

NEW YORK STATE BUDGET SUMMARY

1955 - 1956



"The submission of an Executive Budget to the Legislature of a great State is one of the vital acts which dramatize the common responsibility of two branches of a democratic government. Our functions are differentiated; our obligation of public service is one. It is our duty together to find common ground for the many different concerns and points of view inherent in a free society. . . .

"It is my firm intention that our budget give an accurate, comprehensive and yet relatively simple picture of the condition and programs of the State."

Governor Averell Harriman
From the February 1, 1955 Budget Message

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FOREWORD

Responsibility for the preparation of the State budget rests with the Governor. He is required by the State Constitution to present to the Legislature, on or before February 1 of each year, a complete plan of proposed expenditures for the fiscal year beginning April 1 and estimates of revenues expected to be available. The Governor presents legislative bills which incorporate his budget recommendations. The Governor also recommends any additional appropriations required to complete the current fiscal year. These are known as deficiency appropriations.

The Legislature may reduce, strike out, or add items in the budget bills, and may consider special appropriation bills after acting on the budget bills. The Governor may supplement or amend his budget within thirty days, and thereafter with the consent of the Legislature. Thus, the State's budget as finally adopted differs from the original financial plan presented by the Governor in his Budget Message.

The primary purpose of this publication is to present the budget as it was finally enacted and to provide information which is useful in the consideration of the 1956-57 Executive Budget. In summarizing the 1955-56 financial plan, this booklet points out differences between the Governor's recommendations and the Legislature's enactments. It also compares the financial plan for the 1955-56 fiscal year with the State's financial operations during 1954-55.

The projected financial plan for 1955-56 is based on information available shortly after the close of the 1955 legislative session. No new estimates of revenues or expenditures have been made for purposes of this booklet.

NEW YORK STATE FUNDS

General Fund

Most of the State's tax revenues and certain miscellaneous receipts are credited to the General Fund which is divided into two components: (1) the Local Assistance Fund, from which appropriations are made for support of units of local government and for transfers to the Capital Construction Fund to finance the State's share of local capital projects, and (2) the State Purposes Fund, from which appropriations are made for operation of State departments, for general state charges, for debt service, and for transfers to the Capital Construction Fund. The revenues of the General Fund are divided between

the Local Assistance and State Purposes Funds. In 1954-55, the Local Assistance Fund received 56 per cent and the State Purposes Fund 44 per cent of total General Fund revenues.

Both the Local Assistance and State Purposes Funds have Reserve Funds to which operating surpluses are transferred at the end of the fiscal year. These Reserves may be drawn upon if a deficit occurs in either operating Fund, but such withdrawals must be repaid from succeeding years' revenues.

Capital Construction Fund

The State's construction program is financed through the Capital Construction Fund. This Fund originally was built from surpluses accumulated during World War II when little construction work could be done. Since then, its resources have been provided mainly by transfers from the General Fund, the War Bonus and Mental Health Bond Account, and bond funds.

The operations of the Capital Construction Fund differ from those of the General Fund because of the nature of capital financing. The resources and contract commitments of the Capital Construction Fund carry over from year to year. Its appropriations are authorizations to commit and spend State funds for specific purposes, and since the completion of contracts often requires several years, most unexpended balances are reappropriated annually. These re-enactments constitute the major part of total Capital Construction Fund appropriations, which greatly exceed annual expenditures.

Presentation of State Financial Operations

Until this year, presentation of the State's financial program was confined to separate descriptions of the operations of the General Fund and the Capital Construction Fund, and did not give a combined picture of total State financial operations. The 1955-56 Budget Message gave a more complete picture of State fiscal operations by presenting an analysis of the combined income and outgo of the General Fund and the Capital Construction Fund. This presentation emphasized expenditures rather than appropriations, and gave a broader financial picture.

The significance of this change in presentation is demonstrated when the financial operations of the State for the fiscal year 1954-55 are considered from both points of view. When only General Fund

operations are considered, 1954-55 revenues exceeded expenditures, and the State closed the fiscal year with a General Fund surplus of \$1.0 million which was transferred to the Reserve Funds. However, when income and outgo of the Capital Construction Fund are added to those of the General Fund, total outgo exceeded total income, resulting in a deficit of \$40.0 million. Since the \$1.0 million General Fund surplus was transferred to the Reserve Funds, the resources of the Capital Construction Fund were actually depleted by \$41.0 million.

The new method of presentation provides a more comprehensive picture of the State's financial condition and corrects the misleading impression that the State has been accumulating surpluses during the past few years, when actually this has been true only of General Fund operations. In recent years the total budget has been balanced by drawing on Capital Construction Fund resources which have been diminishing rapidly.

Other important improvements were made in the 1955-56 Budget Message in order to provide a clearer understanding of the State's financial operations. In describing the condition of the Capital Construction Fund, careful distinction was made between resources currently available for expenditure and other resources which are not available for expenditure. More detailed data were presented on actual and estimated expenditures for capital construction.

Deficiency appropriations were charged to the year in which the money was to be spent, in order to relate appropriations more closely to the fiscal year for which they were intended. This replaced the previous practice of showing deficiency appropriations for one year with regular appropriations for the following year, an arrangement which made it difficult to determine the total appropriations applicable to a particular fiscal year.

In presenting a more comprehensive picture of State finances, it was necessary to introduce a number of new tables into the Budget Message. The most important customary tables also were presented in order to facilitate comparisons with prior years. This booklet follows the same practice.

INCOME AND OUTGO

The income and outgo of the General Fund and the Capital Construction Fund must be combined for a broad view of the State's budgetary program. The table below shows income and outgo for 1954-55 compared with the amounts for 1955-56 as estimated shortly after the close of the 1955 legislative session.

INCOME AND OUTGO

(General Fund and Capital Construction Fund)*
(Millions)

	1954-55 <i>Actual</i>	1955-56 <i>Estimated</i>
Income:		
General Fund Revenues	\$1,159.1	\$1,229.1
Other Income available to Capital Construction Fund	40.3	67.8
Total Income	\$1,199.4	\$1,296.9
Outgo:		
Expenditures:		
Local Assistance, Current Operations	\$ 622.5	\$ 685.5
State Purposes, Current Operations	426.6	458.6
Capital Construction	152.9	163.6
Debt Service	27.9	27.7
Total Expenditures	\$1,229.9	\$1,335.4
Net Cash Outgo from Capital Construction Fund for First Instance Advances	9.5	8.5
Total Outgo	\$1,239.4	\$1,343.9
Excess of Total Outgo over Total Income	\$ 40.0	\$ 47.0
Transfer of General Fund Surplus to Tax Stabilization Reserve Funds	1.0	1.3
Net Depletion of Capital Construction Fund	\$ 41.0	\$ 48.3

* Exclusive of transfers from the General Fund to the Capital Construction Fund.

Income includes both General Fund revenues and certain other income available to the Capital Construction Fund, and was estimated at \$1,296.9 million for 1955-56. This exceeded 1954-55 income by \$97.5 million. General Fund revenues were estimated at \$1,229.1 million in 1955-56, an increase of \$70.0 million over 1954-55. Income of the Capital Construction Fund, other than transfers from the Gen-

eral Fund, was expected to total \$67.8 million, exceeding income of the previous year by \$27.5 million. The estimated income of the Capital Construction Fund in 1955-56 includes a transfer of \$35.0 million from the War Bonus and Mental Health Bond Account, \$30.2 million reimbursable from bond funds, and \$2.6 million of miscellaneous revenue. The Governor's Budget Message proposed the use of about \$9.7 million in bond funds, but this was increased to \$30.2 million after the close of the 1955 legislative session. The increase was made in order to maintain essential construction activity. It was decided upon after changes were made by the Legislature in the Governor's proposed revenue program.

