

NEW YORK STATE BUDGET SUMMARY

1958-59



This budget is my fourth as Governor of New York. Like its predecessors, it has been formulated with care. Prudent attention has been paid to the necessity for economy. Yet the advances of the past are continued, and the essential needs of the present are met. . . . My objective has been to give the taxpayer the highest grade of service at the lowest possible cost.

Governor Averell Harriman,
Budget Message, January 27, 1958

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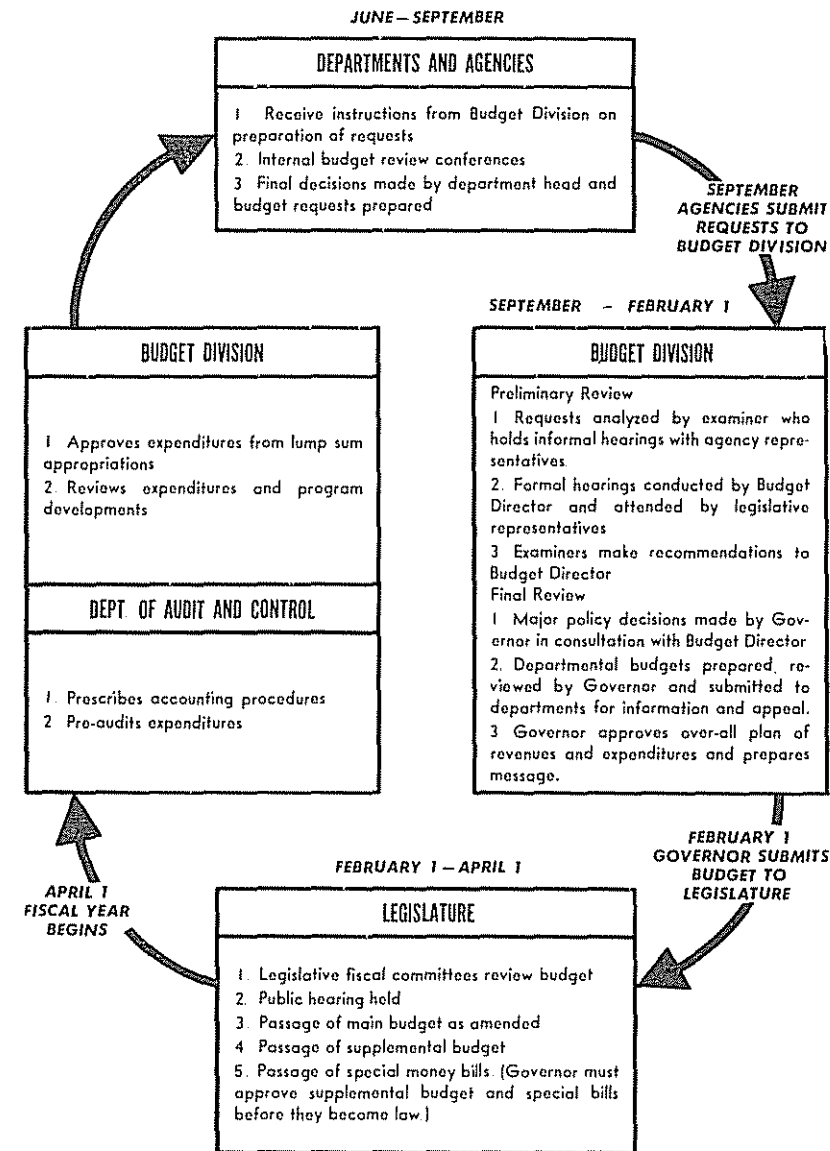


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New York State BUDGET PROCESS



INTRODUCTION BY THE GOVERNOR

Each year, in accordance with the State Constitution, the Governor presents to the Legislature a plan showing proposed State expenditures and the estimated monies available to finance them. This plan, known as the Executive Budget, is reviewed and often revised by the Legislature. The budget which finally becomes law is the result of the combined action of the Governor and the Legislature.

Since this budget is the fourth of my administration, it seems desirable to present a short review of what has been accomplished to date, before the 1958-59 budget is examined in detail. We have made much progress, continuing past advances and making changes to meet essential new needs. State expenditures have risen in order to provide increased assistance to localities, expanded services for a growing population, and important new programs, as well as to cover rising costs brought about by inflation. Nevertheless, New York has maintained its standing as a low-tax state. Forty of the 48 states took a higher proportion of resident income for state taxes in 1957 than did New York.

Of the \$595 million increase in total State expenditures between 1954-55 and 1958-59, nearly \$331 million, or 56 per cent, has been for increased aid to local governments; almost \$119 million, or 20 per cent, has been for capital construction, largely stepped-up construction of highways, mental hospitals and State University facilities financed by bond funds; and close to \$146 million, or 24 per cent, has been for operation of the State government, almost half of which went to reduce the 48-hour and 44-hour work week of 33,000 State employees to 40 hours, to improve the salary plan and to provide social security and health insurance.

