 68 | 68 | | 68 | |
| Rent Administration | | | | | |
| General Fund | 573 | 570 | | 570 | -3 |
| Community Development | | | | | |
| General Fund | 51 | 51 | | 51 | |
| Special Revenue Funds — Federal | 24 | 24 | | 24 | |
| Special Revenue Funds — Other | 7 | 7 | | 7 | |
| Housing | | | | | |
| General Fund | 55 | 54 | | 54 | -1 |
| Special Revenue Funds — Federal | 44 | 42 | | 42 | -2 |
| Special Revenue Funds — Other | 67 | 65 | | 65 | -2 |
| New Facilities | | | | | |
| Capital Project Funds | 43 | 41 | | 41 | -2 |
| Subtotal, Direct Funded Programs | 1,012 | 1,001 | | 1,001 | -11 |
| Suballocations: | | | | | |
| General Fund | 13 | | | 13 | |
| Special Revenue Funds — Federal | 24 | | | 24 | |
| Capital Project Funds | 16 | | | 14 | -2 |
| Total | 1,065 | | | 1,052 | -13 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|-------------------|
| General Fund | \$39,913,000 | \$39,114,000 | -\$799,000 |
| Special Revenue Funds — Federal | 5,705,000 | 5,743,000 | + 38,000 |
| Special Revenue Funds — Other | 16,153,000 | 16,669,000 | + 516,000 |
| Total | \$61,771,000 | \$61,526,000 | -\$245,000 |

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|-------------------|
| Administration | | | |
| General Fund | \$10,163,000 | \$10,385,000 | + \$222,000 |
| Housing Information Systems | | | |
| General Fund | 5,436,000 | 6,057,000 | + 621,000 |
| Rent Administration | | | |
| General Fund | 17,323,000 | 15,606,000 | -1,717,000 |
| Special Revenue Funds — Other | 10,150,000 | 10,650,000 | + 500,000 |
| Community Development | | | |
| General Fund | 3,625,000 | 3,696,000 | + 71,000 |
| Special Revenue Funds — Federal | 2,809,000 | 2,809,000 | |
| Special Revenue Funds — Other | 415,000 | 426,000 | + 11,000 |
| Housing | | | |
| General Fund | 3,366,000 | 3,370,000 | + 4,000 |
| Special Revenue Funds — Federal | 2,896,000 | 2,934,000 | + 38,000 |
| Special Revenue Funds — Other | 5,588,000 | 5,593,000 | + 5,000 |
| Total | \$61,771,000 | \$61,526,000 | -\$245,000 |

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total Personal Service | | Personal Service Regular (Annual Salaried) | | Temporary Service (Nonannual Salaried) | |
|---------------------------------------|------------------------|---------------------|---|---------------------|---|------------------|
| | Amount | Change | Amount | Change | Amount | Change |
| Administration | \$3,800,000 | -\$214,000 | \$3,758,000 | -\$214,000 | \$13,000 | |
| Housing Information Systems | 3,500,000 | + 100,000 | 3,483,000 | + 100,000 | | |
| Rent Administration | 24,010,000 | -1,282,000 | 23,876,000 | -1,282,000 | 120,000 | |
| Community Development | 3,500,000 | + 65,000 | 3,473,000 | + 65,000 | 20,000 | |
| Housing | 3,226,000 | | 3,219,000 | | | |
| Total | \$38,036,000 | -\$1,331,000 | \$37,809,000 | -\$1,331,000 | \$153,000 | |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|---------------------------------------|---|------------------|
| | Amount | Change |
| Administration | \$29,000 | |
| Housing Information Systems | 17,000 | |
| Rent Administration | 14,000 | |
| Community Development | 7,000 | |
| Housing | 7,000 | |
| Total | \$74,000 | |

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Amount | Total | | Supplies and Materials | |
|---------------------------------------|---------------------|--------|----------------------|------------------------|----------------|
| | | Amount | Change | Amount | Change |
| Administration | \$6,585,000 | | + \$436,000 | \$200,000 | |
| Housing Information Systems | 2,557,000 | | + 521,000 | 159,000 | |
| Rent Administration | 2,246,000 | | + 65,000 | 273,000 | |
| Community Development | 196,000 | | + 6,000 | 29,000 | |
| Housing | 144,000 | | + 4,000 | 8,000 | |
| Total | \$11,728,000 | | + \$1,032,000 | \$669,000 | |

| Program | Amount | Travel | | Contractual Services | |
|---------------------------------------|------------------|--------|----------------|----------------------|----------------------|
| | | Amount | Change | Amount | Change |
| Administration | \$110,000 | | | \$6,265,000 | + \$436,000 |
| Housing Information Systems | 26,000 | | | 2,351,000 | + 521,000 |
| Rent Administration | 52,000 | | | 1,880,000 | + 65,000 |
| Community Development | 135,000 | | | 32,000 | + 6,000 |
| Housing | 41,000 | | | 95,000 | + 4,000 |
| Total | \$364,000 | | | \$10,623,000 | + \$1,032,000 |

| Program | Equipment | |
|---------------------------------------|-----------------|----------------|
| | Amount | Change |
| Administration | \$10,000 | |
| Housing Information Systems | 21,000 | |
| Rent Administration | 41,000 | |
| Community Development | | |
| Housing | | |
| Total | \$72,000 | |

STATE OPERATIONS — OTHER THAN GENERAL AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Amount | Total | | Personal Service | |
|---------------------------------|---------------------|--------|-------------------|--------------------|--------------------|
| | | Amount | Change | Amount | Change |
| Community Development | \$3,235,000 | | + \$11,000 | \$2,150,000 | + \$8,000 |
| Housing | 8,527,000 | | + 43,000 | 5,852,000 | + 103,000 |
| Total | \$11,762,000 | | + \$54,000 | \$8,002,000 | + \$111,000 |

| Program | Nonpersonal Service | |
|---------------------------------|---------------------|------------------|
| | Amount | Change |
| Community Development | \$1,085,000 | + \$3,000 |
| Housing | 2,675,000 | -60,000 |
| Total | \$3,760,000 | -\$57,000 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|-------------------|
| General Fund | \$60,292,224 | \$61,185,000 | + \$892,776 |
| Special Revenue Funds — Federal | 25,050,000 | 23,525,000 | -1,525,000 |
| Fiduciary Funds | 10,000,000 | 10,000,000 | |
| Total | \$95,342,224 | \$94,710,000 | -\$632,224 |

HOUSING AND COMMUNITY RENEWAL

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|--------------|
| Neighborhood Preservation | | | |
| General Fund | \$11,750,000 | \$11,750,000 | |
| Housing Development Fund Program | | | |
| Fiduciary Funds | 10,000,000 | 10,000,000 | |
| Community Development | | | |
| Special Revenue Funds — Federal | 11,950,000 | 10,425,000 | -\$1,525,000 |
| Periodic Subsidies - Local Areas | | | |
| General Fund | 26,010,000 | 24,486,000 | -1,524,000 |
| Urban Renewal Periodic Subsidies | | | |
| General Fund | 1,020,000 | 1,433,000 | + 413,000 |
| Rural Rental Assistance | | | |
| General Fund | 14,477,000 | 18,156,000 | + 3,679,000 |
| HUD Section 8 New Construction | | | |
| Special Revenue Funds — Federal | 13,100,000 | 13,100,000 | |
| Public Housing Drug Elimination Program | | | |
| General Fund | 500,000 | 500,000 | |
| Rural Preservation | | | |
| General Fund | 4,860,000 | 4,860,000 | |
| Lead Poisoning Prevention Program | | | |
| General Fund | 150,000 | | -150,000 |
| Legislative Initiatives | | | |
| General Fund | 1,525,224 | | -1,525,224 |
| Total | \$95,342,224 | \$94,710,000 | -\$632,224 |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|---|----------------------|------------------------|---------------|-----------------------------|
| Affordable Housing Corporation | | | | |
| Housing Program Fund | \$25,000,000 | \$25,000,000 | | \$51,125,000 |
| Housing Assistance Fund | | | | |
| Housing Assistance Fund | | | | 17,933,000 |
| Low Income Housing Trust Fund | | | | |
| Housing Program Fund | 25,000,000 | 25,000,000 | | 112,925,000 |
| Maintenance and Improvements of Existing Facilities | | | | |
| Housing Program Fund | | 4,500,000 | + \$4,500,000 | 11,548,000 |
| Housing Opportunity Program For Elderly | | | | |
| Housing Program Fund | 400,000 | 400,000 | | 400,000 |
| Housing Program Capital Improvement | | | | |
| Capital Projects Fund | | | | 22,415,000 |
| State Housing Bond Fund | | | | |
| State Housing Bond Fund | | | | 7,344,000 |
| New Facilities | | | | |
| Capital Projects Fund | | | | 3,660,000 |
| Federal Capital Projects Fund | | | | 46,003,000 |
| Public Housing Modernization Program | | | | |
| Housing Program Fund | 12,800,000 | 12,800,000 | | 70,675,000 |
| Total | \$63,200,000 | \$67,700,000 | + \$4,500,000 | \$344,028,000 |

HOUSING FINANCE AGENCY

MISSION

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

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

ORGANIZATION AND STAFFING

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

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

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

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

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

It is projected that from 1995 through 1998, the Housing Finance Agency will have provided over \$900 million in loans for multi-family rental housing.

A 1999-2000 General Fund Aid to Localities appropriation of \$760,000 supports the Capital Grant/Low Rent Lease Subsidy program, providing rental subsidies for approximately 300 low- to moderate-income individuals.

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of \$3.1 billion for 84,000 units of multi-family housing. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 1998, the Agency provided \$672 million in mortgage loans that created rental housing for over 4,500 families. During the Agency's 1997-98 fiscal year, almost 2,200 units were financed with mortgage loans totaling over \$350 million.

HOUSING FINANCE

ALL FUNDS APPROPRIATIONS

| <u>Category</u> | <u>Available 1998-99</u> | <u>Appropriations Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations Recommended 1999-00</u> |
|-------------------------|------------------------------|---|------------------|---|
| State Operations ..... | ..... | ..... | ..... | ..... |
| Aid To Localities | \$775,000 | \$760,000 | -\$15,000 | ..... |
| Capital Projects ..... | ..... | ..... | ..... | ..... |
| Total | <u>\$775,000</u> | <u>\$760,000</u> | <u>-\$15,000</u> | <u>.....</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| <u>Fund Type</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|--------------------|------------------------------|--------------------------------|------------------|
| General Fund | \$775,000 | \$760,000 | -\$15,000 |
| Total | <u>\$775,000</u> | <u>\$760,000</u> | <u>-\$15,000</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|--|------------------------------|--------------------------------|------------------|
| Capital Grant/Low Rent Lease General Fund | \$775,000 | \$760,000 | -\$15,000 |
| Total | <u>\$775,000</u> | <u>\$760,000</u> | <u>-\$15,000</u> |

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

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

ORGANIZATION AND STAFFING

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

The State of New York Mortgage Agency has two program divisions. Its Single Family Mortgage Finance Division provides low-interest rate mortgages to low- and moderate-income first-time homebuyers (and for other eligible homebuyers in designated target areas) through the issuance of mortgage revenue bonds. The Agency uses a network of banking institutions to originate mortgages on its behalf.

The Mortgage Insurance Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency receives no direct operating support from the State. Statute requires the State to guarantee prior-year payments made by the Agency to the State. The Executive Budget recommends approximately \$158 million in appropriations in 1999-2000 to satisfy this requirement, although no cash disbursements are projected to be made from this appropriation. All State of New York Mortgage Agency programs and operations are supported by Agency funds, consisting of mortgage income, application fees, insurance premiums and investment proceeds.

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided nearly \$6.4 billion of affordable financing for over 109,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 1998, the Agency purchased \$1.5 billion in single-family mortgages — helping nearly 17,000 New Yorkers buy their first homes. During the Agency's 1997-98 fiscal year, over 3,900 loans were financed for approximately \$359 million in mortgage loan volume.

The Mortgage Insurance Fund's portfolio of insurance liability now exceeds \$2.1 billion. In 1997-98, mortgage insurance provided by the Agency totaled \$225 million.