Total outgo, estimated at \$1,343.9 million in 1955-56, consists of actual expenditures from the General Fund and the Capital Construction Fund and net cash outlays from the Capital Construction Fund for "first instance" advances. These are reimbursable payments for construction projects and advances to public authorities for capital purposes. They are repayable to the State either on a current or a deferred basis.

Expenditures in 1955-56 from the General Fund and the Capital Construction Fund were expected to total \$1,335.4 million, exceeding those of the previous fiscal year by \$105.5 million. Local Assistance Fund expenditures were estimated at \$685.5 million, a rise of \$63.0 million over 1954-55 which was necessitated by major increases in State aid for education, mental health, welfare, and housing. State Purposes Fund expenditures for current operations were estimated at \$458.6 million, \$32.0 million higher than in 1954-55. This increase is due in large part to increased population and higher operating costs of mental hygiene, health, social welfare, and correction institutions. General Fund debt service, paid from the State Purposes Fund, will total \$27.7 million, a decrease of \$0.2 million from 1954-55. Expenditures for capital construction were expected to be \$163.6 million, or \$10.7 million higher than in 1954-55. The net cash outgo from the Capital Construction Fund for first instance advances in 1955-56 was anticipated at \$8.5 million, or \$1.0 million less than in the fiscal year 1954-55.

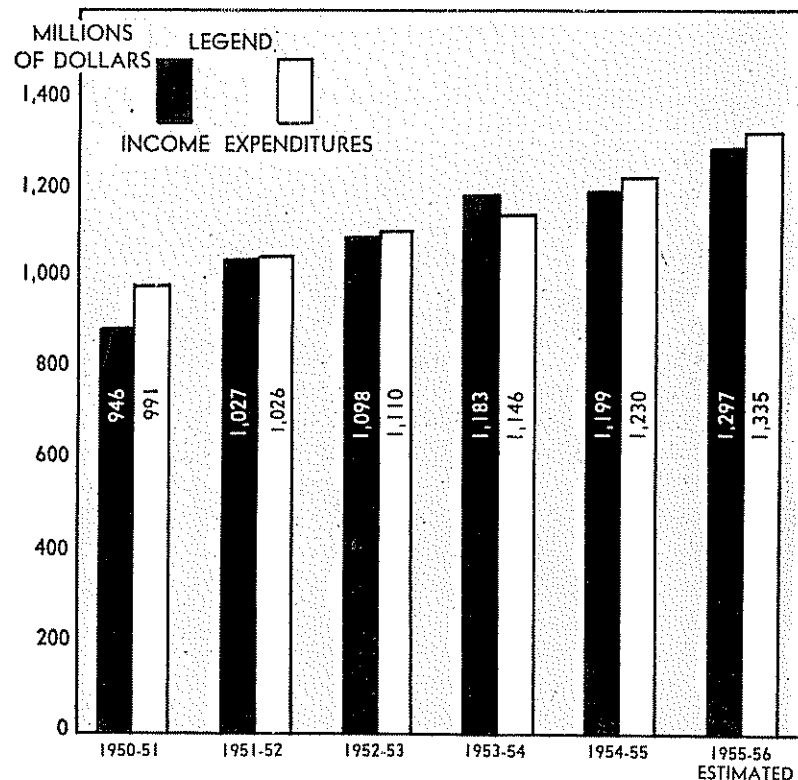
Since total outgo for the 1955-56 fiscal year was expected to be \$1,343.9 million, and total income \$1,296.9 million, a budgetary deficit of \$47.0 million was anticipated. After providing for transfer of a \$1.3 million General Fund surplus to the Reserve Funds, there was anticipated a gap of \$48.3 million between income and outgo which would

necessitate depleting the resources of the Capital Construction Fund. However, tax collections during the current fiscal year indicate that General Fund revenues will exceed the earlier estimates upon which the financial plan was based. This will make it possible to increase the General Fund transfer to the Capital Construction Fund.

The chart below depicts actual income and expenditures of the General Fund and the Capital Construction Fund for the last five fiscal years, and estimated income and expenditures for the current fiscal year.

INCOME AND EXPENDITURES

(General Fund and Capital Construction Fund)*
Fiscal Years 1950-51 Through 1955-56



GENERAL FUND REVENUES AND EXPENDITURES

The operations of the General Fund for 1954-55 and 1955-56 are summarized in the table below in order to provide a basis of comparison with figures presented in prior years.

GENERAL FUND REVENUES AND EXPENDITURES (Millions)

	Local Assistance	State Purposes	Total
1954-55 (Actual)			
Revenues	\$648.1	\$511.0	\$1,159.1
Expenditures	647.2	510.9	1,158.1
Operating Surplus	\$ 0.9	\$ 0.1	\$ 1.0
Balance in Reserve Funds, March 31, 1955	\$ 64.0	\$ 80.0	\$ 144.0
1955-56 (Estimated)			
Revenues	\$694.5	\$534.6	\$1,229.1
Expenditures	693.9	533.9	1,227.8
Operating Surplus	\$ 0.6	\$ 0.7	\$ 1.3
Balance in Reserve Funds, March 31, 1956*	\$ 64.7	\$ 81.1	\$ 145.8

* Includes estimate of interest to be earned on Reserve Fund investments.

General Fund revenues were estimated at \$1,229.1 million for 1955-56, compared with estimated expenditures of \$1,227.8 million. The General Fund operating surplus was expected to be \$1.3 million at the end of 1955-56, compared with \$1.0 million at the end of 1954-55. This operating surplus will be transferred to the Reserve Funds.

The Reserve Funds were created to protect State finances against unexpected drops in revenues or increases in expenditures. The law requires that any General Fund operating surpluses be transferred to the Reserves until the Local Assistance Reserve Fund reaches 45 per cent and the State Purposes Reserve Fund reaches 35 per cent of the total annual expenditures from their respective operating funds during the most recent fiscal year. The Reserve Funds may be drawn upon only for operating deficits, and the law provides for repayment from succeeding years' revenues. It was estimated that on March 31, 1956 the Local Assistance Reserve Fund will have a balance of \$64.7 million, or 9 per cent of estimated 1955-56 expenditures for local assistance. The State Purposes Reserve Fund was expected to have a balance of \$81.1 million, or 15 per cent of estimated 1955-56 expenditures for state purposes.

GENERAL FUND REVENUES

Three tax rate changes are affecting General Fund revenues in 1955-56. The previous 10 per cent personal income tax credit has been discontinued. The full 4 per cent rate for the unincorporated business tax has been reinstated, ending the former one per cent rate reduction. The rate of the State's tax on pari-mutuel pools at flat races, under existing provisions of the law, increased one per cent in 1955 and the local tax rate decreased one per cent. The localities' tax on the pool amounts to one per cent in 1955 and under the present law the local tax will be discontinued beginning in 1956. The State then will receive all tax revenue from this source.

The Legislature failed to adopt three revenue proposals made by the Governor in his February 1, 1955 Budget Message. The Governor recommended that the rate of the corporation franchise tax be increased from 5½ per cent to 6 per cent, thus restoring the tax to the rate in effect prior to 1946-47. In addition, the Governor proposed that the corporation franchise tax be amended to eliminate the present deduction allowed for taxes paid to this State and other states during the preceding taxable year. Neither of these measures was enacted. The Governor also proposed legislation which would have continued at the 1954 level the State and local tax rates on pari-mutuel pools at flat races. The Legislature, in failing to enact this legislation, allowed the State's tax rate to rise by one per cent with a corresponding decrease in the rate of the localities' tax.

The Governor withdrew his Budget Message request for an advance to April 1, 1955 in the effective date of the proposed increase in the tax on motor fuel, after more recent collection data indicated that revenues would be higher than had been estimated earlier. General Fund revenues for 1955-56 were estimated at \$1,229.1 million after adjustment for the above changes. However, the trend of collections during 1955-56 indicates that General Fund revenues will exceed these estimates.