**EXPENDITURES OF GENERAL FUND AND CAPITAL
CONSTRUCTION FUND, BY FUNCTION, 1954-55 AND 1958-59**

	1954-55 <i>Actual</i>	1958-59 <i>Estimated</i>	<i>Increase</i>	<i>Per cent</i> <i>of Total</i> <i>Increase</i>
	<i>(millions of dollars)</i>			
Education	396	682	286	48
Health and Mental Hygiene	252	351	99	17
Highways and Highway Safety	213	321	108	18
Public Welfare	155	199	44	8
General Government	79	105	26	4
Public Safety	66	86	20	3
Natural Resources and Recreation	34	39	5	1
Agriculture, Business and Labor	31	38	7	1
Nonallocated General Costs	4	4	...	...
Total	1,230	1,825	595	100

The increase in State expenditures for education since 1954-55 has been \$286 million, far exceeding that for any other function, as demonstrated in the accompanying table. Education claims a greater share of the State budget than any other function, and this share has grown during the past four years from 32 to 37 per cent.

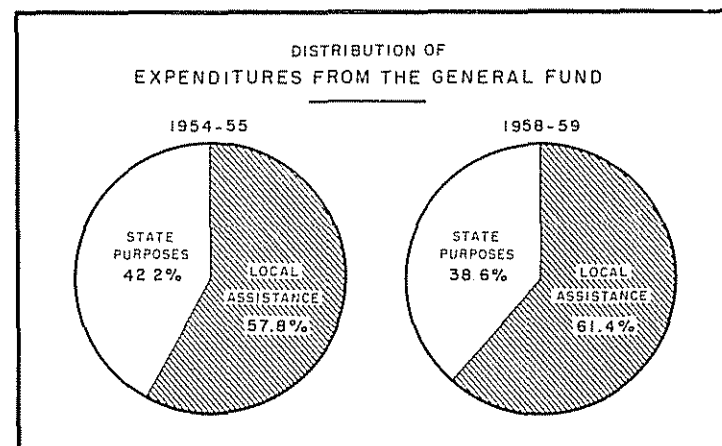
Of the total rise in State expenditures for local assistance since 1954-55, aid for education has expanded by \$251 million. This is 76 per cent of the State's total increase in local assistance over this period. As a consequence, the share of the budget for local assistance devoted to education is now 61 per cent, compared with 53 per cent four years ago.

At the same time, the State's local assistance for a variety of public welfare programs has grown by \$37 million, while aid for local highways has risen by \$24 million and for community health and mental hygiene projects by \$16 million.

State aid to New York City has been substantially augmented, rising by \$110 million since 1954-55. Over half of that amount, or \$60 million, was for the City's educational system. New programs were instituted in this field that are of particular benefit to the City: additional aid for non-English-speaking students and for handicapped students. Over \$23 million in welfare assistance to New York City was added over the four years, including aid for infirmary care in chronic welfare cases. Expansion of the State's community mental health program resulted in an increase in State aid to the City of \$8 million.

In addition, the City's revenues have been increased by over \$9 million by arranging for the return of 25 per cent of motor vehicle fees collected, a return already prevailing for counties in the rest of the State.

The proportion of State funds going to support local government services was higher in New York in 1957 than in 44 other states. I am gratified to point out that a larger proportion of New York's General Fund budget is for local assistance this year than when I became Governor, as shown in the chart below.



As a result of the State's greatly expanded capital construction program over the past four years, the proportion of total State expenditures for this purpose has been enlarged from 12 to 15 per cent since 1954-55. Among the significant advances in this field have been the construction of new highways, hospitals, colleges and parks.

Progress in building highways in the past four years has been phenomenal. In January, 1958, construction under contract on toll-free State highways amounted to \$414 million, more than double the comparable figure when I took office. New York is now first in the Nation in value of highway work under way on the Interstate System.

Our large-scale program of building new and expanded mental hospital facilities has resulted in the completion of accommodations for 3,570 persons, while facilities for 5,735 are under construction and 10,500 more are in various stages of planning. Overcrowding in our mental institutions has been reduced by 20 per cent since the end of

1954. In addition, accommodations for 1,280 mentally retarded children are under construction.

Five new colleges have been added to the State University system—community colleges in the Bronx, Corning, Poughkeepsie and Staten Island, and the State University College on Long Island—helping to accommodate rising enrollments. Between the fall of 1954 and that of 1957, the number of full-time students at all units of the University mounted from 28,700 to 35,000. Completions of expanded facilities at existing State University schools have included such projects as the agricultural engineering building at the State College of Agriculture at Ithaca; the basic sciences buildings at the Medical Centers in New York City and Syracuse; and the library, classroom and music building at Geneseo Teachers College. The first units of an entirely new campus for Harpur College are scheduled for completion in the fall of 1958 at Endicott, including dormitories and a gymnasium. Under way also are classroom, student center, library and science buildings.