MORTGAGE AGENCY

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|-----------------------|--|
| State Operations | \$76,800,000 | \$76,800,000 | | |
| Aid To Localities | 56,256,000 | 80,702,000 | + \$24,446,000 | |
| Capital Projects | | | | |
| Total | <u>\$133,056,000</u> | <u>\$157,502,000</u> | <u>+ \$24,446,000</u> | <u>. . . .</u> |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|------------------------|----------------------|------------------------|----------------|
| General Fund | \$76,800,000 | \$76,800,000 | |
| Total | <u>\$76,800,000</u> | <u>\$76,800,000</u> | <u>. . . .</u> |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|----------------|
| Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues General Fund | \$61,800,000 | \$61,800,000 | |
| SONYMA Mortgage Insurance Fund Restoration General Fund | 15,000,000 | 15,000,000 | |
| Total | <u>\$76,800,000</u> | <u>\$76,800,000</u> | <u>. . . .</u> |

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Amount | Total Change | Maintenance Undistributed Amount | Change |
|--|---------------------|-----------------|-------------------------------------|----------------|
| Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues | \$61,800,000 | | \$61,800,000 | |
| SONYMA Mortgage Insurance Fund Restoration | 15,000,000 | | 15,000,000 | |
| Total | <u>\$76,800,000</u> | <u>. . . .</u> | <u>\$76,800,000</u> | <u>. . . .</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|------------------------|----------------------|------------------------|-----------------------|
| General Fund | \$56,256,000 | \$80,702,000 | + \$24,446,000 |
| Total | <u>\$56,256,000</u> | <u>\$80,702,000</u> | <u>+ \$24,446,000</u> |

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|--|------------------------------|--------------------------------|-----------------------|
| SONYMA Mortgage Insurance Fund Restoration | | | |
| General Fund | <u>\$56,256,000</u> | <u>\$80,702,000</u> | <u>+ \$24,446,000</u> |
| Total | <u>\$56,256,000</u> | <u>\$80,702,000</u> | <u>+ \$24,446,000</u> |

DIVISION OF THE LOTTERY

MISSION

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

ORGANIZATION AND STAFFING

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

In 1999-2000, Lottery will have a workforce of 346. District sales representatives reflect 35 percent of this total.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised more than \$14.5 billion in revenues for education since the Lottery's inception in 1967. In 1998-99, the Division estimates gross sales of \$3.8 billion.

The Division's costs are supported entirely with Lottery sales revenues. The 1999-2000 Executive Budget recommends \$108.7 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration, including sales agents' commissions which total 6 percent of gross sales. Historically, the Lottery Division's total administrative costs have been well below the statutory limit.

PROGRAM HIGHLIGHTS

LOTTERY GAMES

Lottery games sold on the Division's on-line computer system include: Lotto, Pick 10, New York Numbers, Win 4, and Take Five. These games can be played from more than 13,700 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place nightly 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 "Scratcher" cash games have contributed significantly to the growth of Lottery revenues. The Division will market up to 45 types of Instant Cash games during 1999-2000, including the "TV Cash" game, which is associated with the "NY Wired" television show. The New York Wired initiative provides computer equipment for local schools and supports the NY Wired Scholars Program, which provides a group of accomplished high school sophomores the opportunity to participate in a year-long series of educational television programs that will be broadcast as part of the history curriculum for 7th and 8th graders across New York State.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes, from 10 a.m. to 3 p.m. and 4 p.m. to 12 a.m. every day. Quick Draw is displayed at nearly 3,200 authorized establishments

LOTTERY

statewide, such as restaurants and bowling alleys. The 1999-2000 Executive Budget includes legislation that would expand the number of hours played and also allow for an increased number of authorized facilities.

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|----------------------|--|
| State Operations | \$105,305,000 | \$108,709,400 | + \$3,404,400 | |
| Aid To Localities | | | | |
| Capital Projects | | | | |
| Total | \$105,305,000 | \$108,709,400 | + \$3,404,400 | |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | Available 1998-99 | 1999-00 Recommended Average Fill Level | | | Change |
|--|----------------------|--|------------------------------|---------------------------------|-----------|
| | | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration of the Lottery Special Revenue Funds — Other | 351 | 346 | | 346 | -5 |
| Total | 351 | 346 | | 346 | -5 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------------|
| Special Revenue Funds — Other | \$105,305,000 | \$108,709,400 | + \$3,404,400 |
| Total | \$105,305,000 | \$108,709,400 | + \$3,404,400 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|----------------------|
| Administration of the Lottery Special Revenue Funds — Other | \$105,305,000 | \$108,709,400 | + \$3,404,400 |
| Total | \$105,305,000 | \$108,709,400 | + \$3,404,400 |

**STATE OPERATIONS — OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
1999-00 RECOMMENDED**

| Program | Total | | Personal Service | |
|---------------------------------------|----------------------|----------------------|---------------------|------------------|
| | Amount | Change | Amount | Change |
| Administration of the Lottery | \$108,709,400 | + \$3,404,400 | \$13,966,100 | -\$69,300 |
| Total | <u>\$108,709,400</u> | <u>+ \$3,404,400</u> | <u>\$13,966,100</u> | <u>-\$69,300</u> |

| Program | Nonpersonal Service | |
|---------------------------------------|---------------------|----------------------|
| | Amount | Change |
| Administration of the Lottery | \$94,743,300 | + \$3,473,700 |
| Total | <u>\$94,743,300</u> | <u>+ \$3,473,700</u> |

LOTTERY

METROPOLITAN TRANSPORTATION AUTHORITY

MISSION

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

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

The Authority is composed of three independent authorities: the Metropolitan Transportation Authority, the New York City Transit Authority and the Triborough Bridge and Tunnel Authority. The Metropolitan Transportation Authority has four statutory subsidiaries: Staten Island Rapid Transit Operating Authority, Long Island Rail Road, Metropolitan Suburban Bus Authority and Metro-North Commuter Railroad. The Transit Authority, which operates the New York City subway and bus systems, has one subsidiary, the Manhattan and Bronx Surface Transit Operating Authority.

ORGANIZATION AND STAFFING

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

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The appropriation below represents only a portion of the more than \$1 billion subsidy provided by the State to the Metropolitan Transportation Authority each year, with the additional aid appropriated in the Department of Transportation's Aid to Localities budget.

PROGRAM HIGHLIGHTS

NEW YORK CITY TRANSIT AUTHORITY AND 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. The New York City Transit Authority operates approximately 230 local and express bus routes throughout New York City. Complementing this service are additional bus routes in Nassau County provided by the Metropolitan Suburban Bus Authority. More than one billion passengers ride the subways and buses each year. Long Island Rail Road and Metro-North Commuter Railroad, the largest two commuter rail systems in the nation, provide transportation for travelers entering New York City from outlying suburban areas in New York State and Connecticut.

METROPOLITAN TRANSPORTATION

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

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

OTHER SUBSIDIARIES

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

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

ALL FUNDS APPROPRIATIONS

| <u>Category</u> | <u>Available 1998-99</u> | <u>Appropriations Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations Recommended 1999-00</u> |
|-----------------------------|------------------------------|---|----------------------|---|
| State Operations | | | | |
| Aid To Localities | \$248,600,000 | \$253,400,000 | + \$4,800,000 | |
| Capital Projects | | | | \$36,000,000 |
| Total | <u>\$248,600,000</u> | <u>\$253,400,000</u> | <u>+ \$4,800,000</u> | <u>\$36,000,000</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| <u>Fund Type</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|----------------------|
| Special Revenue Funds — Other | \$248,600,000 | \$253,400,000 | + \$4,800,000 |
| Total | <u>\$248,600,000</u> | <u>\$253,400,000</u> | <u>+ \$4,800,000</u> |

METROPOLITAN TRANSPORTATION

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|----------------------|
| Dedicated Tax | | | |
| Special Revenue Funds — Other | \$248,600,000 | \$253,400,000 | + \$4,800,000 |
| Total | <u>\$248,600,000</u> | <u>\$253,400,000</u> | <u>+ \$4,800,000</u> |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Comprehensive Construction Programs</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations 1999-00</u> |
|--|------------------------------|--------------------------------|------------------|-------------------------------------|
| Metropolitan Transportation Authority | | | | |
| Capital Projects Fund - Advances | | | | \$36,000,000 |
| Total | <u>.</u> | <u>.</u> | <u>.</u> | <u>\$36,000,000</u> |

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. The Governor selects one of the members as Chair. The Commissioner of Economic Development currently chairs the Authority. Board members serve without compensation.
- The agency has a workforce of 172 and employs up to 800 hourly workers, depending on the season.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 1999-2000, State tax dollars from the General Fund will finance 20 percent, or \$3.97 million, of the Authority's \$20.2 million operating budget. This supplements \$14.9 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$600,000 from the Town of North Elba; \$400,000 from the United States Olympic Committee to cover the costs associated with use of Authority facilities; \$200,000 from the Winter Sports Education Trust Fund; and \$150,000 from the Olympic Center Training Account.

A total of \$2.3 million in Capital Projects funding is recommended for health and safety projects in 1999-2000.

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 1997, the Olympic facilities at Lake Placid received more than 330,000 visitors. The Authority hosts numerous national and international athletic and entertainment events — in 1998, the ECAC Hockey Championships, the Empire State Winter Games and the U.S. Ski Team Gold Cup Championships were held at Authority sites. In addition, the Authority has been the home of the Stars on Ice figure skating rehearsal and preview show since 1992.

OLYMPIC REGIONAL DEVELOPMENT

SKI FACILITIES

The Authority also manages the Gore and Whiteface mountain ski centers; two major downhill ski facilities that received more than 246,000 visitors in the 1997-98 ski season, and over 150,000 visitors for off-season activities such as mountain biking and sightseeing tours. Efforts are underway to significantly upgrade the ski facilities at Gore and Whiteface with private capital and expertise.

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|--------------------|--|
| State Operations | \$4,212,000 | \$4,322,000 | + \$110,000 | |
| Aid To Localities | | | | |
| Capital Projects | 2,317,000 | 2,317,000 | | |
| Total | \$6,529,000 | \$6,639,000 | + \$110,000 | |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|--------------------|
| General Fund | \$3,962,000 | \$3,972,000 | + \$10,000 |
| Special Revenue Funds — Other | 150,000 | 150,000 | |
| Fiduciary Funds | 100,000 | 200,000 | + 100,000 |
| Total | \$4,212,000 | \$4,322,000 | + \$110,000 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|--------------------|
| Operations | | | |
| General Fund | \$3,962,000 | \$3,972,000 | + \$10,000 |
| Special Revenue Funds — Other | 150,000 | 150,000 | |
| Fiduciary Funds | 100,000 | 200,000 | + 100,000 |
| Total | \$4,212,000 | \$4,322,000 | + \$110,000 |

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Amount | Total | | Contractual Services | |
|------------------------|--------------------|-------------------|--------------------|----------------------|--|
| | | Change | Amount | Change | |
| Operations | \$3,972,000 | + \$10,000 | \$3,972,000 | + \$10,000 | |
| Total | \$3,972,000 | + \$10,000 | \$3,972,000 | + \$10,000 | |

OLYMPIC REGIONAL DEVELOPMENT

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| <u>Program</u> | Total | | Nonpersonal Service | |
|------------------|-----------|-------------|---------------------|-------------|
| | Amount | Change | Amount | Change |
| Operations | \$350,000 | + \$100,000 | \$200,000 | + \$100,000 |
| Total | \$350,000 | + \$100,000 | \$200,000 | + \$100,000 |

| <u>Program</u> | Maintenance Undistributed | |
|------------------|---------------------------|---------|
| | Amount | Change |
| Operations | \$150,000 | |
| Total | \$150,000 | |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Comprehensive Construction Programs</u> | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|---------|-----------------------------|
| Administration | | | | |
| Capital Projects Fund | \$2,317,000 | \$2,317,000 | | |
| Total | \$2,317,000 | \$2,317,000 | | |

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

MISSION

The mission of the Office of Parks, Recreation and Historic Preservation 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 152 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 American Falls in Niagara. Over 65 million persons visit the State's parks and historic sites annually.

New York State's uniquely well developed park system and its unparalleled recreation opportunities are an important part of the State's tourism industry and economy. Services open to the public at State parks include performing arts centers, golf courses, marinas, developed beaches, swimming pools, campgrounds, and many significant historic sites.

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 is located in Albany, and includes executive staff and fiscal, personnel and other administrative support functions.