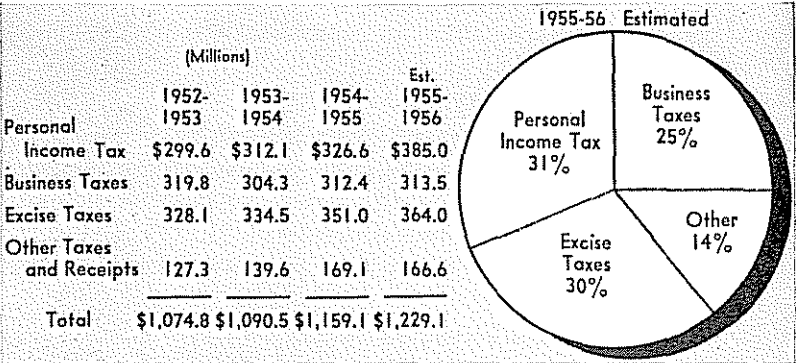
Revenue from the personal income tax was estimated at \$385.0 million, exceeding revenue of the previous year by \$58.4 million. Most of this increase is due to the discontinuance of the 10 per cent tax credit which was effective in 1954-55. A decline of \$11.4 million was anticipated in corporation franchise tax revenue because of the drop in 1954 corporation profits. It was expected that this revenue loss would be offset by an increase in unincorporated business tax revenue,

resulting from the discontinuance of the one per cent rate reduction in effect in previous years, and by increases in revenues from other business taxes. Total revenue from business taxes was expected to increase by \$1.1 million.

Excise tax revenues were estimated at \$364.0 million, an increase of \$13.0 million over 1954-55. Revenues from motor vehicle registrations and operator licenses were expected to increase by \$10.1 million, due in part to the large number of renewals of three-year operator licenses during 1955-56. Motor fuel tax receipts were expected to be \$4.7 million higher and revenue from alcoholic beverage taxes and licenses slightly higher than in the preceding year. These increases were expected to be offset somewhat by small declines in the revenues from the cigarette tax and the highway use tax.

"Other taxes and receipts" include the stock transfer tax, the inheritance and estate tax, the pari-mutuel tax, the racing, motion picture and boxing taxes, certain general receipts of departments, and refunds and reimbursements. It was estimated that total revenues from these sources would decline by \$2.5 million. However, the current year's collections from the stock transfer tax and the inheritance and estate tax indicate that these revenues will exceed earlier estimates.

GENERAL FUND REVENUES
Fiscal Years 1952-53 Through 1955-56



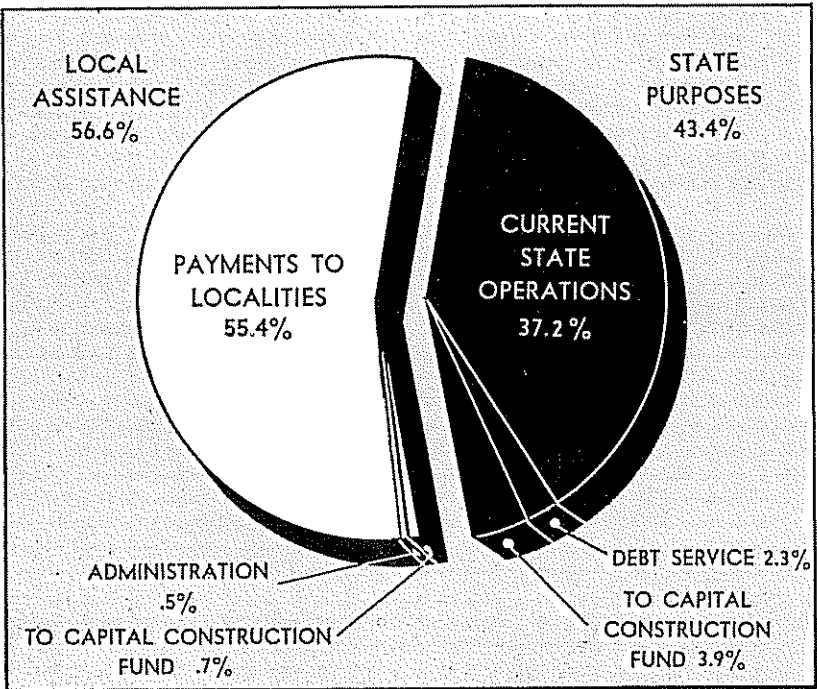
GENERAL FUND APPROPRIATIONS

When the Governor withdrew his request for an advance in the effective date of the proposed increase in the motor fuel tax, he automatically reduced his recommendations for General Fund appropriations by \$4.9 million, which would have been the approximate amount of payments to the localities from this revenue. The Legislature's reductions in recommended General Fund appropriations amounted to \$12.1 million, but this included \$4.4 million for existing social welfare local assistance programs and \$0.2 million for State aid for local mental health services which are mandated by law, and \$2.0 million for advance purchases of sand and gravel by the Public Works Department for the 1956-57 maintenance program. These appropriations had been recommended in the Executive Budget in order to avoid the necessity of deficiency appropriations for these purposes in the 1956 legislative session. These appropriation reductions have no effect on 1955-56 expenditures, but merely postpone the authorization of these funds until 1956. The remaining appropriation reductions made by the Legislature included \$4.0 million in proposed new local assistance for education and \$1.5 million for state purposes items.

In its action on the supplemental budget, the Legislature restored slightly over \$3.2 million of the reduction in General Fund appropriations for current operations at the Governor's request. Because the Legislature did not restore its reduction in local assistance appropriations for social welfare, \$4.4 million was budgeted for a deficiency appropriation to meet estimated social welfare expenditures during 1955-56. The transfers to the Capital Construction Fund from the General Fund were reduced by \$19.0 million.

General Fund appropriations as finally enacted by the Legislature for the fiscal year 1955-56 total \$1,211.8 million. When estimated deficiency requirements of \$9.9 million are added, appropriations for the fiscal year 1955-56 were expected to total \$1,221.7 million, an increase of \$55.1 million over the previous year. Local Assistance Fund appropriations in 1955-56 were expected to require \$691.7 million, or 57 per cent of total General Fund appropriations. State Purposes appropriations were expected to total \$530.0 million or 43 per cent. General Fund appropriations for 1955-56 include transfers to the Capital Construction Fund totaling \$56.0 million. General Fund debt service totals \$27.7 million which is appropriated from the State Purposes Fund.

GENERAL FUND APPROPRIATIONS—Fiscal Year 1955-56



The table below shows a comparison of General Fund appropriations for fiscal years 1954-55 and 1955-56. This table is presented in a form similar to that of prior years, except that deficiency appropriations are charged to the fiscal years to which they apply.