Four entire parks have been or are being added to the State Park system: Long Point, Mohansic, Seneca Lake and St. Lawrence. Two others are being planned, at Rockland Lake and Sampson Air Force Base. Jacques Cartier State Park and Evangola State Park have been developed, and Sunken Meadow State Park has been developed and substantially expanded. Other parks have been extended and refurbished, parking facilities have been built, and almost 800 new campsites have been established.

While the proportions of total State expenditures for aid to local governments and for construction have been rising, the share required for operation of the State government has been reduced correspondingly, from about 37 per cent in 1954-55 to 33 per cent in 1958-59.

New programs undertaken during the past four years are having important and far-reaching effects on the well-being of our citizens. In the field of mental health, for example, intensive treatment and expanded research have brought to a halt the previously growing number of patients in our mental hospitals. This is a highly significant achievement. Although operating costs at these hospitals have risen since 1954-55, the decrease in number of patients has saved \$170 million in construction requirements as well as additional operating costs.

The administrative improvement program initiated in all State agencies in 1955 has had a value to the taxpayers in three years of over \$17 million in reduced costs and in increased revenues from miscellaneous nontax sources, and improved tax enforcement has produced \$23 million in added revenues.

After years of effort, I am happy to say that the State is now venturing into public programming of educational television. A new program of graduate fellowships was established for 250 students this year and 500 next year. In addition, the total number of scholarships has risen to 25,000. Regents awards to high school graduates have tripled over the last four years and, when the program is fully operative, they will have quadrupled. Furthermore, the former ceilings on number of awards have been abolished in favor of granting scholarships annually to 5 per cent of those graduating from high school. The criterion of need has been introduced for most scholarships to high school graduates, and maximum stipends were raised. The range for Regents scholarships is now from \$250 to \$700 per year, as against a former flat award of \$350, while maximum engineering and nursing grants have also been increased.

Other new programs are small in terms of costs, but their potential long-range value for the State's residents is considerable. Studies of low-income families, begun two years ago, are teaching us much about the factors associated with low economic status. We are now attempting, on an experimental basis, to assist low-income families in one area of the State toward self-sufficiency. Our programs for the aging are providing wider opportunities for older persons throughout the State to participate in the life of their communities. State assistance for local probation services has been inaugurated. Accommodations for juvenile delinquents in State training schools have risen by 67 per cent since 1954 and, when presently planned additions are completed, the gain will be 89 per cent. Consumer protection has been enhanced through consumer education activities and enactment of laws to safeguard consumer interests. Aid to small business, encouragement of industrial expansion, and more intensive efforts to reduce discrimination are all beneficial to the economic and social climate of the State.

We have been able to make this progress without raising tax rates. In fact, permanent tax reductions have been made amounting to \$20 million annually. We have excluded disability benefits and sick pay from taxation, and have increased exemptions for college students, the aged and the blind. We have also provided for a deduction for child care and liberalized the deduction for medical expenses. In addition, partial remission of the tax on unincorporated businesses and credit allowed to New York residents for personal income taxes paid to other states have been in effect since 1957. It was also possible to reduce personal income tax payments in 1956 and 1957.

I am glad to report that the reserve funds of the State have been

increased during the past three years. The usable assets of the Capital Construction Fund reached nearly \$120 million on March 31, 1958, or over \$10 million more than on March 31, 1955. In each of the nine previous years the usable assets of the Fund were reduced, for a total reduction over the period of \$337 million. Since 1946, there has been a net addition to the usable assets of the Capital Construction Fund in only two years, 1955-56 and 1956-57. Increases in the Tax Stabilization Reserve Funds have brought their total to \$149 million, or \$5 million more than on March 31, 1955.

This year's budget was shaped in part by recognition of the State's responsibilities during the national business recession. Budgetary and other measures have been taken to counter effects of the recession in this State and at the same time to stimulate renewed economic expansion. Construction has been accelerated in areas with high unemployment. The advanced scheduling of contracts for highways, bridges, parkways, parks, State University buildings and mental hospital facilities is channeling additional funds at this time to localities where the need is great. Projects being accelerated will eventually entail contracts calling for \$34 million in State funds and \$40 million in Federal funds. The Commissioners of the Departments of Commerce, Labor, and Social Welfare have joined to coordinate State anti-recession activities and to assist local governmental and business officials in taking action. The State's program of assistance to small business has been stepped up, and the groundwork for additional public housing has been laid. Maximum unemployment insurance and workmen's compensation benefits have been increased, and the maximum period of unemployment benefit payments was extended from 26 to 39 weeks under new State legislation permitting New York to participate in a new Federal program of assistance for this purpose. In these ways the State's resources are being used to the fullest extent to contribute toward the general economic growth and welfare of the Nation.