For 1999-2000, the Office will have a workforce of 1,699. To supplement this permanent staff, extensive use will be made of temporary and seasonal employees, numbering more than 5,000 in the peak summer season.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 1999-2000 Executive Budget recommends nearly \$194 million for the Office's programs, including \$97.9 million in General Fund moneys and over \$41.9 million in fee revenues, to operate all of the Office's park facilities at current service levels and to provide resources to extend the hours of operation at certain parks and historic sites, to expand services to include new entrepreneurial ventures, and to develop parklands acquired with funding from the Environmental Protection Fund and 1996 Clean Water/Clean Air Bond Act. In addition, the Budget continues funding at the 1998-99 level for: the Empire State Games; performing arts programming at Artpark; and grants to Zoos, Botanical Gardens and Aquariums.

In 1999-2000, the share of park operations financed with user fees will increase, thus reducing the Office's reliance on tax dollars from the General Fund. However, the General Fund continues to be the Office's primary source of support for its operating and local assistance budgets, at 67 percent of all funds. The remaining 33 percent is provided by a variety of sources, including:

- User fees at the parks (29 percent). To maintain current service levels at park facilities, the Budget recommends an increase in day use fees;
- Federal grants for activities related to the use of recreational vehicles and land and water conservation (2 percent); and
- Fiduciary and Enterprise funds, including moneys earmarked for historic sites, arboretums and the Empire State Games (2 percent).

PARKS, RECREATION AND HISTORIC PRESERVATION

The primary focus of the Office's capital program is maintenance and rehabilitation of existing facilities, and the health and safety of park visitors. Park facilities include more than 5,000 buildings, 51 swimming pools, 76 improved beaches, 27 golf courses, 27 marinas, 40 boat launching sites, 16 nature centers, and 8,255 campsites. The Office also maintains hundreds of miles of roads and trails, expansive utility systems, 106 dams and 604 bridges.

For 1999-2000, an appropriation of nearly \$30 million is 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.

Funding from the State Park Infrastructure Fund will be supplemented with resources for State parks capital projects from the Clean Water/Clean Air Bond Act and the Environmental Protection Fund (EPF). Funding is also provided from the Bond Act for the Office's activities related to implementation of open space protection and the local grants program. In 1999-2000, the EPF provides \$14 million in funding for infrastructure and stewardship projects at State parks and lands operated by the Office and the Department of Environmental Conservation.

The Executive Budget also recommends a General Fund appropriation of \$10 million to create the New York Heritage Trail, a new program dedicated to the identification, preservation and promotion of historically significant places in New York State.

The Hudson River Park Fund, which is comprised of revenues generated by properties within the Hudson River Park, is transferred to the Office from the Empire State Development Corporation. For 1999-2000, \$7 million in new appropriations are provided from this Fund for development of the Hudson River Park. Another \$21 million is provided for the Park in the EPF.

PROGRAM HIGHLIGHTS

Since 1995-96, the Office has re-organized functions and consolidated management operations to more effectively provide safe and enjoyable recreational services to the public. 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, in 2002, the Black Course at Bethpage State Park will be the first public course ever to host the U.S. Open national golf championship tournament.

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 152 parks. Seasonal and full time personnel are assigned to specific facilities which, in turn, are part of one of the 11 regions. Staff include 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;
- 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.

PARKS, RECREATION AND HISTORIC PRESERVATION

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|---------------------|--|
| State Operations | \$128,550,300 | \$146,023,900 | + \$17,473,600 | \$100,000 |
| Aid To Localities | 27,064,927 | 8,921,600 | -18,143,327 | 13,190,600 |
| Capital Projects | 42,631,000 | 39,039,000 | -3,592,000 | 107,147,000 |
| Total | \$198,246,227 | \$193,984,500 | -\$4,261,727 | \$120,437,600 |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | Available 1998-99 | 1999-00 Recommended Average Fill Level | | | Change |
|---|----------------------|--|------------------------------|---------------------------------|-----------|
| | | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| General Fund | 74 | 72 | | 72 | -2 |
| Special Revenue Funds — Federal | 3 | 3 | | 3 | |
| Park Operations | | | | | |
| General Fund | 1,190 | 1,190 | | 1,190 | |
| Special Revenue Funds — Federal | 10 | 10 | | 10 | |
| Special Revenue Funds — Other | 64 | 64 | | 64 | |
| Fiduciary Funds | 7 | 7 | | 7 | |
| Capital Project Funds | 150 | 150 | | 150 | |
| Recreation Services | | | | | |
| General Fund | 11 | 11 | | 11 | |
| Historic Preservation | | | | | |
| General Fund | 149 | 149 | | 149 | |
| Special Revenue Funds — Federal | 21 | 21 | | 21 | |
| Special Revenue Funds — Other | 1 | 1 | | 1 | |
| Clean Water/Clean Air Administration Program | | | | | |
| Capital Project Funds | 21 | 21 | | 21 | |
| Total | 1,701 | 1,699 | | 1,699 | -2 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|-----------------------|
| General Fund | \$89,354,400 | \$97,879,900 | + \$8,525,500 |
| Special Revenue Funds — Federal | 2,350,900 | 2,517,300 | + 166,400 |
| Special Revenue Funds — Other | 33,180,000 | 41,953,900 | + 8,773,900 |
| Enterprise Funds | 2,500,000 | 2,500,000 | |
| Fiduciary Funds | 1,165,000 | 1,172,800 | + 7,800 |
| Total | \$128,550,300 | \$146,023,900 | + \$17,473,600 |

PARKS, RECREATION AND HISTORIC PRESERVATION

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------|
| Administration | | | |
| General Fund | \$4,363,000 | \$4,985,900 | + \$622,900 |
| Special Revenue Funds — Federal | 135,100 | 75,000 | -60,100 |
| Park Operations | | | |
| General Fund | 74,076,000 | 71,749,600 | -2,326,400 |
| Special Revenue Funds — Federal | 1,372,400 | 1,572,400 | + 200,000 |
| Special Revenue Funds — Other | 33,120,500 | 41,893,300 | + 8,772,800 |
| Fiduciary Funds | 1,145,000 | 1,152,800 | + 7,800 |
| Recreation Services | | | |
| General Fund | 2,066,100 | 2,134,200 | + 68,100 |
| Enterprise Funds | 2,500,000 | 2,500,000 | |
| Historic Preservation | | | |
| General Fund | 8,849,300 | 19,010,200 | + 10,160,900 |
| Special Revenue Funds — Federal | 843,400 | 869,900 | + 26,500 |
| Special Revenue Funds — Other | 59,500 | 60,600 | + 1,100 |
| Fiduciary Funds | 20,000 | 20,000 | |
| Total | \$128,550,300 | \$146,023,900 | + \$17,473,600 |

STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total Personal Service | | Personal Service Regular (Annual Salaried) | | Temporary Service (Nonannual Salaried) | |
|---------------------------------|------------------------|---------------|---|---------------|---|-------------|
| | Amount | Change | Amount | Change | Amount | Change |
| Administration | \$3,670,000 | + \$272,900 | \$3,609,200 | + \$270,700 | \$23,100 | + \$1,000 |
| Park Operations | 65,161,700 | + 1,451,600 | 43,461,600 | + 660,000 | 20,173,300 | + 740,000 |
| Recreation Services | 557,300 | + 68,100 | 465,900 | + 53,200 | 71,800 | + 13,200 |
| Historic Preservation | 7,574,900 | + 184,900 | 5,987,700 | + 95,000 | 1,513,300 | + 85,000 |
| Total | \$76,963,900 | + \$1,977,500 | \$53,524,400 | + \$1,078,900 | \$21,781,500 | + \$839,200 |

| Program | Holiday/Overtime Pay (Annual Salaried) | |
|---------------------------------|---|------------|
| | Amount | Change |
| Administration | \$37,700 | + \$1,200 |
| Park Operations | 1,526,800 | + 51,600 |
| Recreation Services | 19,600 | + 1,700 |
| Historic Preservation | 73,900 | + 4,900 |
| Total | \$1,658,000 | + \$59,400 |

PARKS, RECREATION AND HISTORIC PRESERVATION

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Supplies and Materials | |
|---------------------------------|---------------------|----------------------|------------------------|---------------------|
| | Amount | Change | Amount | Change |
| Administration | \$1,315,900 | + \$350,000 | \$109,300 | |
| Park Operations | 6,587,900 | -3,743,000 | 810,000 | -\$2,740,000 |
| Recreation Services | 1,576,900 | | 224,900 | |
| Historic Preservation | 11,435,300 | + 10,026,000 | 414,400 | |
| Total | \$20,916,000 | + \$6,633,000 | \$1,558,600 | -\$2,740,000 |

| Program | Travel | | Contractual Services | |
|---------------------------------|------------------|------------------|----------------------|---------------------|
| | Amount | Change | Amount | Change |
| Administration | \$85,800 | | \$1,120,800 | + \$350,000 |
| Park Operations | 679,900 | | 3,053,000 | -2,548,000 |
| Recreation Services | 110,000 | | 1,228,900 | |
| Historic Preservation | 115,600 | | 720,300 | + 16,000 |
| Total | \$991,300 | | \$6,123,000 | -\$2,182,000 |

| Program | Equipment | | Maintenance Undistributed | |
|---------------------------------|------------------|-------------------|---------------------------|-----------------------|
| | Amount | Change | Amount | Change |
| Administration | | | | |
| Park Operations | \$500,000 | | \$1,545,000 | + \$1,545,000 |
| Recreation Services | 13,100 | | | |
| Historic Preservation | 185,000 | + \$10,000 | 10,000,000 | + 10,000,000 |
| Total | \$698,100 | + \$10,000 | \$11,545,000 | + \$11,545,000 |

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|---------------------------------|---------------------|----------------------|---------------------|----------------------|
| | Amount | Change | Amount | Change |
| Administration | \$75,000 | -\$60,100 | | -\$105,000 |
| Park Operations | 44,618,500 | + 8,980,600 | \$15,460,100 | + 2,111,400 |
| Recreation Services | 2,500,000 | | | |
| Historic Preservation | 950,500 | + 27,600 | 586,900 | + 21,600 |
| Total | \$48,144,000 | + \$8,948,100 | \$16,047,000 | + \$2,028,000 |

| Program | Nonpersonal Service | | Maintenance Undistributed | |
|---------------------------------|---------------------|----------------------|---------------------------|--------------------|
| | Amount | Change | Amount | Change |
| Administration | \$75,000 | + \$44,900 | | |
| Park Operations | 28,857,400 | + 6,769,200 | \$301,000 | + \$100,000 |
| Recreation Services | 2,500,000 | | | |
| Historic Preservation | 363,600 | + 6,000 | | |
| Total | \$31,796,000 | + \$6,820,100 | \$301,000 | + \$100,000 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available | Recommended | Change |
|---|---------------------|--------------------|----------------------|
| | 1998-99 | 1999-00 | |
| General Fund | \$25,364,927 | \$6,951,600 | -\$18,413,327 |
| Special Revenue Funds — Federal | 800,000 | 870,000 | + 70,000 |
| Special Revenue Funds — Other | 900,000 | 1,100,000 | + 200,000 |
| Total | \$27,064,927 | \$8,921,600 | -\$18,143,327 |

PARKS, RECREATION AND HISTORIC PRESERVATION

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------------|
| Administration | | | |
| General Fund | \$2,000,000 | \$2,000,000 | |
| Special Revenue Funds — Federal | 200,000 | 200,000 | |
| Park Operations | | | |
| Special Revenue Funds — Other | 900,000 | 1,100,000 | + \$200,000 |
| Recreation Services | | | |
| Special Revenue Funds — Federal | 500,000 | 500,000 | |
| Historic Preservation | | | |
| Special Revenue Funds — Federal | 100,000 | 170,000 | + 70,000 |
| Natural Heritage Trust | | | |
| General Fund | 8,329,600 | 4,951,600 | -3,378,000 |
| Legislative Initiatives | | | |
| General Fund | 15,035,327 | | -15,035,327 |
| Total | <u>\$27,064,927</u> | <u>\$8,921,600</u> | <u>-\$18,143,327</u> |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Comprehensive Construction Programs</u> | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|---------------------|-----------------------------|
| Natural Heritage Trust | | | | |
| Capital Projects Fund | | | | \$1,433,000 |
| Community Projects Fund | \$200,000 | | -\$200,000 | |
| Federal Capital Projects Fund | | | | |
| Federal Capital Projects Fund | | | | 2,970,000 |
| New Facilities | | | | |
| Fiduciary funds - Miscellaneous Combined Expendable Trust Fund | | | | 2,000,000 |
| State Parks Infrastructure Fund | 1,500,000 | \$925,000 | -575,000 | 1,500,000 |
| Maintenance and Improvements of Existing Facilities | | | | |
| Fiduciary funds - Miscellaneous Combined Expendable Trust Fund | | | | 400,000 |
| State Parks Infrastructure Fund | 22,306,000 | 29,030,000 | + 6,724,000 | 47,407,000 |
| Misc. Capital Projects | 1,400,000 | 700,000 | -700,000 | 1,379,000 |
| Park Lands EQBA | | | | |
| Capital Projects Fund - EQBA (Bondable) | | | | 407,000 |
| Outdoor Recreation Development Bond Fund | | | | |
| Outdoor Recreation Development Bond Fund | | | | 230,000 |
| Parks and Recreation Land Acquisition Bond Fund | | | | |
| Parks and Recreation Land Acquisition Bond Fund | | | | 796,000 |
| Regional Development | | | | |
| Hudson River Park Fund | 16,000,000 | 7,000,000 | -9,000,000 | 16,000,000 |
| Clean Water, Clean Air Implementation | | | | |
| Clean Water Clean Air Implementation Fund | 1,225,000 | 1,384,000 | + 159,000 | |
| Parks EQBA 86 | | | | |
| Capital Projects Fund - EQBA 86 (Bondable) | | | | 32,625,000 |
| Total | <u>\$42,631,000</u> | <u>\$39,039,000</u> | <u>-\$3,592,000</u> | <u>\$107,147,000</u> |