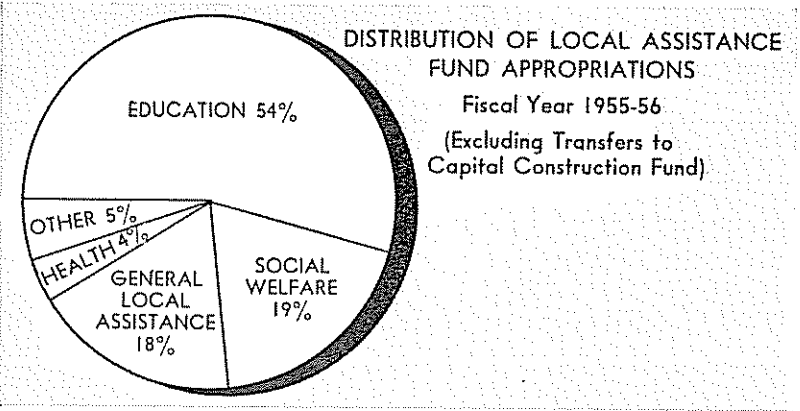
GENERAL FUND APPROPRIATIONS
(Millions)

	1954-55			1955-56		
	Regular	Deficiency	Total	Regular	Estimated Deficiency*	Total
Local Assistance Fund						
Payments to Localities	\$ 615.1	\$ 5.8	\$ 620.9	\$ 672.5	\$ 4.4	\$ 676.9
Administration	6.4		6.4	6.4		6.4
Transfers to Cap. Const. Fund	11.6	13.1	24.7	8.4		8.4
Total	\$ 633.1	\$ 18.9	\$ 652.0	\$ 687.3	\$ 4.4	\$ 691.7
State Purposes Fund						
Current Operations	\$ 419.4	\$ 10.9	\$ 430.3	\$ 449.2	\$ 5.5	\$ 454.7
Debt Service	27.9		27.9	27.7		27.7
Transfers to Cap. Const. Fund	38.4	18.0	56.4	47.6		47.6
Total	\$ 485.7	\$ 28.9	\$ 514.6	\$ 524.5	\$ 5.5	\$ 530.0
Total General Fund	\$1,118.8	\$ 47.8	\$1,166.6	\$1,211.8	\$ 9.9	\$1,221.7

* Estimate of deficiency needs. Not actually appropriated.

LOCAL ASSISTANCE FUND APPROPRIATIONS

Payments to localities comprise 55.4 per cent of all General Fund appropriations. These grants support specific local services and also provide general assistance to local governments. All local assistance programs are mandated by law, and formulas for determining the amount of aid furnished to each locality are prescribed by statute.



LOCAL ASSISTANCE FUND APPROPRIATIONS
(Excluding Transfers to Capital Construction Fund)
(Millions)

	1954-55			1955-56		
	Regular	Deficiency	Total	Regular	Estimated Deficiency**	Total
Education	\$327.3	\$ 4.4	\$331.7	\$371.0	.. .	\$371.0
Social Welfare	116.8		116.8	122.0	\$ 4.4	126.4
Gen. Local Assistance*	118.5	1.4	119.9	122.1		122.1
Health	31.2		31.2	29.9		29.9
Public Works	10.6		10.6	11.0		11.0
Housing Subsidies	9.7		9.7	12.2		12.2
Mental Hygiene	.6		.6	4.2		4.2
Rent Control	3.5		3.5	3.4		3.4
Youth Commission	2.5		2.5	2.5		2.5
Veterans Affairs	.4		.4	.4		.4
Other	.4		.4	.2		.2
Total	\$621.5	\$ 5.8	\$627.3	\$678.9	\$ 4.4	\$683.3

* Includes per capita aid and appropriations to counties based on motor fuel and vehicle tax revenues.
** Estimate of deficiency needs Not actually appropriated

Education

Education accounts for 54 per cent of all Local Assistance Fund appropriations for 1955-56. Aid for education totals \$371.0 million, an increase of \$39.3 million over 1954-55. Almost all of the increase is for State aid to common schools, necessitated by larger school enrollments and continuation of emergency aid to local school districts.

Increased State aid also has been required for teacher training in New York City, the school lunch program, community colleges and emergency school building. Grants for physically handicapped children and for libraries remain at about the same levels as in 1954-55. Included in the appropriation for support of common schools are \$1.5 million additional aid for special classes for physically and mentally handicapped children and a new appropriation of \$2.0 million for special classes throughout the State for non-English speaking children.

Equalization rates, an important factor in determining the amount of State aid for education, have been "pegged" at existing levels for another year, pending the recommendations of the Temporary Commission on Educational Finances. This Commission is studying the entire problem of State aid to localities for educational purposes and will report to the Governor and to the Legislature on December 15, 1955.

LOCAL ASSISTANCE FUND APPROPRIATIONS FOR EDUCATION
(Millions)

	1954-55	1955-56	Change
Support of Common Schools	\$312.8	\$350.9	+ \$38.1
Teacher Training, New York City	6.5	6.6	+ 0.1
School Lunch Program	5.6	6.0	+ 0.4
Community Colleges	3.0	3.3	+ 0.3
Aid to Libraries	2.3	2.3	
Emergency School Building	1.4	1.8	+ 0.4
Physically Handicapped Children	0.1	0.1	
Total	\$331.7	\$371.0	+ \$39.3

Social Welfare

Appropriations of \$126.4 million were recommended for social welfare grants in the Executive Budget. This estimate was based on case-load data and projected costs of hospital and medical care for public assistance cases. The Legislature reduced the requested appropriation

to \$122.0 million, making it necessary to provide \$4.4 million in the financial plan for a deficiency appropriation for social welfare aid.

The Executive Budget also provided for a supplemental appropriation of \$1.0 million to be proposed for aid to cities maintaining child-care centers for children of employed mothers. This was rejected by the Legislature, and the appropriation was not included in the supplemental budget.

General Local Assistance

General local assistance consists of per capita payments to cities, towns and villages based on the latest Federal Census, and appropriations to upstate counties based on the collections of State motor fuel and motor vehicle taxes. The appropriations to upstate counties equal 10 per cent of motor fuel tax collections and approximately 16 per cent of motor vehicle tax collections. For the fiscal year 1955-56 appropriations for general local assistance total \$122.1 million, or approximately 18 per cent of total State aid to local governments.

Health

Local assistance appropriations for public health programs total \$29.9 million for 1955-56, \$1.3 million less than in the previous year. A reduction in the number of tuberculosis cases and improved methods of care have permitted the closing of four local tuberculosis hospitals, saving \$2.2 million in State aid. Aid to city and county health departments for general public health work, aid for local laboratories and blood banks, and assistance to physically handicapped children and adult poliomyelitis cases require an increase of \$0.9 million in appropriations for these purposes over 1954-55.

Mental Hygiene

The new program of State aid for community mental health services, which emphasizes the development of preventive psychiatric services at the local level, became effective on October 1, 1954. Only a small appropriation was made for 1954-55 because the program had just begun. Estimates of the requirements of New York City and the counties which are organizing local mental health services indicated that State aid of \$4.1 million would be needed during 1955-56.

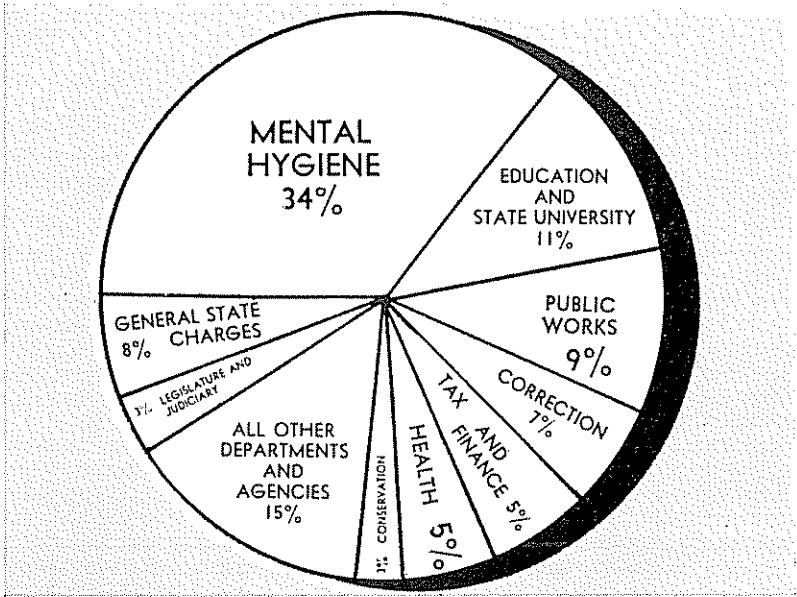
Other Programs of Local Assistance

In addition to the programs described above, which account for 95 per cent of total State aid, financial assistance is furnished to localities for public housing, rent control, highways and public works planning, youth bureaus and recreation projects, conservation work and veterans' service agencies. The major increase in appropriations for these programs is a \$2.5 million rise in the amount for housing subsidies, required by the completion of additional housing projects which qualify for subsidy payments.