The following pages describe the State's budget as adopted for the current fiscal year, with information about the State's major programs. I hope that this booklet will prove helpful to all who want to know more about the State's activities and how they are financed.

Charles H. Harrison

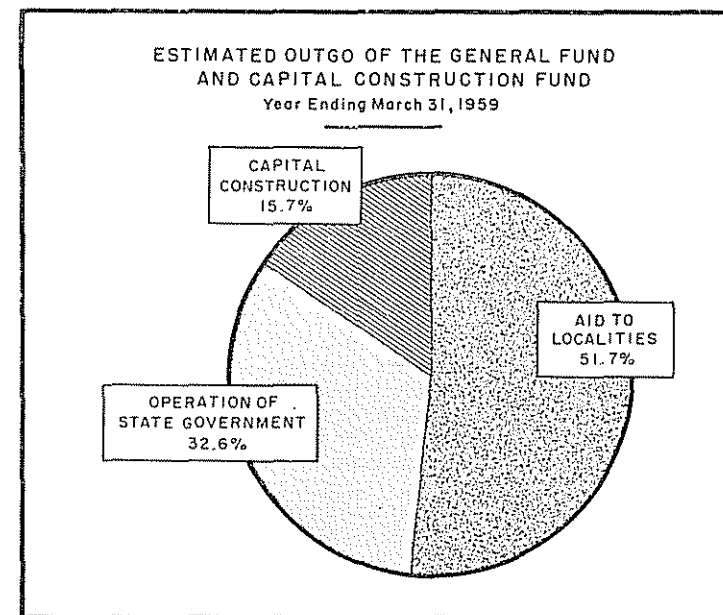
FINANCIAL SUMMARY

... the budget which I am recommending is designed to meet our most pressing requirements for schools and colleges, for highways, for health and mental hygiene, and for other essential programs. At the same time it is designed to give prudent regard to the realities of the economic slowdown.

—Governor's 1958 Budget Message

In the fiscal year ended March 31, 1958, State expenditures of \$1,657 million and \$15 million in net outgo for first instance advances on capital construction were met by \$1,509 million in revenues, \$84 million in bond funds and \$79 million in Capital Construction Fund assets.

In 1958-59, expenditures are expected to reach \$1,825 million. More than one-half of the increase in expenditures over the previous year is for aid to education and other local assistance. A substantial part of the remaining increase is for construction of highways and mental hospitals. Of total expenditures in 1958-59, \$953 million will be spent for State local assistance programs, \$600 million for the operation of State government, and \$272 million for construction. These expenditures and \$18 million in net construction advances will be financed by current revenues of \$1,607 million, bond funds of \$138 million and \$98 million in assets of the Capital Construction Fund.

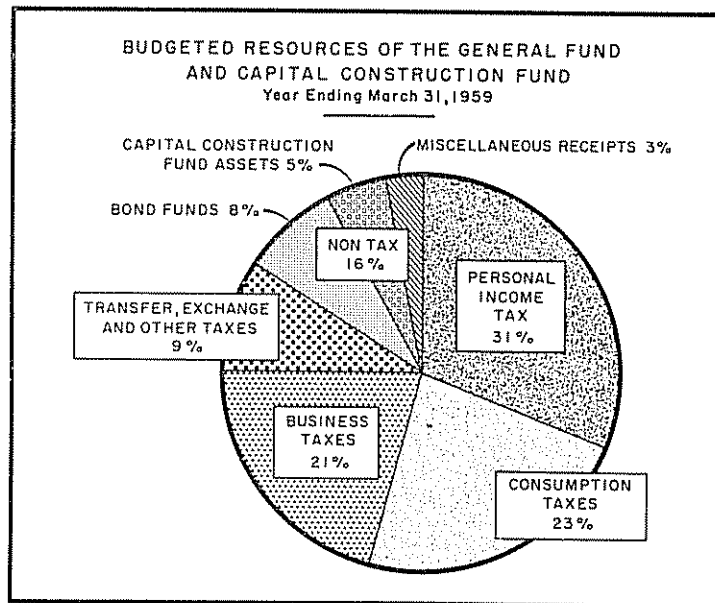


RESOURCES BUDGETED

We have made much progress in the past three years without the tax increases which have been necessary in nearly all other states. In fact, we have made permanent tax reductions. . . . 1954-55 was the last fiscal year in which additional permanent taxes were imposed, an event which had been almost a yearly occurrence since 1947-48.