NEW YORK STATE PUBLIC AUTHORITIES

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

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

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

BRIDGE, TUNNEL AND HIGHWAY

Triborough Bridge and Tunnel Authority
Thruway Authority

ECONOMIC DEVELOPMENT

Development Authority of the North Country
Empire State Development Corporation
Job Development Authority

ENERGY AND ENVIRONMENT

Energy Research and Development Authority
Environmental Facilities Corporation

HOUSING, HEALTH AND FINANCE

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

REGIONAL TRANSPORTATION

Metropolitan Transportation Authority

PUBLIC AUTHORITIES

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

BRIDGE, TUNNEL AND HIGHWAY AUTHORITIES

Buffalo and Fort Erie Public Bridge Authority

The Buffalo and Fort Erie Public Bridge Authority owns and operates the international "Peace Bridge" crossing the Niagara River between Buffalo and Fort Erie, Ontario. Bridge tolls cover Authority costs; no State funds are used to support the Authority.

New York State Bridge Authority

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

Thousand Islands Bridge Authority

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

ECONOMIC DEVELOPMENT AUTHORITIES

Battery Park City Authority

The Battery Park City Authority manages the commercial and residential development of a 92-acre landfill on the southwest end of Manhattan. To date, the Authority has promoted the construction of several buildings which provide more than 5,300 housing units and 6.5 million square feet of office space. It has also developed over 3 acres of parks and recreation areas. Battery Park City Authority continues to develop roads, utilities, parks and an esplanade along the Hudson River to support the private development of this mixed commercial-residential community. The Authority receives no State funds to support its operations, instead generating its revenues from its own corporate activities.

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 as well as other office space in the vicinity. Since 1968, the Corporation has issued \$260.7 million in debt to finance these facilities and 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 owns and operates 12 generating facilities and a major transmission system.

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

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

Long Island Power Authority

The Long Island Power Authority has the broad authority to ensure adequate, dependable and affordable gas and electric service on Long Island. The Authority has acquired a portion of the Long Island Lighting Company's assets in order to reduce commercial and residential rates by approximately 20 percent. The reduction is encouraging economic development and reducing the cost of living in that region. No State tax dollars are currently being used to fund the Authority.

HOUSING, HEALTH AND FINANCE AUTHORITIES

Dormitory Authority

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

The Governor has proposed the creation of the School Facilities Development Unit within the Authority. This new unit would provide school districts with lower borrowing and construction costs, as well as technical assistance in all phases of school construction and construction financing.

Municipal Assistance Corporation for the City of New York

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

Municipal Assistance Corporation for the City of Troy

The Municipal Assistance Corporation for the City of Troy was created in 1995 to provide the City with access to the credit markets and oversee Troy's fiscal affairs. The Authority is subject to a debt cap of \$75 million. The State is authorized, subject to legislative review and appropriation, to provide moneys as necessary to ensure a 1.5:1 debt service coverage ratio on Authority debt. No such appropriation is required in the 1999-2000 State fiscal year. No State moneys are used to finance the Corporation, and

PUBLIC AUTHORITIES

failure of the State to appropriate State aid to the City does not constitute an event of default for Corporation obligations.

Municipal Bond Bank Agency

The Municipal Bond Bank Agency was established in 1972 to provide low-cost capital financing to towns, villages, cities and counties. The Agency is staffed by the Housing Finance Agency. No State tax dollars are used to fund the Agency.

Project Finance Agency

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

PORT DEVELOPMENT AUTHORITIES

Albany Port District Commission

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

Ogdensburg Bridge and Port Authority

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

Port Authority of New York and New Jersey

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

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. Facilities operated by the Authority include a port terminal, a grain elevator and storage facilities.

REGIONAL TRANSPORTATION AUTHORITIES

Capital District Transportation Authority

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

Central New York Regional Transportation Authority

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

Niagara Frontier Transportation Authority

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

Rochester-Genesee Regional Transportation Authority

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

PUBLIC AUTHORITIES

Table 1
FINANCIAL OPERATIONS a/
OF NEW YORK STATE PUBLIC AUTHORITIES, 1998 AND 1999
(thousands)

| Authorities by Function | Fiscal Year Begins | 1998 | | | | 1999 | | | |
|---|--------------------|----------------|--------------------|---------------------------|----------------------|----------------|--------------------|---------------------------|----------------------|
| | | 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 | \$19,612 | \$9,008 | \$3,520 | \$7,084 | \$19,944 | \$9,432 | \$5,736 | \$4,776 |
| New York State Bridge Authority | Jan. 1 | 26,507 | 11,875 | 4,752 | 9,880 | 25,748 | 12,683 | 4,748 | 8,317 |
| Thousand Islands Bridge Authority | Mar. 1 | 8,502 | 6,539 | 724 | 1,239 | 8,375 | 6,625 | 410 | 1,340 |
| Triborough Bridge and Tunnel Authority | Jan. 1 | 908,726 | 232,653 | 329,838 | 346,235 | 911,633 | 267,918 | 346,520 | 297,195 |
| Thruway Authority c/ | Jan. 1 | 390,063 | 238,133 | 90,396 | 61,534 | 419,639 | 246,246 | 94,125 | 79,268 |
| ECONOMIC DEVELOPMENT | | | | | | | | | |
| Battery Park City Authority . | Nov. 1 | 114,905 | 18,769 | 63,517 | 32,619 | 123,461 | 22,000 | 64,840 | 36,621 |
| Development Authority of the North Country | April 1 | 13,235 | 9,380 | 1,934 | 1,921 | 11,875 | 9,661 | 2,213 | .... |
| Empire State Development Corporation | April 1 | 358,822 | 48,500 | 310,322 | .... | 395,351 | 50,111 | 345,240 | .... |
| Job Development Authority.. | April 1 | 62,883 | 3,327 | 59,556 | .... | 67,393 | 2,814 | 64,579 | .... |
| United Nations Development Corporation | Jan. 1 | 37,971 | 13,993 | 15,522 | 8,456 | 30,030 | 11,882 | 10,623 | 7,525 |
| ENERGY AND ENVIRONMENT | | | | | | | | | |
| Energy Research and Development Authority ... | April 1 | 97,774 | 84,445 | 13,329 | .... | 113,700 | 98,658 | 15,042 | .... |
| Environmental Facilities Corporation | April 1 | 451,251 | 11,657 | 439,069 | 525 | 494,548 | 11,974 | 481,249 | 1,325 |
| Long Island Power Authority. | April 1 | 1,257,080 | 806,503 | 216,366 | 234,211 | 2,039,691 | 1,031,398 | 930,977 | 77,316 |
| Power Authority | Jan. 1 | 1,644,200 | 1,067,200 | 244,900 | 332,100 | 1,570,900 | 994,700 | 223,700 | 352,500 |
| HOUSING, HEALTH AND FINANCE | | | | | | | | | |
| Dormitory Authority | April 1 | 2,380,893 | 42,810 | 2,338,083 | .... | 3,011,270 | 45,778 | 2,965,492 | .... |
| Housing Finance Agency | Nov. 1 | 366,888 | 14,463 | 347,625 | 4,800 | 350,594 | 14,925 | 330,614 | 5,055 |
| Local Government Assistance Corporation | April 1 | 535,750 | 4,000 | 531,750 | .... | 517,000 | 4,000 | 513,000 | .... |
| Mortgage Agency | Nov. 1 | 664,073 | 102,357 | 560,216 | 1,500 | 631,828 | 56,888 | 573,140 | 1,800 |
| Municipal Assistance Corporation for the City of New York | July 1 | 525,556 | 9,541 | 516,015 | .... | 521,817 | 9,541 | 512,276 | .... |
| Municipal Assistance Corporation for the City of Troy | Jan. 1 | 2,308 | 50 | 2,258 | .... | 2,406 | 100 | 2,306 | .... |
| Municipal Bond Bank Agency | Nov. 1 | 5,903 | 192 | 5,691 | 20 | 6,787 | 146 | 6,606 | 35 |
| Project Finance Agency | Nov. 1 | 41,575 | 234 | 41,291 | 50 | 40,669 | 271 | 39,736 | 60 |
| PORT DEVELOPMENT | | | | | | | | | |
| Albany Port District Commission | Jan. 1 | 2,416 | 1,623 | 80 | 713 | 2,968 | 1,726 | 80 | 1,162 |
| Ogdensburg Bridge and Port Authority | April 1 | 3,347 | 2,646 | 655 | 46 | 3,433 | 2,708 | 725 | .... |
| Port Authority of New York and New Jersey d/ | Jan. 1 | 2,426,113 | 1,571,213 | 430,228 | 424,672 | 2,426,113 | 1,571,213 | 430,228 | 424,672 |
| Port of Oswego Authority ... | April 1 | 1,161 | 1,022 | 82 | 57 | 1,255 | 1,075 | 84 | 96 |
| REGIONAL TRANSPORTATION | | | | | | | | | |
| Capital District Transportation Authority | April 1 | 27,598 | 27,598 | .... | .... | 27,066 | 27,066 | .... | .... |

PUBLIC AUTHORITIES

| Authorities by Function | Fiscal Year Begins | 1998 | | | | 1999 | | | |
|--|--------------------|---------------------|---------------------|---------------------------|----------------------|---------------------|---------------------|---------------------------|----------------------|
| | | Total Revenues | Operating Expenses | Debt Service Requirements | Surplus (Deficit) b/ | Total Revenues | Operating Expenses | Debt Service Requirements | Surplus (Deficit) b/ |
| Central New York Regional Transportation Authority .. | April 1 | 25,716 | 25,556 | 160 | .... | 25,669 | 25,619 | 50 | .... |
| Metropolitan Transportation Authority | Jan. 1 | 6,200,624 | 5,603,713 | 278,458 | 318,453 | 6,499,535 | 6,160,806 | 338,729 | .... |
| Niagara Frontier Transportation Authority | April 1 | 99,838 | 92,474 | 6,355 | 1,009 | 100,254 | 92,096 | 8,158 | .... |
| Rochester-Genesee Regional Transportation Authority .. | April 1 | 38,949 | 37,980 | .... | 969 | 38,527 | 38,527 | .... | .... |
| GRAND TOTAL | | \$18,740,239 | \$10,099,454 | \$6,852,692 | \$1,788,093 | \$20,439,479 | \$10,828,587 | \$8,311,226 | \$1,299,063 |

- a/ This table is based on authority estimates and may not reflect approval by the Board of Directors. This table covers the Authority fiscal year which includes September 30. Data vary as to cash or accrual accounting.
- b/ The operating surplus may be committed to reserve requirements, repayment of State advances or funding of capital programs or programs operated by other authorities. Deficits are to be covered from existing resources or management options.
- c/ Excludes debt service for bonds sold to finance State transportation programs.
- d/ Due to the unavailability of 1999 Budget information, data for 1999 is based on carry forward of previous year data.