STATE PURPOSES FUND APPROPRIATIONS

The State's departments and agencies are financed by appropriations from the State Purposes Fund. Appropriations totaling \$446.9 million were recommended for this purpose by the Governor in the Executive Budget. The Legislature reduced the recommended appropriations

DISTRIBUTION OF STATE PURPOSES FUND APPROPRIATIONS
FOR CURRENT OPERATIONS
Fiscal Year 1955-56



\$3.5 million, cutting programs \$1.5 million and eliminating an appropriation of \$2.0 million to the Public Works Department for advance purchases of sand and gravel for the 1956-57 maintenance program. At the same time, appropriations for the Legislature were increased by \$0.2 million. Slightly over \$0.4 million of the cuts made in recommended State Purposes Fund appropriations was restored in the supplemental budget, which also added \$4.1 million in other appropriations. Special bills originated by the Legislature accounted for additional appropriations of \$1.1 million.

Appropriations finally authorized from the State Purposes Fund for current operations during 1955-56 totaled \$449.2 million. Estimated deficiency requirements of \$5.5 million raise this total to \$454.7 million for 1955-56, an increase of \$24.4 million over the appropriations which applied to 1954-55.

STATE PURPOSES FUND APPROPRIATIONS FOR CURRENT OPERATIONS (Millions)						
	1954-55			1955-56		
	Regular	Deficiency	Total	Regular	Estimated Deficiency*	Total
Mental Hygiene	\$145.5	\$ **	\$145.5	\$154.0		\$154.0
Educat. and State Univ.	46.3	.5	46.8	49.1		49.1
Public Works	39.4	2.4	41.8	39.9		39.9
Correction	31.4	**	31.4	32.7		32.7
Taxation and Finance	20.0	.3	20.3	21.1		21.1
Health	20.4	**	20.4	21.5		21.5
Conservation	11.4	.1	11.5	11.8		11.8
All Other Depts. and Agencies	57.8	5.4	63.2	69.6		69.6
Legislature and Judiciary	13.2	.5	13.7	14.4		14.4
General State Charges	34.0	1.7	35.7	35.1		35.1
Total Current Operations	\$419.4	\$10.9	\$430.3	\$449.2	\$ 5.5	\$454.7

* Unallocated estimate of deficiency needs. Not actually appropriated.
** Less than \$50,000.

Mental Hygiene

The State's mental hygiene program, including operation of the State hospitals and schools, required appropriations of \$154.0 million for 1955-56. This is one-third of the entire State Purposes Fund budget for current operations. The increase of \$8.5 million over the previous year is due mainly to a rise in the patient population, the staffing of four new buildings, and employee salary increases.

Education

Appropriations for education and the State University for 1955-56 totaled \$49.1 million, an increase of \$2.3 million over 1954-55. A large part of this increase is required to staff new facilities at the two medical centers of the State University and to provide additional instructors and other requirements resulting from larger enrollments at the teacher training colleges. Appropriations also were increased to provide scholarships for nursing education and additional State scholarships and veterans' scholarships. An appropriation of \$10,000 for a new program of summer instruction for children of migrant workers was proposed by the Governor but rejected by the Legislature.

Health

Appropriations for operation of the Health Department and its hospitals totaled \$21.5 million, an increase of \$1.1 million over 1954-55. This increase is required to extend programs of cancer research and tuberculosis case-finding, to start a demonstration program for the rehabilitation of adults now on welfare rolls, and for increases in other public health services. The Governor recommended an appropriation of \$75,000 to initiate a cardiovascular health center for State employees in New York City similar to the center in Albany, but this was disapproved by the Legislature.

Taxation and Finance

Additional funds for administration and enforcement of the Tax Law have been appropriated to the Department of Taxation and Finance for the purpose of maximizing tax revenues through expanded collection and audit activities. Additional appropriations have also been provided to handle an expected increase in motor vehicle registrations.

Other State Programs

Appropriations for other State departments and agencies show only a slight increase over the previous year. Two important new programs, the study of consumer problems and problems of the aging, were initiated by the appointment of special assistants to the Governor. These staff assistants are coordinating existing State activities in these fields and introducing new services to aid consumers and older persons.

Estimated Deficiency Appropriations

This year's Budget Message presented a complete plan of expenditures for the entire fiscal year 1955-56, including an estimate of future deficiency requirements. Deficiency needs for State purposes were estimated at \$5.5 million. This includes \$2.5 million for unemployment insurance and workmen's compensation payments to State employees, determined near the end of the fiscal year, and \$3.0 million for other expenditures not foreseeable during the legislative session.

GENERAL FUND FIRST INSTANCE APPROPRIATIONS

Temporary non-interest-bearing advances are made from both the State Purposes and Local Assistance Funds to finance certain State and local programs. These advances, known as "first instance" appropriations, are not included in budget totals of General Fund appropriations since they are subject to reimbursement. First instance appropriations from the General Fund for 1955-56 total \$23.1 million. Of this, \$1.5 million was appropriated from the Local Assistance Fund to provide temporary aid in financing the school lunch program and the operation of community colleges. First instance appropriations from the State Purposes Fund totaled \$21.6 million, including \$7.9 million for the Workmen's Compensation Board, \$3.5 million for the Insurance Department, \$2.1 million for the Banking Department, and \$2.0 million for the Division of Safety Responsibility.

GOVERNMENTAL EMERGENCY FUND ALLOCATIONS

The Governmental Emergency Fund is a revolving account of \$3.0 million maintained by appropriations from the General Fund. Moneys may be allocated from the Governmental Emergency Fund for unanticipated emergency expenditures, upon authorization of the Governor and certification by legislative leaders that they will recommend appropriations at the next legislative session to reimburse the Fund for such expenditures. Reimbursements are made by deficiency appropriations from the State Purposes Fund.

CAPITAL CONSTRUCTION FUND

The operations of the Capital Construction Fund differ considerably from those of the General Fund. The Capital Construction Fund receives almost all its income by transfer from the General Fund and from bond funds. The resources of the Capital Construction Fund are carried over from year to year. The budgeting of capital projects involves three distinct steps: first, projects are authorized by means of appropriation; second, contracts and other obligations are made; and third, the State makes expenditures to liquidate obligations. Appropriations must be re-enacted annually in many cases because the completion of large contracts often requires several years. Annual appropriations and reappropriations therefore exceed annual expenditures.

The table below compares the budgeted and actual operations of the Capital Construction Fund for 1954-55, and also the projections for 1955-56, as budgeted and as revised soon after the close of the legislative session.

CAPITAL CONSTRUCTION FUND OPERATIONS (Millions)				
	1954-55		1955-56	
	Budget Message Estimate 2/1/55	Actual 3/31/55	Budget Message Estimate 2/1/55	Revised Estimate 5/10/55
Balance of assets available for expenditure in Capital Construction Fund at beginning of year	\$142.1	\$142.1	\$ 70.7	\$101.1
Income				
Transfers from General Fund	\$ 60.1	\$ 81.1	\$105.5	\$ 56.0
Transfer from War Bonus & Mental Health Bond Account	30.0	30.0	35.0	35.0
Reimbursables from:				
Grade Crossing Elimination				
Bond Fund	4.2	3.0	4.8	3.0
Mental Health Construction				
Bond Fund	0.4	...	4.9	27.2
Miscellaneous Receipts	6.7	7.3	2.6	2.6
Total Income	\$101.4	\$121.4	\$152.8	\$123.8
Outgo				
Capital Construction Expenditures	\$157.0	\$152.9	\$168.6	\$163.6
First Instance Advances (Net increase)	15.8	9.5	2.2	8.5
Total Outgo	\$172.8	\$162.4	\$170.8	\$172.1
Depletion of Capital Construction Fund	\$ 71.4	\$ 41.0	\$ 18.0	\$ 48.3
Balance of assets available for expenditure in Capital Construction Fund at end of year	\$ 70.7	\$101.1	\$ 52.7	\$ 52.8

The income of the Capital Construction Fund in 1954-55 was higher than budget estimates because of additional transfers from the General Fund made in March 1955. These transfers were made possible by the unusually large General Fund revenues collected during the last quarter of 1954-55.