—Governor's 1958 Budget Message

The State draws upon various financial resources to cover outgo: taxes, licenses, fees, bond funds and other monies. Of the total budgeted resources in 1958-59, taxes are expected to contribute \$1,552 million, or 84 per cent.



TAXES



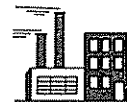
... on personal incomes

New York's largest single revenue source is the personal income tax, which accounts for almost one-third of the State's budgeted resources. The yield of this tax depends primarily on the income received by individuals during the preceding calendar year. The personal income tax will provide \$569 million this year. A number of recent income tax relief measures continue in effect in 1958-59: the "humanizing amendments" which benefit working mothers, the blind, the aged and the sick; the credit for income taxes paid to other states; and the exemption of disability benefits and sick pay. In addition, the \$800 exemption for college students becomes effective this year.



... on consumption and use

Taxes on consumption and use are expected to produce nearly one-quarter of budgeted resources. In this group are taxes on motor fuel, cigarettes and alcoholic beverages; fees for alcoholic beverage control licenses; fees for motor vehicle registrations and operators' licenses; and the highway use tax on heavy trucks. The most significant revenue producers in the group are the motor fuel tax and motor vehicle fees. Revenues from consumption and use taxes are expected to total \$428 million in 1958-59.



... on business

Taxes on business are expected to provide slightly over one-fifth of the State's budgeted resources. The bulk of this revenue is derived from corporate enterprises, including general business concerns, financial corporations, public utilities and insurance companies. Most corporations, as well as unincorporated businesses, are taxed on the basis of net income. However, public utilities are taxed primarily on gross earnings, insurance companies on receipts from premiums, and real estate companies on gross assets.

The slowdown in business activity which began in 1957 will prevent

the yield of business taxes from rising above the level of last year. Revenue for 1958-59 is estimated at \$391 million, after allowing for continuation of the tax reduction designed to assist small businesses.



... on transfers and exchanges

This group consists of taxes on pari-mutuel betting at horse races, on the sale or exchange of stock securities, and on estates left by wealthy decedents. These taxes are expected to yield \$161 million, or less than one-tenth of budgeted resources, in 1958-59.

... on other activities

Taxes on admissions to horse racing meets and boxing events, and fees for licensing motion pictures will account for a fraction of one per cent of budgeted resources. Together they are expected to produce \$3 million.

OTHER RESOURCES

Nontax funds will provide 16 per cent of the State's budgeted resources in 1958-59. These include proceeds from the sale of bonds for construction of mental health facilities, highways, parkways and State University facilities, for the State's share of construction costs of community colleges, and for elimination of grade crossings; assets available in the Capital Construction Fund; various monies received by State agencies, such as reimbursements for the care of patients at State institutions, and revenues from licenses and fees; and other miscellaneous receipts. Nontax resources are expected to total \$291 million in 1958-59.

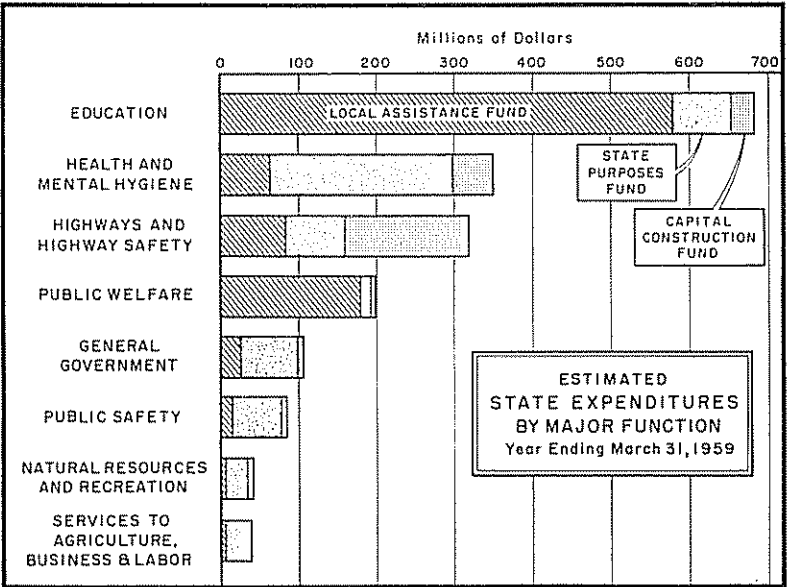
MAJOR STATE FUNCTIONS

The classification of expenditures by function was begun two years ago and is continued in this budget. Such classification allows the Legislature and the public to relate costs directly to the major services provided by the State.