PUBLIC AUTHORITIES

Table 2
CAPITAL PROGRAMS a/
OF NEW YORK STATE PUBLIC AUTHORITIES, 1998 AND 1999
(thousands)

| Authorities by Function | 1998 | | | 1999 | | |
|---|-------------------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| | 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 | \$23,058 | \$23,058 | \$31,090 | \$21,578 | \$21,578 | .... |
| New York State Bridge Authority | 14,646 | 51,513 | .... | 26,487 | 45,532 | .... |
| Thousand Islands Bridge Authority | 1,553 | 1,553 | .... | 4,800 | 4,800 | .... |
| Triborough Bridge and Tunnel Authority | 118,563 | 204,648 | .... | 201,000 | 201,000 | \$220,000 |
| Thruway Authority | 312,400 | 312,400 | .... | 408,033 | 274,391 | 133,642 |
| ECONOMIC DEVELOPMENT | | | | | | |
| Battery Park City Authority . | 25,300 | 25,300 | .... | 21,000 | 21,000 | 20,000 |
| Development Authority of the North Country | 7,794 | 1,794 | 6,000 | 5,400 | 5,400 | .... |
| Empire State Development Corporation | 170,000 | .... | 170,000 | 94,934 | .... | 94,934 |
| Job Development Authority .. | 25,000 | .... | 25,000 | 25,000 | .... | 25,000 |
| United Nations Development Corporation | 1,080 | 15,902 | .... | 1,353 | 14,549 | .... |
| ENERGY AND ENVIRONMENT | | | | | | |
| Energy Research and Development Authority ... | 13,250 | 500 | 14,465 | 12,500 | 12,500 | .... |
| Environmental Facilities Corporation ..... | .... | .... | 747,270 | .... | .... | 700,000 |
| Long Island Power Authority. | 6,685,982 | .... | 6,685,982 | 216,257 | .... | 218,526 |
| Power Authority | 176,500 | 299,200 | 8,500 | 184,600 | 260,300 | 18,600 |
| HOUSING, HEALTH AND FINANCE | | | | | | |
| Dormitory Authority | 3,072,743 | 3,282,839 | 4,335,035 | 3,403,906 | 4,545,131 | 2,643,447 |
| Housing Finance Agency | 244,699 | 192,281 | 358,022 | 565,597 | 297,930 | 400,000 |
| Local Government Assistance Corporation ..... | .... | .... | .... | .... | .... | .... |
| Mortgage Agency | 358,794 | 247,265 | 412,250 | 410,000 | 300,721 | 250,000 |
| Municipal Assistance Corporation for the City of New York ..... | .... | .... | .... | .... | .... | .... |
| Municipal Assistance Corporation for the City of Troy | 2,020 | .... | 2,020 | 868 | .... | 868 |
| Municipal Bond Bank Agency ..... | .... | .... | .... | .... | .... | .... |
| Project Finance Agency ..... | .... | .... | .... | .... | .... | .... |
| PORT DEVELOPMENT | | | | | | |
| Albany Port District Commission | 700 | 714 | .... | 755 | 1,162 | .... |
| Ogdensburg Bridge and Port Authority | 47 | 47 | .... | 3,150 | 2,500 | 650 |
| Port Authority of New York and New Jersey c/ | 927,410 | 742,047 | 375,000 | 927,410 | 742,047 | 375,000 |
| Port of Oswego Authority ... | 1,095 | 3,051 | .... | 150 | 1,956 | .... |
| REGIONAL TRANSPORTATION | | | | | | |
| Capital District Transportation Authority | 33,116 | 33,116 | .... | 57,779 | 50,779 | 7,000 |

PUBLIC AUTHORITIES

| Authorities by Function | 1998 | | | 1999 | | |
|---|-------------------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| | Capital Program Disbursements | Available Resources | Sale of New Debt b/ | Capital Program Disbursements | Available Resources | Sale of New Debt b/ |
| Central New York Regional Transportation Authority . . | 10,456 | 10,456 | .... | 20,513 | 20,513 | .... |
| Metropolitan Transportation Authority | 2,188,900 | 1,222,400 | 966,500 | 1,672,400 | 1,375,400 | 297,000 |
| Niagara Frontier Transportation Authority | 44,550 | 44,549 | .... | 47,912 | 47,912 | .... |
| Rochester-Genesee Regional Transportation Authority . . | 8,809 | 8,809 | .... | 24,621 | 24,621 | .... |
| GRAND TOTAL | \$14,468,465 | \$6,723,442 | \$14,137,134 | \$8,358,003 | \$8,271,722 | \$5,404,667 |

- 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/ Due to the unavailability of 1999 Budget information, data for 1999 is based on carry forward of previous year data.

PUBLIC AUTHORITIES

Table 3
DEBT STRUCTURE
OF NEW YORK STATE PUBLIC AUTHORITIES AS OF SEPTEMBER 30, 1998
(thousands)

| Authorities by Function | All Bonds and Notes | | | | Moral Obligation Bonds | | |
|---|-------------------------|--------------|-------------------|-------------------|------------------------|--------------|-------------------|
| | Statutory Authorization | Bonds Issued | Bonds Outstanding | Notes Outstanding | Authorized Limit | Bonds Issued | Bonds Outstanding |
| BRIDGE, TUNNEL AND HIGHWAY | | | | | | | |
| Buffalo and Fort Erie Public Bridge Authority | \$165,000 | \$53,370 | \$50,925 | .... | .... | .... | .... |
| New York State Bridge Authority | 100,000 | 116,711 | 46,755 | .... | .... | .... | .... |
| Thousand Islands Bridge Authority | Unlimited | 5,440 | 1,554 | .... | .... | .... | .... |
| Triborough Bridge and Tunnel Authority a/ | 6,500,000 | 5,753,713 | 5,426,840 | .... | .... | .... | .... |
| Thruway Authority | Unlimited | 7,676,222 | 5,730,221 | .... | \$236,000 | \$161,310 | .... |
| ECONOMIC DEVELOPMENT | | | | | | | |
| Battery Park City Authority . | 1,460,000 | 1,052,110 | 964,080 | .... | .... | .... | .... |
| Development Authority of the North Country | Unlimited | 50,042 | 46,090 | \$1,644 | .... | .... | .... |
| Empire State Development Corporation | Unlimited | 4,882,767 | 4,258,571 | 16,171 | 1,295,000 | 1,075,000 | .... |
| Job Development Authority.. | 750,000 | 726,080 | 259,915 | .... | .... | .... | .... |
| United Nations Development Corporation | Unlimited | 260,728 | 194,973 | .... | 46,555 | 32,040 | .... |
| ENERGY AND ENVIRONMENT | | | | | | | |
| Energy Research and Development Authority ... | Unlimited | 4,501,105 | 4,485,000 | .... | .... | .... | .... |
| Environmental Facilities Corporation | Unlimited | 5,483,515 | 4,088,525 | .... | .... | .... | .... |
| Long Island Power Authority. | Unlimited | 4,951,000 | 4,951,000 | .... | .... | .... | .... |
| Power Authority | Unlimited | 5,424,825 | 1,357,415 | 1,140,073 | .... | .... | .... |
| HOUSING, HEALTH AND FINANCE | | | | | | | |
| Dormitory Authority | Unlimited | 46,435,810 | 26,973,258 | 32,754 | 926,015 | 698,660 | \$104,140 |
| Housing Finance Agency b/ .. | 11,330,000 | 9,357,165 | 4,040,477 | .... | 4,471,123 | 6,524,379 | 552,615 |
| Local Government Assistance Corporation | 4,700,000 | 5,571,165 | 5,114,560 | .... | .... | .... | .... |
| Mortgage Agency | 6,245,000 | 9,668,097 | 3,943,169 | .... | .... | .... | .... |
| Municipal Assistance Corporation for the City of New York | 11,500,000 | 9,445,000 | 3,945,000 | .... | .... | 9,445 | .... |
| Municipal Assistance Corporation for the City of Troy | 75,000 | 59,014 | 58,454 | 4,927 | .... | .... | .... |
| Municipal Bond Bank Agency | 1,000,000 | 64,765 | 48,830 | .... | .... | .... | .... |
| Project Finance Agency | 305,000 | 305,000 | 137,820 | .... | .... | .... | .... |
| PORT DEVELOPMENT | | | | | | | |
| Albany Port District Commission | Unlimited | .... | .... | 1,358 | .... | .... | .... |
| Ogdensburg Bridge and Port Authority | Unlimited | .... | .... | 3,115 | .... | .... | .... |
| Port Authority of New York and New Jersey | Unlimited | 9,476,015 | 7,411,550 | 326,450 | .... | .... | .... |
| Port of Oswego Authority ... | Unlimited | .... | .... | 193 | .... | .... | .... |
| REGIONAL TRANSPORTATION | | | | | | | |
| Capital District Transportation Authority | Unlimited | .... | .... | .... | .... | .... | .... |

PUBLIC AUTHORITIES

| Authorities by Function | All Bonds and Notes | | | | Moral Obligation Bonds | | |
|--|-------------------------|----------------------|---------------------|--------------------|------------------------|--------------------|-------------------|
| | Statutory Authorization | Bonds Issued | Bonds Outstanding | Notes Outstanding | Authorized Limit | Bonds Issued | Bonds Outstanding |
| Central New York Regional Transportation Authority .. | Unlimited | .... | .... | 4,000 | .... | .... | .... |
| Metropolitan Transportation Authority a/ | 6,500,000 | 8,616,664 | 7,218,474 | .... | .... | .... | .... |
| Niagara Frontier Transportation Authority | Unlimited | 111,335 | 105,090 | 915,800 | .... | .... | .... |
| Rochester-Genesee Regional Transportation Authority .. | Unlimited | .... | .... | .... | .... | .... | .... |
| GRAND TOTAL | | \$140,047,658 | \$90,858,546 | \$2,446,485 | \$6,974,693 | \$8,500,834 | \$656,755 |

a/ The MTA and TBTA are collectively authorized to issue up to \$6.5 billion of bonds to finance their 1992-1999 capital programs.

b/ HFA moral obligation bond limit is reduced as bonds outstanding after April 1, 1976 are repaid.

PUBLIC AUTHORITIES

Table 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES, 1998 AND 1999-2000
(thousands)

| Authorities by Function | Authority Bonds Outstanding, 1998 a/ | | | Outstanding Reimbursable State Appropriations, 1998 | State Appropriations Requested in Support of Authority Programs, 1999-2000 b/ | | |
|---|--------------------------------------|------------------|------------------|---|---|-----------------|---------|
| | Revenue and Nonrecourse | State Guaranteed | Moral Obligation | | New Appropriations | Reapropriations | Total |
| BRIDGE, TUNNEL AND HIGHWAY | | | | | | | |
| Buffalo and Fort Erie Public Bridge Authority | \$50,925 | .... | .... | .... | .... | .... | .... |
| New York State Bridge Authority | 46,755 | .... | .... | .... | .... | .... | .... |
| Thousand Islands Bridge Authority | 1,554 | .... | .... | .... | .... | .... | .... |
| Triborough Bridge and Tunnel Authority | 5,426,840 | .... | .... | .... | .... | .... | .... |
| Thruway Authority | 5,730,221 | .... | .... | .... | \$2,000 | \$1,540 | \$3,540 |
| ECONOMIC DEVELOPMENT | | | | | | | |
| Battery Park City Authority . | 964,080 | .... | .... | .... | .... | .... | .... |
| Development Authority of the North Country | 46,090 | .... | .... | .... | .... | .... | .... |
| Empire State Development Corporation | 4,258,571 | .... | .... | \$32,417 | 117,004 | 350,000 | 467,004 |
| Job Development Authority. . | .... | \$259,915 | .... | .... | .... | .... | .... |
| United Nations Development Corporation | 194,973 | .... | .... | .... | .... | .... | .... |
| ENERGY AND ENVIRONMENT | | | | | | | |
| Energy Research and Development Authority ... | 4,485,000 | .... | .... | .... | 27,523 | 3,772 | 31,295 |
| Environmental Facilities Corporation | 4,088,525 | .... | .... | 6,871 | 7,163 | .... | 7,163 |
| Long Island Power Authority. | 4,951,400 | .... | .... | 26,107 | .... | .... | .... |
| Power Authority | 1,357,415 | .... | .... | .... | .... | .... | .... |
| HOUSING, HEALTH AND FINANCE | | | | | | | |
| Dormitory Authority | 26,869,118 | .... | \$104,140 | .... | .... | .... | .... |
| Housing Finance Agency | 3,487,862 | .... | 552,615 | .... | 4,500 | 11,598 | 16,098 |
| Local Government Assistance Corporation | 5,114,560 | .... | .... | .... | 517,000 | .... | 517,000 |
| Mortgage Agency | 3,943,169 | .... | .... | .... | .... | .... | .... |
| Municipal Assistance Corporation for the City of New York | 3,945,000 | .... | .... | .... | .... | .... | .... |
| Municipal Assistance Corporation for the City of Troy | 58,454 | .... | .... | .... | .... | .... | .... |
| Municipal Bond Bank Agency | 48,830 | .... | .... | .... | .... | .... | .... |
| Project Finance Agency | 137,820 | .... | .... | .... | .... | .... | .... |
| PORT DEVELOPMENT | | | | | | | |
| Albany Port District Commission ..... | .... | .... | .... | 1,438 | 9 | .... | 9 |
| Ogdensburg Bridge and Port Authority ..... | .... | .... | .... | 19,605 | .... | .... | .... |
| Port Authority of New York and New Jersey | 7,411,550 | .... | .... | .... | .... | .... | .... |
| Port of Oswego Authority ... | .... | .... | .... | 4,281 | .... | .... | .... |
| REGIONAL TRANSPORTATION | | | | | | | |