The Governor's budget proposed a transfer of \$105.5 million of current revenues from the General Fund to the Capital Construction Fund during 1955-56. However, the Legislature rejected certain measures of the Governor's proposed revenue program. Transfers from the General Fund were reduced from \$105.5 million to \$56.0 million, making it necessary to revise the proposed plan for operations of the Capital Construction Fund for 1955-56. A \$350 million bond issue for construction of mental health facilities had been approved by the voters in November 1954, and part of the reduced income of the Capital Construction Fund has been offset by charging a larger amount of mental health construction expenditures against the bond issue and financing a smaller share of these expenditures from current revenues.

Total outgo from the Capital Construction Fund includes both expenditures and the net increase in first instance advances (total advances less any repayments to the Fund).

Capital Construction Fund expenditures in 1955-56 were expected to total \$163.6 million. This is \$10.7 million more than was spent during 1954-55, but \$5.0 million less than the Governor had proposed in the Executive Budget. The net increase in "first instance" advances during 1955-56 was estimated at \$8.5 million.

Total outgo exceeded total income in 1954-55 by \$41.0 million, reducing the assets of the Fund by the same amount and leaving a balance of \$101.1 million available for expenditure on March 31, 1955. Legislative changes in the Governor's revenue proposals made it necessary to budget a depletion of the assets of the Fund by \$48.3 million in 1955-56, instead of \$18.0 million as originally budgeted. This depletion would reduce assets available for expenditure to \$52.8 million on March 31, 1956. However, if current revenue collection trends continue to exceed earlier estimates, this depletion will be avoided.

The State's highway system requires considerable new construction and reconstruction, and the cost of such work exceeds the amount of revenue which can be provided from present sources for this purpose.

A \$750 million highway bond issue was approved by the Legislature for submission to the voters at the November election.

First Instance Appropriations

On March 31, 1955, outstanding first instance advances from the Capital Construction Fund totaled \$105.0 million. This comprised \$72.5 million owed by the New York State Thruway Authority, \$17.5 million of "deferred loans" owed mostly by the Jones Beach State Parkway Authority, and \$15.0 million of "current advances" owed mostly by the Federal government for recent construction work. Additional first instance appropriations from the Capital Construction Fund were made in 1955-56 totaling \$59.5 million, of which \$58.7 million was in anticipation of Federal grants, largely for construction of highways.

DEBT AND DEBT SERVICE

The net State debt totaled \$682.3 million on March 31, 1955, a decrease of \$55.5 million from the previous year. The General Fund portion of this debt is retired by appropriations from the State Purposes Fund. Debt incurred for grade crossing elimination is financed partly from revenues received from railroad companies through the Grade Crossing Elimination Debt Fund, and partly through the General Fund.

Housing debt is retired through annual payments by local housing authorities, with the assistance of State subsidies paid from the Local Assistance Fund. An additional bond issue of \$200 million for public housing was approved by the voters in November 1954.

The \$350 million Mental Health Construction Bond issue will be financed by revenues from the earmarked one cent per package tax on cigarettes and one-ninth of personal income tax collections. These revenues are also being used to retire the remaining World War II Veterans' Bonus debt.

NET STATE DEBT
(Millions)

	Net Debt on March 31		
	1954	1955	Change
General Fund (State Purposes)	\$256.2	\$242.5	— \$13.7
Grade Crossing Elimination Debt Fund	47.1	40.8	— 6.3
State Housing Debt Fund	314.5	309.0	— 5.5
World War II Bonus	120.0	90.0	— 30.0
Total	\$737.8	\$682.3	— \$55.5

DEBT SERVICE REQUIREMENTS
(Millions)

	1954-55	1955-56
General Fund (State Purposes)	\$27.9	\$27.7
Grade Crossing Elimination Debt Fund	2.9	2.6
State Housing Debt Fund	12.5	14.2
World War II Bonus	32.1	31.6
Total	\$75.4	\$76.1

NEW YORK STATE-NEW YORK CITY FISCAL
COMMITTEE

A ten-member citizens' committee has been appointed to study fiscal relations between New York State and New York City and to present its findings to the Governor and the Mayor of New York City. The Committee is expected to submit its initial report concerning City-State relations early in the 1956 session of the Legislature.

COMMISSION ON FISCAL AFFAIRS

On February 15, 1955, the Temporary Commission on the Fiscal Affairs of State Government submitted its final report to the Governor and the Legislature. Members of this Commission, which included three top fiscal advisers of the previous Administration, affirmed that "State operating expenditure and local assistance needs, generated by the demands of a growing population for more government services, are increasing faster than revenues from existing sources."

This Commission also noted serious weaknesses in the manner in which the budget was being presented, stating that "One cannot determine from an examination of the present budget what most of the individual programs, functions or activities cost."

On the subject of tax administration, the Commission acknowledged that "More thorough administrative effort would undoubtedly bring in revenue to which the State is entitled under present law."

In the field of capital budgeting, the Commission asserted: "There has been no consistent over-all program of capital requirements; no comprehensive picture of the capital needs of the immediate future; no systematic look ahead, except in special cases, such as the recent study of the Temporary Highway Finance Planning Commission."

The present Administration is aware of the great need for modernizing the State's financial and administrative processes and has already begun to make progress toward this end.

ADMINISTRATIVE IMPROVEMENT PROGRAM

The Governor has undertaken a new administrative improvement program in order to achieve the most effective and economical management of State services. Plans call for the review of the operations of all departments and agencies. The Division of the Budget is cooperating with the various agencies to improve management practices. Progress reports indicate that tangible advances are being made during this first year of the program's operation.