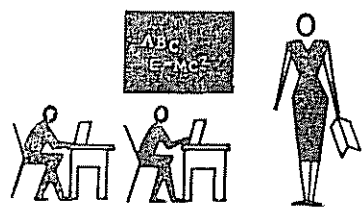
—Governor's 1958 Budget Message

In the following pages, expenditures are grouped into eight major functions. The chart below indicates for each function the total amount to be spent in 1958-59 and the shares for local assistance programs, for the operation of State government and for construction. Most of the functions involve all three types of expenditure.

In addition to the eight major kinds of expenditures, there are certain costs not chargeable to any one function. These will total about \$4 million in 1958-59, or only two-tenths of one per cent of all State spending, and will be for the payment of taxes on public lands, for judgments, and for minor items which will be authorized by the Legislature in 1959. Major items for which 1959 deficiency appropriations are anticipated have already been allocated among the eight functions.



EDUCATION

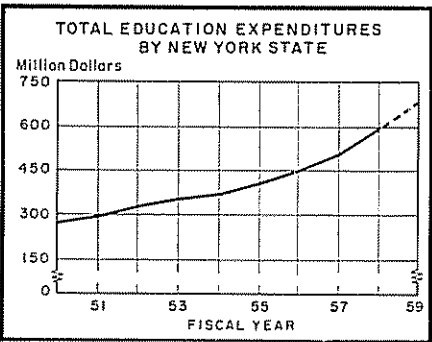


New York is a leader among the states in the scope of its educational activities. It provides local public schools with financial aid and general supervision, operates the State University, offers a broad range of scholarships, and directs programs of vocational rehabilitation and adult education. This year the State will spend about \$682 million, or 37 per cent of its total expenditures, for educational purposes.

Elementary and Secondary Schools . . .

Approximately 2.7 million pupils attend public elementary and secondary schools in this State. The public schools are locally administered and operated, with the State providing financial assistance and supervisory services. The broad purpose of grants for elementary and secondary schools is to assure every child the opportunity for an adequate education. State aid is based on formulas which take into account differences in local economic resources and enrollments. Additional aid is available for school construction, rapidly growing school districts, school lunch programs, transportation, and special classes for handicapped children.

This year, in addition to normal growth under existing formulas, State aid will expand by \$27 million as the result of changes enacted at the 1958 legislative session. These amendments increased basic State aid to school districts by eight per cent, liberalized the method of reporting average daily attendance, inaugurated a system of aid to districts with exceptionally high tax rates, provided increased aid for certain central school districts, broadened the emergency school construction program, provided larger funds to New York City for the education of problem children, and granted additional aid to school districts which have experimental programs in the teaching of science and mathematics or in the teaching of pupils with exceptional ability. The State-mandated minimum salary schedule for teachers was raised by \$500 per year. It is estimated that State aid for elementary and secondary schools will total \$562 million in 1958-59, an increase of \$64 million over 1957-58.



The State furnishes administrative, advisory and research services to local school districts to help them maintain high standards. It also prepares and rates examinations, assists with school building plans and business management, and develops curriculums and syllabuses. The State evaluates and certifies the qualifications of teacher applicants, and provides general supervision for school districts. Scholarships for special college courses are awarded to present and prospective teachers of mentally retarded children to raise the number and competence of such teachers. Under a new program, the State will pay the costs of tuition and maintenance for public school teachers of mathematics and science who take refresher courses. In addition to services and assistance given the public school system, the State operates a school for the blind, supervises and provides aid for the education of deaf and blind children in privately operated schools, and contracts for the public school education of Indian children residing on reservations.

Higher Education . . .

The State supports higher education through the State University, an extensive scholarship system, and assistance for local programs, all of which are expected to cost \$98 million in 1958-59.

The State University comprises institutions of higher education in a variety of technical and professional fields. The State maintains Haipur College, a liberal arts institution at Endicott; eleven teachers colleges; medical centers at Syracuse and Brooklyn; four schools at Cornell University—the College of Agriculture, the College of Home Economics, the Veterinary College and the School of Industrial and Labor Relations; the College of Ceramics at Alfred University; the College of Forestry at Syracuse University; the Maritime College in New York City; and six agricultural and technical institutes. The State also furnishes the main support for the School of Nutrition at

Cornell and operates the Agricultural Experiment Station at Geneva. Last year, the State University College on Long Island was opened at a temporary campus at Oyster Bay. This college, offering scientific and mathematical training to prospective teachers, is being expanded to provide general college training in the fields of science, mathematics and engineering. Operating costs of the units comprising the State University will be financed by \$47 million in general State revenues supplemented by tuition payments, fees and related income.

Continued improvement of facilities is necessary to meet existing needs and provide for the anticipated growth in enrollments over the next decade. To assist in financing this construction program, New York State voters last year authorized the issuance of \$250 million in bonds. New instructional buildings and expansion and improvement of present facilities of the State University, including projects auxiliary to the dormitory construction program, are expected to cost \$17 million this year.