PUBLIC AUTHORITIES

| Authorities by Function | Authority Bonds Outstanding, 1998 a/ | | | Outstanding Reimbursable State Appropriations, 1998 | State Appropriations Requested in Support of Authority Programs, 1999-2000 b/ | | |
|--|--------------------------------------|------------------|------------------|---|---|------------------|--------------------|
| | Revenue and Nonrecourse | State Guaranteed | Moral Obligation | | New Appropriations | Reapropriations | Total |
| Capital District Transportation Authority ..... | .... | .... | .... | .... | 9,280 | .... | 9,280 |
| Central New York Regional Transportation Authority .. | .... | .... | .... | .... | 11,422 | .... | 11,422 |
| Metropolitan Transportation Authority | 7,218,474 | .... | .... | .... | 1,518,044 | .... | 1,518,044 |
| Niagara Frontier Transportation Authority | 105,090 | .... | .... | 3,380 | 16,758 | 4,397 | 21,155 |
| Rochester-Genesee Regional Transportation Authority .. | .... | .... | .... | .... | 10,178 | .... | 10,178 |
| GRAND TOTAL | \$89,942,276 | \$259,915 | \$656,755 | \$94,099 | \$2,240,881 | \$371,307 | \$2,612,188 |

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

b/ Appropriations are included in the Executive Budget for State Fiscal Year 1999-2000 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.

DEPARTMENT OF PUBLIC SERVICE

MISSION

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

ORGANIZATION AND STAFFING

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

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

The Department will have a workforce of 620 for 1999-2000. Approximately 97 percent of this staff is financed by utility and cable assessments and the remaining three percent is financed by Federal grants and coin-operated telephone fees.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 1999-2000 budget recommendations for the Department of Public Service reflect the changing mission of the agency as the utility industry moves from a regulated environment to a competitive market. As the electric industry undergoes restructuring, the Department will oversee this process to ensure that policies are implemented to encourage competition for retail and wholesale business, and a level playing field in this new competitive market. It should be noted that, while power generation will eventually function in a competitive market, the monopolistic transmission and distribution of electricity will remain regulated for the foreseeable future. As the industry changes and evolves, the Department of Public Service will continue to act as a consumer advocate through education and outreach to ensure that it fulfills its core mission.

The major recommendations in the Department's operating budget include the following:

- A total of \$59.5 million is recommended from utility and cable assessments in 1999-2000. 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.
- A reduction of 68 positions reflects a reorganization consistent with changing functions and workload and the agency's continuing efforts to ensure efficient operations.

PUBLIC SERVICE

The local assistance budget provides a total of \$800,000 financed by applicant fees to support municipal and other parties' activities, such as preparing testimony for public hearings, related to proposed electric generation facility sitings.

PROGRAM HIGHLIGHTS

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

ALL FUNDS APPROPRIATIONS

| Category | Available | Appropriations | Change | Reappropriations |
|-----------------------------|---------------------|------------------------|---------------------|------------------------|
| | 1998-99 | Recommended 1999-00 | | Recommended 1999-00 |
| State Operations | \$65,310,900 | \$60,766,700 | -\$4,544,200 | |
| Aid To Localities | 200,000 | 800,000 | + 600,000 | \$400,000 |
| Capital Projects | | | | |
| Total | <u>\$65,510,900</u> | <u>\$61,566,700</u> | <u>-\$3,944,200</u> | <u>\$400,000</u> |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | Available 1998-99 | 1999-00 Recommended Average Fill Level | | | Change |
|---|----------------------|--|------------------------------|---------------------------------|------------|
| | | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| Special Revenue Funds — Other | 109 | 107 | | 107 | -2 |
| Regulation of Utilities | | | | | |
| Special Revenue Funds — Federal | 12 | 12 | | 12 | |
| Special Revenue Funds — Other | 567 | 501 | | 501 | -66 |
| Total | <u>688</u> | <u>620</u> | <u>.</u> | <u>620</u> | <u>-68</u> |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|---------------------|
| Special Revenue Funds — Federal | \$1,216,600 | \$1,138,100 | -\$78,500 |
| Special Revenue Funds — Other | 64,094,300 | 59,628,600 | -4,465,700 |
| Total | <u>\$65,310,900</u> | <u>\$60,766,700</u> | <u>-\$4,544,200</u> |

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|---------------------|
| Administration | | | |
| Special Revenue Funds — Other | \$9,384,100 | \$9,421,400 | + \$37,300 |
| Regulation of Utilities | | | |
| Special Revenue Funds — Federal | 1,216,600 | 1,138,100 | -78,500 |
| Special Revenue Funds — Other | 54,710,200 | 50,207,200 | -4,503,000 |
| <u>Total</u> | <u>\$65,310,900</u> | <u>\$60,766,700</u> | <u>-\$4,544,200</u> |

**STATE OPERATIONS — OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
1999-00 RECOMMENDED**

| <u>Program</u> | <u>Total</u> | | <u>Personal Service</u> | |
|-----------------------------------|---------------------|---------------------|-------------------------|---------------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration | \$9,421,400 | + \$37,300 | \$5,104,400 | + \$40,000 |
| Regulation of Utilities | 51,345,300 | -4,581,500 | 30,734,600 | -2,979,600 |
| <u>Total</u> | <u>\$60,766,700</u> | <u>-\$4,544,200</u> | <u>\$35,839,000</u> | <u>-\$2,939,600</u> |

| <u>Program</u> | <u>Nonpersonal Service</u> | | <u>Maintenance Undistributed</u> | |
|-----------------------------------|----------------------------|---------------------|----------------------------------|-------------------|
| | <u>Amount</u> | <u>Change</u> | <u>Amount</u> | <u>Change</u> |
| Administration | \$4,317,000 | -\$2,700 | | |
| Regulation of Utilities | 20,278,000 | -1,497,400 | \$332,700 | -\$104,500 |
| <u>Total</u> | <u>\$24,595,000</u> | <u>-\$1,500,100</u> | <u>\$332,700</u> | <u>-\$104,500</u> |

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

| <u>Fund Type</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|--------------------|
| Special Revenue Funds — Other | \$200,000 | \$800,000 | + \$600,000 |
| <u>Total</u> | <u>\$200,000</u> | <u>\$800,000</u> | <u>+ \$600,000</u> |

**AID TO LOCALITIES
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS**

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---|------------------------------|--------------------------------|--------------------|
| Regulation of Utilities | | | |
| Special Revenue Funds — Other | \$200,000 | \$800,000 | + \$600,000 |
| <u>Total</u> | <u>\$200,000</u> | <u>\$800,000</u> | <u>+ \$600,000</u> |

STATE RACING AND WAGERING BOARD

MISSION

The Racing and Wagering Board regulates all legalized gambling activities in New York except 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 in Albany with additional staff operating from the New York City regional office. The agency also employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County. Temporary and full time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and seven harness tracks — Batavia, Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs and Yonkers. The Racing and Wagering Board will have a workforce of 123 full time and 153 temporary staff in 1999-2000. These positions will be entirely supported by revenues generated by the Indian casino, charitable gaming and horse racing activities that the Board oversees.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 1999-2000 Executive Budget shifts responsibility for funding oversight of the horse racing industry from general taxpayers to those who benefit from the industry itself. Specifically, \$11.8 million in revenue from a new surcharge on exotic and super exotic wagers will be dedicated to: staff and related costs associated with the processing of racing licenses; investigations and subsequent legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; the testing of race horses for prohibited drugs; and oversight of the financial, wagering and security operations of regional OTBs. An additional \$1.7 million from the new surcharge is recommended for direct assistance to the racing industry.

In addition, \$2 million in existing fees collected by the State from charitable gaming proceeds is recommended to support the regulation of these games. This funding will support oversight of "bell jar" games, which are games of chance in which players remove "pull tabs" from randomly drawn tickets to reveal potential winning combinations of three or more matching items. The Budget also authorizes \$3 million in revenues from fees charged to Indian casinos to pay for on-site monitoring and investigation of these casinos.

PROGRAM HIGHLIGHTS

REGULATION OF GAMES OF CHANCE

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 14,100 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

RACING AND WAGERING

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 to expand its oversight of "bell jar" games in order to decrease illegal activity.

INDIAN GAMING

The State has negotiated compacts or protocols with the Oneida Nation and St. Regis Mohawk Tribe to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for supervising current and planned gaming activities operating on these Indian lands. The Board maintains 21 employees that oversee activities at the Oneida Nation's Turning Stone Casino. The St. Regis Mohawk Tribe, located in Clinton County, plans to open a casino on its lands in 1999.

REGULATION OF RACING

The Board's permanent staff oversee 153 temporary employees who ensure that horse races at the State's race tracks are conducted legally. As part of this effort, the Board has a contract with Cornell University to conduct research and to carry out post-race testing of blood and urine samples taken from race horses.

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|----------------------|--|
| State Operations | \$14,694,607 | \$16,767,300 | + \$2,072,693 | |
| Aid To Localities | 250,000 | 1,700,000 | + 1,450,000 | |
| Capital Projects | | | | |
| Total | <u>\$14,944,607</u> | <u>\$18,467,300</u> | <u>+ \$3,522,693</u> | <u>.</u> |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | Available 1998-99 | 1999-00 Recommended Average Fill Level | | | Change |
|--|----------------------|--|------------------------------|---------------------------------|------------------|
| | | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Administration | | | | | |
| Special Revenue Funds — Other | 15 | 15 | | 15 | |
| Audit and Investigation | | | | | |
| Special Revenue Funds — Other | 23 | 23 | | 23 | |
| Regulation of Racing and Off-Track Betting | | | | | |
| Special Revenue Funds — Other | 4 | 4 | | 4 | |
| Regulation of Wagering | | | | | |
| Special Revenue Funds — Other | 81 | 81 | | 81 | |
| Total | <u>123</u> | <u>123</u> | <u>.</u> | <u>123</u> | <u>.</u> |

RACING AND WAGERING

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|---------------|
| General Fund | | | |
| Special Revenue Funds — Other | \$14,694,607 | \$16,767,300 | + \$2,072,693 |
| Total | \$14,694,607 | \$16,767,300 | + \$2,072,693 |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|---------------|
| Administration | | | |
| Special Revenue Funds — Other | \$1,601,700 | \$1,846,900 | + \$245,200 |
| Audit and Investigation | | | |
| Special Revenue Funds — Other | 1,177,800 | 1,536,800 | + 359,000 |
| Regulation of Racing and Off-Track Betting | | | |
| Special Revenue Funds — Other | 6,961,500 | 8,404,300 | + 1,442,800 |
| Regulation of Wagering | | | |
| Special Revenue Funds — Other | 4,953,607 | 4,979,300 | + 25,693 |
| Total | \$14,694,607 | \$16,767,300 | + \$2,072,693 |

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|---|--------------|---------------|------------------|------------|
| | Amount | Change | Amount | Change |
| Administration | \$1,846,900 | + \$245,200 | \$674,200 | + \$37,100 |
| Audit and Investigation | 1,536,800 | + 359,000 | 1,081,500 | -17,000 |
| Regulation of Racing and Off-Track Betting | 8,404,300 | + 1,442,800 | 4,261,300 | -5,400 |
| Regulation of Wagering | 4,979,300 | + 25,693 | 2,982,700 | + 19,000 |
| Total | \$16,767,300 | + \$2,072,693 | \$8,999,700 | + \$33,700 |

| Program | Nonpersonal Service | |
|---|---------------------|---------------|
| | Amount | Change |
| Administration | \$1,172,700 | + \$208,100 |
| Audit and Investigation | 455,300 | + 376,000 |
| Regulation of Racing and Off-Track Betting | 4,143,000 | + 1,448,200 |
| Regulation of Wagering | 1,996,600 | + 6,693 |
| Total | \$7,767,600 | + \$2,038,993 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|---------------|
| General Fund | \$250,000 | | -\$250,000 |
| Special Revenue Funds — Other | | \$1,700,000 | + 1,700,000 |
| Total | \$250,000 | \$1,700,000 | + \$1,450,000 |

RACING AND WAGERING

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------------|
| Audit and Investigation | | | |
| General Fund | \$250,000 | | -\$250,000 |
| Racing Industry Assistance Program | | | |
| Special Revenue Funds — Other | | \$1,700,000 | + 1,700,000 |
| Total | <u>\$250,000</u> | <u>\$1,700,000</u> | <u>+ \$1,450,000</u> |

NEW YORK STATE SCIENCE AND TECHNOLOGY FOUNDATION

MISSION

The New York State Science and Technology Foundation is a public benefit corporation that identifies, promotes and invests in new high technology enterprises that have significant potential for job creation in the State. The Foundation also fosters the transfer of new technologies from research and development to commercial application.