APPENDIX

Table 1. Executed Financial Plan for 1954-55 and Financial Plan for 1955-56

Table 2. General Fund Revenues, 1954-55 Actual and 1955-56 Estimated

Table 3. Local Assistance Fund Appropriations, 1954-55 and 1955-56

Table 4. State Purposes Fund Appropriations, 1954-55 and 1955-56

Table 5. Capital Construction Fund Appropriations

TABLE 1. EXECUTED FINANCIAL PLAN FOR 1954-55 and FINANCIAL PLAN FOR 1955-56						
	ACTUAL 1954-55			ESTIMATE 1955-56		
	Local Assistance Fund	State Purposes Fund	Total General Fund	Local Assistance Fund	State Purposes Fund	Total General Fund
INCOME						
Revenue collections.....	\$648,146,865	\$511,008,239	\$1,159,155,104	\$694,500,000	\$534,600,000	\$1,229,100,000
EXPENDITURES						
Total appropriations by Legislature.....	\$638,859,471	\$504,251,410	\$1,143,110,881	\$706,224,532	\$553,466,820	\$1,259,691,352
Less: Appropriations to complete prior year....	5,775,010	18,578,148	24,353,158	18,891,747	28,940,854 ^a	47,832,601
Regular appropriations for the year.....	\$633,084,461	\$485,673,262	\$1,118,757,723	\$687,332,785	\$524,525,966	\$1,211,858,751
Add: Additional appropriations to complete current year.....	18,891,747	28,940,854 ^a	47,832,601	4,375,000	5,500,000	9,875,000
Total appropriations for year.....	\$651,976,208	\$514,614,116	\$1,166,590,324	\$691,707,785	\$530,025,966	\$1,221,733,751
Add: Unexpended appropriations from prior years	9,857,555	38,656,028	48,513,583	9,321,045	34,534,080	43,855,125
Total available for expenditure.....	\$661,833,763	\$553,270,144	\$1,215,103,907	\$701,028,830	\$564,560,046	\$1,265,588,876
Less: Appropriations lapsed or repealed.....	5,278,302	7,842,755	13,121,057	3,942,946	4,500,000	8,442,946
Less: Appropriations to be carried forward.....	9,321,045	34,534,080	43,855,125	3,188,000	26,135,000	29,323,000
Total expenditures during year.....	\$647,234,416	\$510,893,309	\$1,158,127,725	\$693,897,884	\$533,925,046	\$1,227,822,930
SURPLUS						
Operating surplus.....	\$ 912,449	\$ 114,930	\$ 1,027,379	\$ 602,116	\$ 674,954	\$ 1,277,070
Add: Reserve Funds, April 1.....	62,958,339	79,537,326	142,495,665	63,975,480	80,069,830	144,045,310
Add: Earnings of Reserve Funds.....	104,692	417,574	522,266	100,000	375,000	475,000
Reserve Funds, March 31.....	\$ 63,975,480	\$ 80,069,830	\$ 144,045,310	\$ 64,677,596	\$ 81,119,784	\$ 145,797,380

^a Adjusted to include Chapter 6, Laws of 1955, an immediately available appropriation for study of educational financing.

TABLE 2. GENERAL FUND REVENUES ^a				
	1954-55 Actual	1955-56 Estimated	Change	
Personal income tax	\$ 326,636,006	\$ 385,000,000	+	\$58,363,994
Business taxes	\$ 312,389,668	\$ 313,500,000	+	\$ 1,110,332
Corporation tax (art. 9)	57,905,430	59,350,000	+	1,444,570
Utilities tax (gross receipts)	37,215,483	38,000,000	+	784,517
Corporation franchise tax (art. 9a)	165,309,390	153,900,000	-	11,409,390
Organization of corporations	910,814	950,000	+	39,186
Unincorporated business tax	19,654,604	24,200,000	+	4,545,396
Bank tax	22,300,346	28,000,000	+	5,699,654
Insurance premium tax	9,093,401	9,100,000	+	6,599
Excise taxes	\$ 350,999,769	\$ 363,950,000	+	\$12,950,231
Motor vehicle tax	105,723,351	115,800,000	+	10,076,649
Motor fuel tax	119,023,005	123,750,000	+	4,726,995
Alcoholic beverage tax	49,230,457	49,300,000	+	69,543
A.B.C. licenses	24,047,847	24,200,000	+	152,153
Cigarette tax	38,891,902	37,900,000	-	991,902
Highway use tax	14,083,207	13,000,000	-	1,083,207
Taxes on transfers and exchanges	\$ 125,952,799	\$ 120,625,000	-	\$ 5,327,799
Inheritance and estate tax	27,996,253	25,000,000	-	2,996,253
Stock transfer tax	40,923,139	35,000,000	-	5,923,139
Part-mutual tax	57,033,407	60,625,000	+	3,591,593
Other taxes	\$ 2,467,368	\$ 2,450,000	-	\$ 17,368
Racing tax	1,780,747	1,775,000	-	5,747
Motion picture tax	411,127	400,000	-	11,127
Boxing exhibitions tax	275,494	275,000	-	494
Other receipts	\$ 40,709,494	\$ 43,575,000	+	\$ 2,865,506
Revenues of general departments	33,160,159	35,925,000	+	2,764,841
Sundry general revenues	648,748	550,000	-	98,748
Refunds and reimbursements	6,850,614	7,075,000	+	224,386
Lands, bldgs., and property sold	49,973	25,000	-	24,973
STATE PURPOSES FUND	\$ 511,008,239	\$ 534,600,000	+	\$23,591,761
LOCAL ASSISTANCE FUND	648,146,865	694,500,000	+	46,353,135
GRAND TOTAL	\$1,159,155,104	\$1,229,100,000	+	\$69,944,896

^a Excludes collections earmarked for the War Bonds and Mental Health Bond Account as follows:
Personal income tax

Cigarette tax

^b The motion picture license fee is denominated as a tax here for convenience.

TABLE 3. LOCAL ASSISTANCE FUND APPROPRIATIONS

	Fiscal Year 1954-1955			Fiscal Year 1955-1956		
	Regular Appropriation	Deficiencies	Total	Regular Appropriation	Estimated Deficiency*	Total
Conservation						
County Reforestation.....	\$ 50,900		\$ 50,900	\$ 53,890		\$ 53,890
County Rabies Control.....	5,000		5,000	5,000		5,000
Correction						
Probation Services.....				50,000		50,000
Education						
Support of Common Schools.....	308,518,000	\$ 4,317,000	312,835,000	350,900,000		350,900,000
School Lunch Program.....	5,600,000		5,600,000	6,000,000		6,000,000
Aid to Libraries.....	2,300,000		2,300,000	2,350,000		2,350,000
Physically Handicapped Children.....	125,000		125,000	125,000		125,000
Emergency School Building.....	1,400,000		1,400,000	1,800,000		1,800,000
Teacher Training—New York City.....	6,400,000	73,547	6,473,547	6,550,000		6,550,000
Community Colleges.....	3,000,000		3,000,000	3,250,000		3,250,000
Commission for Services for Physically Handi- capped and Disabled Persons.....	75,000		75,000			
General Local Assistance						
Per Capita Aid.....	91,100,000		91,100,000	91,100,000		91,100,000
Counties' Share of Motor Fuel and Motor Vehicle Taxes.....	27,400,000	1,401,200	28,801,200	31,000,000		31,000,000
Health						
Tuberculosis Care.....	15,932,000		15,932,000	13,722,000		13,722,000
Physically Handicapped Children.....	1,850,000		1,850,000	2,134,600		2,134,600
County Care of Adult Poliomyelitis Cases....	35,000		35,000	55,000		55,000
Other Aid to Municipalities.....	12,960,000		12,960,000	13,591,400		13,591,400
Administration, Local Assistance.....	436,000		436,000	436,000		436,000
Joint Hospital Survey and Planning Comm.	141,000		141,000	144,000		144,000
Housing						
Housing Subsidies.....	9,401,410		9,401,410	11,925,362		11,925,362
Administration, Housing Loans and Subsidies	261,590		261,590	253,600		253,600
Mental Hygiene						
Community Mental Health Services.....	475,000		475,000	4,100,000		4,100,000
Treatment of Chronic Alcoholism.....	120,000		120,000	95,000		95,000
Public Works						
County Highways.....	2,200,000		2,200,000	2,200,000		2,200,000
Town Highways.....	8,050,000		8,050,000	8,280,000		8,280,000
Municipal Public Works.....	250,000		250,000	400,000		400,000
Administration, Local Assistance.....	121,913		121,913	123,968		123,968
Social Welfare						
Home Relief.....	13,765,000		13,765,000	120,405,000	\$4,375,000	124,780,000
Old Age Assistance.....	26,944,000		26,944,000			
Aid to Dependent Children.....	19,993,000		19,993,000			
Aid to the Disabled.....	9,944,000		9,944,000			
Aid to the Blind.....	1,338,000		1,338,000			
Public Assistance and Care.....	28,050,000		28,050,000			
Local Administrative Expenses.....	15,298,000		15,298,000	1,595,000		1,595,000
Administration, Local Assistance.....	1,448,000		1,448,000			
State Housing Rent Commission.....	3,535,000		3,535,000	3,350,000		3,350,000
Veterans' Service Agencies.....	435,000		435,000	435,000		435,000
Youth Commission.....	2,500,000		2,500,000	2,500,000		2,500,000
Leased Flood Control Lands.....	7,848		7,848			
Total, Exclusive of Transfers.....	\$621,465,661	\$ 5,791,747	\$627,257,408	\$678,929,820	\$4,375,000	\$683,304,820
Transfer to Capital Construction Fund.....	11,618,800	13,100,000	24,718,800	8,402,965		8,402,965
Grand Total.....	\$633,084,461	\$18,891,747	\$651,976,208	\$687,332,785	\$4,375,000	\$691,707,785

* Estimate of deficiency needs. Not actually appropriated.