An important requirement of the State University is the provision of adequate dormitory facilities for rising numbers of students. In the present dormitory construction program, accommodations for 650 students have been completed since 1954-55, another 2,848 are under construction, 2,498 more are being designed, and 2,324 are in preliminary stages of planning. When completed, the program now under way will provide accommodations for 8,320 students, compared with accommodations for only 3,281 provided previously. The present program also includes dining facilities for 5,200. This year expenditures for dormitory construction are expected to be \$8 million.

The State assists local governments in financing higher education in two ways. The State contributes one-third of operating costs and one-half of capital costs for 11 community colleges, which are locally operated but under State University supervision. Two more such colleges, one in the Bronx and another at Corning, are scheduled to open this year. The State also gives aid to New York City for teacher training in the municipal colleges. These two programs will cost the State approximately \$16 million in 1958-59.

New York State's scholarship program includes Regents college scholarships, war service scholarships, scholarships for children of deceased or disabled veterans, scholarships at Cornell University, and scholarships for the study of engineering and science, medicine, dentistry and nursing. Legislation enacted in 1958 added 500 more scholarships in engineering and science, and established graduate fellowships for 250 residents attending universities in the State in

order to produce an increased number of qualified college teachers. The fellowships will rise to 500 next year. The total cost of these programs is expected to be \$9 million in 1958-59. This year 25,000 scholarships are in effect, or 3,400 more than last year. The number of scholarships will continue to rise in the future since the number is set by law at five per cent of the previous year's high school graduates.

The State is advancing \$500,000 this year to the recently created nonprofit Higher Education Assistance Corporation, enabling the organization to grant guaranteed loans to students planning to attend college. Loans are guaranteed up to \$1,000 a year per student, with a maximum guarantee for one student of \$5,000.

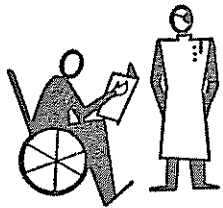
Other Programs . . .

An educational milestone was reached with the approval this year of a new program of public educational television. Under this plan, the Board of Regents is leasing the facilities of a regular television station in New York City for presentation during the day of educational programs that may be viewed on receivers at home or in school. The sizable audience that will be in a position to benefit will include not only students and residents of the City but those in surrounding sections of the metropolitan area. Altogether it is estimated that close to five million TV sets will be able to tune in on these programs. Tapes of the telecasts will be made available for use on upstate television stations. The use of closed-circuit television as an educational technique is also being extended, with experimentation in classroom use for teaching and teacher-training observation.

The Education Department maintains the State Museum and Science Service and the State Library, and advises local public libraries. Local public libraries are eligible for State financial aid upon approval of their plans for library service. A greater amount of State aid has been made available for local libraries this year and requirements for eligibility have been eased.

Another State program assists the vocational rehabilitation of physically handicapped persons. Through counseling, medical treatment and vocational training, over 15,500 persons will benefit this year. State aid for educational programs for the aging is also being continued.

HEALTH AND MENTAL HYGIENE



Public health departments were first organized to control communicable diseases, and early activities in the field of mental hygiene were concerned essentially with the provision of custodial care. While these traditional functions are still performed, they have been augmented in this State to place increasing emphasis on the identi-

fication and early treatment of both physical and mental illnesses, on the elimination of factors contributing to disease or disability, and on the interrelation of physical and mental well-being. In 1958-59, New York State will spend \$351 million, or 19 per cent of total expenditures, to maintain and improve the health of its citizens. Of this amount, \$270 million will be for mental health purposes and \$81 million for general public health activities.

Institutional Care and Treatment . . .

The State cares for 117,000 persons in 18 hospitals for the mentally ill, six schools for the mentally retarded, six hospitals for tuberculosis patients, an institution for epileptics and a rehabilitation center for the physically handicapped. The State also maintains four aftercare centers in the New York metropolitan area and two day hospitals. Operation and maintenance of all these institutions requires a staff of approximately 40,700 and will cost about \$196 million this year. Mental institutions account for 38,700 of the employees and \$180 million of the cost. Increased funds this year will provide personnel for new buildings, extend existing services to more patients, and permit a reduction in the work week of institutional employees from 42 to 40 hours.

A substantial capital construction program is being continued to reduce overcrowding and replace outmoded hospital facilities with new and modernized accommodations. This year the program will entail expenditures of over \$52 million, of which \$49 million will be for mental health construction. Accommodations for over 5,700 mental patients are now under construction, major projects including those at Creedmoor, Gowanda, Kings Park, Manhattan, Marcy and Rochester State Hospitals. In addition, 10,500 accommodations are in various stages of planning, including site preparation for the new Bronx State Hospital.