ORGANIZATION AND STAFFING

The Department of Economic Development is responsible for administration of Foundation programs. Accordingly, while the Science and Technology Foundation remains an incorporated not-for-profit entity, it functions as a division within the Department of Economic Development and has no separate staff. The Foundation's activities are governed by a 13-member Board of Directors, chaired by the Commissioner of Economic Development.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 1999-2000 Executive Budget will provide \$24.045 million in State tax dollars from the General Fund for Foundation programs, including \$13 million for the Centers for Advanced Technology Program; \$1.5 million for the New York State Technology Enterprise Corporation; \$300,000 for the Griffiss Local Development Corporation; \$1 million for Industrial Technology Extension Services; \$1 million for Technology Development Organizations; \$320,000 for the Northeast Parallel Architecture Center; \$125,000 for the Hudson Valley Info Mall; \$500,000 for the Buffalo Technology Transfer Center at Sisters Hospital; \$5 million for the Focus Center-New York semiconductor research center; \$550,000 for university research centers at the State University of New York at Binghamton and the University of Rochester; and \$750,000 to provide matching grants to New York public and private universities for Federal awards made by the National Science Foundation.

| <u>Category</u> | ALL FUNDS APPROPRIATIONS | | | |
|-----------------------------|-------------------------------------|---|---------------------|---|
| | <u>Available 1998-99</u> | <u>Appropriations Recommended 1999-00</u> | <u>Change</u> | <u>Reappropriations Recommended 1999-00</u> |
| State Operations | | | | |
| Aid To Localities | \$26,793,000 | \$24,045,000 | -\$2,748,000 | \$14,931,000 |
| Capital Projects | | | | |
| Total | \$26,793,000 | \$24,045,000 | -\$2,748,000 | \$14,931,000 |

SCIENCE AND TECHNOLOGY

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| <u>Fund Type</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|--------------------|------------------------------|--------------------------------|---------------------|
| General Fund | \$26,793,000 | \$24,045,000 | -\$2,748,000 |
| Total | <u>\$26,793,000</u> | <u>\$24,045,000</u> | <u>-\$2,748,000</u> |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| <u>Program</u> | <u>Available 1998-99</u> | <u>Recommended 1999-00</u> | <u>Change</u> |
|---------------------------------------|------------------------------|--------------------------------|---------------------|
| High Technology General Fund | \$26,793,000 | \$24,045,000 | -\$2,748,000 |
| Total | <u>\$26,793,000</u> | <u>\$24,045,000</u> | <u>-\$2,748,000</u> |

THRUWAY AUTHORITY

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

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

ALL FUNDS APPROPRIATIONS

| Category | Available 1998-99 | Appropriations Recommended 1999-00 | Change | Reappropriations Recommended 1999-00 |
|-----------------------------|----------------------|--|---------|--|
| State Operations | | | | |
| Aid To Localities | | | | |
| Capital Projects | \$2,000,000 | \$2,000,000 | | \$2,000,000 |
| Total | \$2,000,000 | \$2,000,000 | | \$2,000,000 |

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|---------|-----------------------------|
| Canal Development Program | | | | |
| New York State Canal System Development Fund | \$2,000,000 | \$2,000,000 | | \$2,000,000 |
| Total | \$2,000,000 | \$2,000,000 | | \$2,000,000 |

DEPARTMENT OF TRANSPORTATION

MISSION

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

ORGANIZATION AND STAFFING

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

In 1999-2000, the Department will have a full-time workforce of approximately 10,600 employees. Employees perform such activities as highway maintenance, snow and ice removal, highway and bridge design and construction inspection. In addition, the Department's staff inspects school and charter buses, regulates commercial transportation, oversees public transportation systems and State-owned airports and provides administrative support for the Department.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department is responsible for the implementation of the highway and bridge program. It is supported primarily by revenues from the Petroleum Business Tax, highway use and motor fuel taxes and motor vehicle fees. Substantial Federal aid and remaining proceeds of the 1988 General Obligation Bonds are also used to support the program.

The Department's operating budget is devoted primarily to highway maintenance, particularly snow and ice removal. These activities are supported in large part through State tax dollars in the General Fund, which provides approximately 79.5 percent of the funding.

Nearly \$29.2 million or 15.5 percent of total funding for Department operations is derived from fees, including those imposed on trucks registered to transport products throughout the State, special permit fees based on vehicle weights and lengths imposed on trucks hauling loads greater than those normally permitted on State roads, landing fees and rents levied at Republic Airport, and revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage. These funds support a number of agency activities, including administrative support services, snow and ice removal, highway safety and aviation programs.

Federal aid of \$6.3 million and \$4.3 million in dedicated mass transit funds help finance the remaining 5.0 percent of operations primarily for mass transportation, aviation and motor-carrier safety programs.

For 1999-2000, the Department will continue efficiency measures begun in previous years, including restricted hiring, tightened inventory controls, minimized travel costs, closely monitored overtime and other actions.

Snow and ice control services constitute the bulk of the Department's state operations budget. Recommendations include over \$100 million for State maintenance crews to control snow and ice and \$29.9 million to fund snow and ice control by municipalities.

Capital appropriations provide funding for construction and reconstruction projects on State highways, bridges, railways, and airports, as well as financing the engineering staff and private-sector consultants who work on these projects. The highway and bridge

TRANSPORTATION

construction level in 1999-2000 will total \$1.5 billion, reduced by 11.8 percent from the 1998-99 level in order to reduce reliance on bond financing and augment the State's overall policy to control future debt levels. In addition, the Department is using Federal funds to implement a \$200 million initiative for local bridge projects.

The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund, established in 1993. The Trust Fund derives its revenues from highway user fees, portions of the petroleum business tax, the motor fuel tax and motor vehicle registration fees. 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.

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

The Department of Transportation's State and Local Highway Capital Program is the recipient of approximately \$1.3 billion in Federal Transportation Equity Act for the 21st Century (TEA-21) funding, distributed by Federal formulas and used only for federally approved projects primarily approved by local Metropolitan Planning Organizations.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS), the Municipal Streets and Highways Program ("Marchiselli" Program), and the Multi-modal Program. These programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. The CHIPS capital program will be funded at \$192.3 million, and the Marchiselli program will provide \$35.0 million in 1999-2000; these levels represent reductions from the 1998-99 level that are commensurate with the debt reduction initiative in the State highway and bridge program. CHIPS operating aid will remain at \$56.2 million, the 1998-99 level.

The Multi-modal Program was established to provide total funding of \$350 million over four years, beginning in 1996-97. The Executive Budget completes the program with a \$100 million authorization for 1999-2000. Financed by the Dedicated Highway and Bridge Trust Fund, the Multi-modal Program provides capital funding for State and local highway and bridge, aviation, port and rail projects.

New appropriations totaling \$33 million will support the State's share of an \$85 million federally-funded rail freight initiative to improve access to the State's businesses and reduce highway congestion. Of this amount, \$20 million will be provided from the Department's Industrial Access Program.

The Aid to Localities budget is comprised primarily of appropriations supported by State taxes dedicated to public transportation through the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund. Mass Transportation Operating Assistance Fund revenues are derived from a 1/4 percent sales tax and a business tax surcharge levied in the New York City metropolitan region, as well as a portion of statewide taxes on transmission and transportation companies and petroleum-related businesses, which also fund the Dedicated Mass Transportation Trust Fund through a supplemental tax. State operating assistance to transit systems will total over \$1.46 billion, a decrease of \$92 million, reflecting a return to normal levels of aid after a one-time release of a balance from the MTOA Fund in 1998-99.

Over \$1.2 billion in State operating aid is recommended for the Metropolitan Transportation Authority (MTA) in 1999-2000, a decrease of \$78 million from the 1998-99 level that was enhanced by the one-time balance release. In addition to operating aid, a special \$96 million appropriation is provided from the MTOA Fund to meet the State's commitment to the MTA 1995-1999 Capital Plan. State aid supports over one-fifth of the Authority's annual operating budget. The assistance includes \$45 million in General Fund support for the MTA as the State's contribution to reduced fares for New York City school children. The City will match this contribution.

Transit operators other than the MTA will receive a total of \$202.3 million in State operating assistance in 1999-2000, a decrease of \$14.0 million from 1998-99. Of this amount, \$68.6 million is targeted for upstate transit systems. Capital funding of \$12 million is recommended for transit systems other than the MTA from the Dedicated Mass Transportation Trust Fund for a variety of transit-related needs, primarily bus purchases. This continues a program initiated in 1996-97. In addition, \$14.6 million from the Trust Fund will be provided to local transit operators for a portion of the required match to Federal capital aid.

PROGRAM HIGHLIGHTS

HIGHWAYS AND BRIDGES

Improving the State's vital transportation infrastructure remains the agency's highest priority. As part of the first four years of the multi-year plan, the Department improved more than 32,000 lane miles through capital or preventive maintenance work and completed 24,000 bridge improvement projects. For 1999-2000, the Department will award over 500 contracts for construction and reconstruction and anticipates completing capital or preventive maintenance work on over 7,000 lane miles of highways and improving over 5,000 bridges through capital and maintenance activities. Preventive maintenance will continue to be an area of significant concentration. Preventive maintenance performed by State forces and private sector contractors will total \$338.2 million in 1999-2000.

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, Marchiselli and Multi-modal programs. These programs primarily fund 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. In 1999-2000, the Department will implement the Governor's initiative to inspect heavy duty trucks and buses for emissions that can damage air quality.