TABLE 4. STATE PURPOSES FUND APPROPRIATIONS

	Fiscal Year 1954-1955			Fiscal Year 1955-1956		
	Regular Appropriation	Deficiencies	Total	Regular Appropriation	Estimated Deficiency ^a	Total
Executive Department						
Executive Chamber.....	\$ 752,830	\$ 22,000	\$ 774,830	\$ 680,311		\$ 680,311
Office of Comm. of Investigation.....	200,000		200,000	250,000		250,000
Division of Budget	730,986		730,986	838,056		838,056
Division of Military and Naval Affairs.....	6,218,320	31,000	6,249,320	6,215,600		6,215,600
Division of Veterans' Affairs.....	2,114,320		2,114,320	2,084,726		2,084,726
Division of Standards and Purchase.....	1,568,922		1,568,922	1,596,388		1,596,388
Division of Parole	2,325,447	17,000	2,342,447	2,474,463		2,474,463
Division of State Police.....	7,885,554	111,200	7,996,754	8,114,757		8,114,757
Division of Alcoholic Beverage Control.....	1,759,882	1,478	1,761,360	1,763,695		1,763,695
Local Alcoholic Beverage Control.....	1,000,926		1,000,926	1,024,899		1,024,899
Division of Housing	730,398		730,398	776,500		776,500
Division of Safety	274,857		274,857	286,138		286,138
Comm. against Discrimination.....	424,117		424,117	448,863		448,863
State Building Code Commission.....	407,614		407,614	394,000		394,000
State Civil Defense Commission.....	1,631,005		1,631,005	1,458,421		1,458,421
State Commission on Pensions.....	35,000		35,000	55,000		55,000
Department of Law	2,303,108	79,300	2,382,408	2,367,389		2,367,389
Department of Audit and Control.....	4,226,199	6,200	4,232,399	4,199,783		4,199,783
Department of Agriculture and Markets.....	5,073,983	6,082	5,080,065	5,114,361		5,114,361
Banking Department.....	30,000		30,000	33,000		33,000
Department of Civil Service.....	2,568,327		2,568,327	2,613,079		2,613,079
Department of Commerce	2,637,128		2,637,128	2,647,503		2,647,503
Conservation Department.....	11,445,974	104,620	11,550,594	11,793,454		11,793,454
Correction Department.....	31,369,016	35,000	31,404,016	32,671,740		32,671,740
Education Department.....	15,968,138	355,127	16,323,265	16,924,944		16,924,944
State University.....	30,385,072	118,491	30,503,563	32,167,617		32,167,617
Department of Health.....	20,365,671*	436	20,366,107	21,489,640		21,489,640
Insurance Department.....	301,500	14,000	315,500	75,000		75,000
Department of Labor	7,293,550		7,293,550	7,372,799		7,372,799
Department of Mental Hygiene.....	145,533,539	10,935	145,544,474	153,999,981		153,999,981
Department of Public Service.....	3,178,633	10,589	3,189,222	3,277,567		3,277,567
Department of Public Works.....	39,465,027	2,368,403	41,833,430	39,873,211		39,873,211
Department of Social Welfare.....	6,161,278		6,161,278	6,995,826		6,995,826
Department of State						
Department of State	3,174,674	1,020	3,175,694	3,144,467		3,144,467
Department of Taxation and Finance.....	19,959,095	355,178	20,314,273	21,145,180		21,145,180
Miscellaneous						
All State Departments and Agencies— To Supplement Appropriations for Personal Service	10,824,858	4,900,000	5,924,858	500,000		500,000
Temporary State Commissions.....	990,000	150,000 ^b	1,140,000	713,000		713,000
All Other.....	2,456,802	100,000	2,556,802	2,082,310		2,082,310
Legislature	5,860,804	477,500	6,338,304	6,744,954		6,744,954
Judiciary	7,317,620 ^c	15,028	7,332,648	7,676,879		7,676,879
General State Charges						
Pension Contributions & Administration.....	29,116,176	65,266	29,181,442	29,971,999		29,971,999
Taxes on Public Lands.....	2,608,300		2,608,300	2,802,300		2,802,300
Compensation Insurance.....	1,250,000	1,378,797	2,628,797	1,250,000		1,250,000
Court of Claims Judgments and Other Judg- ments	1,016,750	13,900	1,030,650	1,017,500		1,017,500
Other General State Charges.....	51,429	192,303	243,732	51,429		51,429
Estimated Deficiency.....					\$5,500,000	5,500,000
Total—Current Operations						
Total—Current Operations.....	\$419,343,113	\$10,940,853	\$430,283,966	\$449,178,729	\$5,500,000	\$454,678,729
Debt Service.....	27,944,698		27,944,698	27,747,237		27,747,237
Transfer to Capital Construction Fund.....	38,382,000	18,000,000	56,382,000	47,600,000		47,600,000
Total Comparable with 1955-56.....	\$485,669,811	\$28,940,853	\$514,610,664	\$524,525,966	\$5,500,000	\$530,025,966
*Transferred to Federal Funds.....	3,451		3,451			
Grand Total.....	\$485,673,262	\$28,940,853	\$514,614,115			

^a Estimate of deficiency needs. Not actually appropriated.^b An immediately available appropriation of \$150,000 to study educational financing.^c Includes \$17,873.99 appropriated at the June 1954 Special Session.

TABLE 5. CAPITAL CONSTRUCTION FUND APPROPRIATIONS

<i>Purpose</i>	<i>Appropriations in Force March 31, 1955*</i>	<i>1955-56 Appropriations</i>	<i>Total Appropriations in Force April 1, 1955</i>
Departmental Projects:			
Conservation and Parks	\$ 1,782,852	\$ 2,193,500	\$ 3,976,352
Correction	9,328,004	2,376,325	11,704,329
Education and State University	35,015,095	8,745,000	43,760,095
Dormitory Authority		4,000,000	4,000,000
Health	7,203,350	738,000	7,941,350
Mental Hygiene	164,001,618	64,522,000	228,523,618
Military and Naval Affairs	2,152,498	1,080,000	3,232,498
Social Welfare	837,740	1,235,000	2,072,740
State Police	936,897		936,897
Public Works Buildings	5,545,337	1,000,000	6,545,337
Planning and Inspection	2,006,259	2,500,000	4,506,259
Miscellaneous	320,527	44,000	364,527
Unapportioned Equipment	323,145	7,368,653	7,691,798
Unapportioned Rehabilitation	167,574	4,500,000	4,667,574
Unapportioned Construction	3,422,778	2,000,000	5,422,778
Services and Expenses	1,056,817	18,826,128	19,882,945
Sub Total	\$234,100,491	\$121,128,606	\$355,229,097
Highways	69,330,099	110,800,000	180,130,099
Parkways	13,853,990	15,000,000	28,853,990
Canals	1,827,079	1,000,000	2,827,079
Flood Control	868,463	50,000	918,463
Shore Protection	1,346,881	600,000	1,946,881
Grade Crossings	47,271,876	10,000,000	57,271,876
Grand Total	\$368,598,879	\$258,578,606	\$627,177,485

* Includes appropriations by 1955 Legislature made available prior to April 1, 1955 and changes made by Chapter 307 of the Laws of 1955.