PUBLIC TRANSPORTATION

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

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

TRANSPORTATION

ALL FUNDS APPROPRIATIONS

| Category | Available | Appropriations | Change | Reappropriations |
|-----------------------------|------------------------|------------------------|-----------------------|------------------------|
| | 1998-99 | Recommended 1999-00 | | Recommended 1999-00 |
| State Operations | \$233,638,000 | \$216,883,000 | -\$16,755,000 | \$27,579,000 |
| Aid To Localities | 1,624,476,500 | 1,635,413,000 | + 10,936,500 | 52,744,000 |
| Capital Projects | 3,399,167,000 | 3,259,947,000 | -139,220,000 | 7,971,878,000 |
| Total | <u>\$5,257,281,500</u> | <u>\$5,112,243,000</u> | <u>-\$145,038,500</u> | <u>\$8,052,201,000</u> |

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

| Program | Available 1998-99 | 1999-00 Recommended Average Fill Level | | | Change |
|---|----------------------|--|------------------------------|---------------------------------|-------------|
| | | Personal Service (Regular) | Maintenance Undistributed | Total Recommended 1999-00 | |
| Office of Passenger and Freight Transportation Program | | | | | |
| General Fund | 86 | 86 | | 86 | |
| Special Revenue Funds — Federal | 69 | 63 | 6 | 69 | |
| Special Revenue Funds — Other | 269 | 278 | | 278 | + 9 |
| Planning and Program Management | | | | | |
| Capital Project Funds | 690 | | 669 | 669 | -21 |
| Real Estate | | | | | |
| Capital Project Funds | 250 | | 242 | 242 | -8 |
| Design and Construction | | | | | |
| Capital Project Funds | 4,455 | | 4,319 | 4,319 | -136 |
| Operations | | | | | |
| General Fund | 3,450 | 3,439 | | 3,439 | -11 |
| Special Revenue Funds — Other | 9 | 9 | | 9 | |
| Internal Service Funds | 22 | 22 | | 22 | |
| New York Metropolitan Transportation Council | | | | | |
| Special Revenue Funds — Other | 68 | 68 | | 68 | |
| Preventive Maintenance | | | | | |
| Capital Project Funds | 1,429 | 1,429 | | 1,429 | |
| Subtotal, Direct Funded Programs | 10,797 | <u>5,394</u> | <u>5,236</u> | 10,630 | -167 |
| Suballocations: | | | | | |
| Special Revenue Funds — Federal | 3 | | | 3 | |
| Total | <u>10,800</u> | | | <u>10,633</u> | <u>-167</u> |

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|----------------------|------------------------|----------------------|
| General Fund | \$170,969,000 | \$172,478,000 | + \$1,509,000 |
| Special Revenue Funds — Federal | 11,721,000 | 6,332,000 | -5,389,000 |
| Special Revenue Funds — Other | 46,424,000 | 33,515,000 | -12,909,000 |
| Internal Service Funds | 4,524,000 | 4,558,000 | + 34,000 |
| Total | <u>\$233,638,000</u> | <u>\$216,883,000</u> | <u>-\$16,755,000</u> |

TRANSPORTATION

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|----------------------|------------------------|---------------|
| Office of Passenger and Freight Transportation Program | | | |
| General Fund | \$3,726,000 | \$3,741,000 | + \$15,000 |
| Special Revenue Funds — Federal | 11,721,000 | 6,332,000 | -5,389,000 |
| Special Revenue Funds — Other | 27,898,000 | 21,806,000 | -6,092,000 |
| Operations | | | |
| General Fund | 167,243,000 | 168,737,000 | + 1,494,000 |
| Special Revenue Funds — Other | 18,526,000 | 10,711,000 | -7,815,000 |
| Internal Service Funds | 4,524,000 | 4,558,000 | + 34,000 |
| Clean Air | | | |
| Special Revenue Funds — Other | | 998,000 | + 998,000 |
| Total | \$233,638,000 | \$216,883,000 | -\$16,755,000 |

STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total Personal Service | | Personal Service Regular (Annual Salaried) | | Holiday/Overtime Pay (Annual Salaried) | |
|--|------------------------|---------------|---|---------------|---|-------------|
| | Amount | Change | Amount | Change | Amount | Change |
| Office of Passenger and Freight Transportation Program | \$3,741,000 | + \$15,000 | \$3,741,000 | + \$15,000 | | |
| Operations | 124,151,000 | + 7,258,000 | 108,390,000 | + 6,575,000 | \$15,761,000 | + \$683,000 |
| Total | \$127,892,000 | + \$7,273,000 | \$112,131,000 | + \$6,590,000 | \$15,761,000 | + \$683,000 |

STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Supplies and Materials | |
|----------------------|--------------|--------------|------------------------|---------|
| | Amount | Change | Amount | Change |
| Operations | \$44,586,000 | -\$5,764,000 | \$9,249,000 | |
| Total | \$44,586,000 | -\$5,764,000 | \$9,249,000 | |

| Program | Travel | | Contractual Services | |
|----------------------|-------------|---------|----------------------|--------------|
| | Amount | Change | Amount | Change |
| Operations | \$6,687,000 | | \$28,650,000 | -\$5,764,000 |
| Total | \$6,687,000 | | \$28,650,000 | -\$5,764,000 |

TRANSPORTATION

STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

| Program | Total | | Personal Service | |
|--|---------------------|----------------------|---------------------|---------------------|
| | Amount | Change | Amount | Change |
| Office of Passenger and Freight Transportation Program | \$28,138,000 | -\$11,481,000 | \$10,176,000 | -\$3,409,000 |
| Operations | 15,269,000 | -7,781,000 | 1,840,000 | + 26,000 |
| Clean Air | 998,000 | + 998,000 | 234,000 | + 234,000 |
| Total | \$44,405,000 | -\$18,264,000 | \$12,250,000 | -\$3,149,000 |

| Program | Nonpersonal Service | | Maintenance | Undistributed |
|--|---------------------|---------------------|---------------------|---------------------|
| | Amount | Change | | |
| Office of Passenger and Freight Transportation Program | \$15,283,000 | -\$1,703,500 | \$2,679,000 | -\$6,368,500 |
| Operations | 2,800,000 | -7,522,000 | 10,629,000 | -285,000 |
| Clean Air | 764,000 | + 764,000 | ..... | ..... |
| Total | \$18,847,000 | -\$8,461,500 | \$13,308,000 | -\$6,653,500 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

| Fund Type | Available 1998-99 | Recommended 1999-00 | Change |
|---|------------------------|------------------------|-----------------------|
| General Fund | \$168,807,500 | \$163,033,000 | -\$5,774,500 |
| Special Revenue Funds — Federal | 18,023,000 | 26,003,000 | + 7,980,000 |
| Special Revenue Funds — Other | 1,437,646,000 | 1,446,377,000 | + 8,731,000 |
| Total | \$1,624,476,500 | \$1,635,413,000 | + \$10,936,500 |

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Program | Available 1998-99 | Recommended 1999-00 | Change |
|--|------------------------|------------------------|-----------------------|
| Rural Transportation Improvement | | | |
| General Fund | \$59,136,000 | \$58,836,000 | -\$300,000 |
| Special Revenue Funds — Federal | 8,200,000 | 16,180,000 | + 7,980,000 |
| Special Revenue Funds — Other | 1,180,946,000 | 1,193,677,000 | + 12,731,000 |
| Dedicated Mass Transportation Trust Program | | | |
| Special Revenue Funds — Other | 256,700,000 | 252,700,000 | -4,000,000 |
| Mass Transportation Assistance | | | |
| General Fund | 45,000,000 | 45,000,000 | ..... |
| Mass Transportation Special Assistance Program | | | |
| General Fund | 8,000,000 | 3,000,000 | -5,000,000 |
| Federal Highway Administration Local Planning | | | |
| Special Revenue Funds — Federal | 9,823,000 | 9,823,000 | ..... |
| Consolidated Local Highway Assistance Program | | | |
| General Fund | 56,197,000 | 56,197,000 | ..... |
| Legislative Initiatives | | | |
| General Fund | 474,500 | ..... | -474,500 |
| Total | \$1,624,476,500 | \$1,635,413,000 | + \$10,936,500 |

TRANSPORTATION

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |
|--|----------------------|------------------------|---------------|-----------------------------|
| Highway Facilities | | | | |
| Airport or Aviation State Program | | | | |
| Dedicated Highway and Bridge Trust Fund | \$4,500,000 | | -\$4,500,000 | \$3,500,000 |
| Accelerated Capacity and Transportation Improvements Fund | | | | |
| Accelerated Capacity and Transportation Improvements Fund | | | | 140,375,000 |
| Other Transportation Aid | | | | |
| Dedicated Highway and Bridge Trust Fund | | | | 423,000 |
| Federal Aid Highways - Bondable Purpose | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 9,935,000 |
| Federal Aid Highways - Federal Purpose | | | | |
| Federal Capital Projects Fund | 1,200,000,000 | \$1,350,000,000 | + 150,000,000 | 3,739,787,000 |
| Non-Federal Aided Highway Capital Projects | | | | |
| Dedicated Highway and Bridge Trust Fund | 1,525,150,000 | 1,248,150,000 | -277,000,000 | 2,453,243,000 |
| Other Highway Aid | | | | |
| Community Projects Fund | | | | 250,000 |
| Dedicated Highway and Bridge Trust Fund | | | | 5,074,000 |
| Highway Facilities | | | | |
| Dedicated Highway and Bridge Trust Fund | | | | 49,666,000 |
| Suburban Transportation Fund | | | | 74,265,000 |
| Infrastructure Bond Act Projects | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 7,847,000 |
| Priority Bond Act Projects | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 17,332,000 |
| Road and Bridge Improvements - Bondable | | | | |
| Capital Projects Fund - A.C. and T.I. Fund (Bondable) | | | | 130,355,000 |
| Municipal Highway - Railroad Crossing Alterations | | | | |
| Capital Projects Fund - Advances | | | | 331,000 |
| Dedicated Highway and Bridge Trust Fund | | | | 1,568,000 |
| Small and Minority and Women-Owned Small Business Assistance | | | | |
| Dedicated Highway and Bridge Trust Fund | | | | 3,700,000 |
| Transportation Infrastructure Renewal Bond Fund - 123 | | | | |
| Transportation Infrastructure Renewal Bond Fund | | | | 58,521,000 |
| Engineering Services | | | | |
| NY Metro Transportation Council Account | 8,129,000 | 8,031,000 | -98,000 | 15,672,000 |
| Engineering Services Fund | 605,649,000 | 539,388,000 | -66,261,000 | 906,348,000 |
| Mass Transportation and Rail Freight | | | | |
| Mass Transportation and Rail Freight Bondable | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 10,746,000 |
| Rail Preservation and Development Fund | | | | |
| Energy Conservation Through Improved Transportation Bond Fund | | | | 2,619,000 |
| Marine Projects | | | | |
| Dedicated Mass Transportation Fund | | | | 954,000 |
| Small and Minority and Women-Owned Small Business Assistance | | | | |
| Dedicated Mass Transportation Fund | | | | 5,000,000 |
| Special Rail and Aviation Program | | | | |
| Dedicated Mass Transportation Fund | | | | 31,541,000 |
| Transportation Capital Facilities Bond Fund—Mass Transportation | | | | |
| Transportation Capital Facilities Bond Fund - Mass Transportation | | | | 1,000 |
| Mass Transportation and Rail Freight | | | | |
| Capital Projects Fund - Energy Conservation (Bondable) | | | | 2,593,000 |
| Dedicated Highway and Bridge Trust Fund | | 13,000,000 | + 13,000,000 | 8,848,000 |
| Dedicated Mass Transportation Fund | 16,000,000 | 18,000,000 | + 2,000,000 | 29,657,000 |
| Federal Capital Projects Fund | | | | 29,837,000 |
| Mass Transportation | | | | |
| Dedicated Mass Transportation Fund | 10,489,000 | 14,628,000 | + 4,139,000 | 64,412,000 |
| Rail Freight | | | | |
| Capital Projects Fund - Advances | | | | 25,902,000 |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 8,375,000 |
| Dedicated Mass Transportation Fund | | | | 5,883,000 |
| Highway Maintenance Facilities | | | | |
| Maintenance Facilities | | | | |
| Dedicated Highway and Bridge Trust Fund | 26,250,000 | 26,250,000 | | 60,633,000 |
| Aviation | | | | |
| Airport or Aviation Program | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 2,821,000 |
| Capital Projects Fund - Aviation (Bondable) | | | | 8,522,000 |
| Airport or Aviation State Program | | | | |
| Regional Aviation Fund | | 35,000,000 | + 35,000,000 | |
| Comprehensive Construction Programs | Available 1998-99 | Recommended 1999-00 | Change | Reappropriations 1999-00 |

TRANSPORTATION

| | | | | |
|---|------------------------|------------------------|-----------------------|------------------------|
| Dedicated Highway and Bridge Trust Fund | 1,500,000 | 6,000,000 | + 4,500,000 | 20,023,000 |
| Passenger Facility Charge Fund | 1,500,000 | 1,500,000 | | 2,650,000 |
| Special Rail and Aviation Program | | | | |
| Dedicated Highway and Bridge Trust Fund | | | | 1,856,000 |
| Transportation Capital Facilities Bond Fund—Aviation | | | | |
| Transportation Capital Facilities Bond Fund - Aviation | | | | 13,552,000 |
| Federal Airport or Aviation | | | | |
| Federal Capital Projects Fund | | | | 16,558,000 |
| Port Development | | | | |
| Port Development Bondable | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 218,000 |
| Canals and Waterways | | | | |
| Canals and Waterways - Bondable | | | | |
| Capital Projects Fund - Infrastructure Renewal (Bondable) | | | | 485,000 |
| Total | <u>\$3,399,167,000</u> | <u>\$3,259,947,000</u> | <u>-\$139,220,000</u> | <u>\$7,971,878,000</u> |
| Adjustments: | | | | |
| Transfer To Criminal Justice | | | | |
| Services, Division of General Fund | <u>+ 2,400,000</u> | | | |
| Appropriated for Fiscal 1998-99 | <u>\$3,401,567,000</u> | | | |