The successful introduction of a program of intensified treatment,

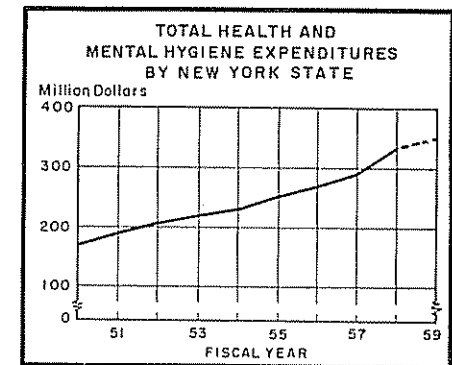
including the use of tranquilizing drugs where medically desirable, has had a marked effect on the lives of those who enter the State's mental hospitals and has accelerated the rate of discharges. The use of seclusion and restraint has almost disappeared; greater attention to occupational and recreational therapy has produced a new atmosphere of hope. Despite the fact that the number of patients *admitted* to the State's mental hospitals each year is still rising, the *total* number in these institutions decreased by about 1,200 last year and 450 in each of the two previous years. This is in contrast to the increase of about 2,400 annually prior to 1955. The saving which this represents in human resources is incalculable. Dollar savings are also significant; had the earlier trend continued, the State would have been required to spend an additional \$170 million for new construction by 1959 and an additional \$10 million annually for operation and maintenance.

The problem of mental retardation remains a serious one. This year an administrative unit, headed by an Assistant Commissioner, is being created in the Department of Mental Hygiene to develop programs and coordinate services for mentally retarded children. Five buildings which will care for and treat an additional 800 children at the Willowbrook State School are nearing completion, as are facilities for 480 at Rome State School, while construction of a building for 160 infants at Letchworth Village is scheduled for this year. Construction will start soon on the initial structure of an institution at West Seneca in Erie County that will provide school accommodations for 1,800 and hospital facilities for 200. Another school is planned for Suffolk County, while expansion plans for some existing schools are being formulated.

Tuberculosis cases in State institutions continue to decline. This reduction enabled the State to close one of its tuberculosis hospitals in 1956 and will allow another, the Broadacres Sanatorium at Utica, to be closed soon at an estimated saving of \$600,000 this year.

Research, Experimentation and Training . . .

Research, experimentation and training are essential to the control of disease. As the decline in population of the State's mental and



tuberculosis hospitals demonstrates, money spent for research today may produce savings many times as large tomorrow. This year New York will spend approximately \$20 million for research, experimentation and training. This will be about equally divided between health and mental health programs and includes \$4 million for the extension of intensive treatment activities referred to earlier. Over 1,800 persons are employed in research at the three centers in Buffalo, New York City and Syracuse described below that are engaged principally in research. Research is also conducted by staff members of most other institutions.

New York Psychiatric Institute and Hospital and Syracuse Psychiatric Hospital are devoted almost wholly to basic research in mental illness. Major projects under way there and at other institutions reflect the great interest in new drugs, illnesses of old age, child psychiatry, mental deficiency and schizophrenia. A new research center is being established in existing facilities at the Willowbrook State School and additional funds are available this year for other studies being planned in mental retardation. Expanded research facilities are to be constructed at the Rockland State Hospital and the New York Psychiatric Institute.

A unique program of research into the causes and treatment of cancer is being conducted at the Roswell Park Memorial Institute in Buffalo. Expansion of this institution will be completed next year when a new seven-story research building will be opened. Research into chronic, heart and other diseases, as well as diagnostic tests, are performed by the Division of Laboratories and Research in Albany.

In 1956 intensive-treatment units for newly admitted patients were established on an experimental basis in four of the State's mental hospitals on the assumption that the sooner treatment is started, and the more intensive it is, the greater are the chances for the patient's early recovery. The validity of this assumption is shown by the increasing number of mental patients discharged each year and by the shorter periods of hospitalization required. This year intensive-treatment units will be available to new patients in all 18 of the State's mental hospitals. Every patient admitted in New York State will now receive the full benefit of modern psychiatric therapy applied intensively in the first few months of hospitalization. Because of the success of intensive treatment with newly admitted patients, a similar program was inaugurated for a limited number of chronic patients last year and is being

extended this year to chronic patients in four of the State's mental hospitals.

Pilot projects in rehabilitation include one for older patients in several State mental hospitals and one at the New York State Rehabilitation Hospital for totally disabled persons receiving public assistance. Both of these projects are showing encouraging results. A new approach to the problem of narcotics addiction is being made by the establishment this year of a combination research and treatment unit at Manhattan State Hospital in New York City. About \$300,000 will be spent to study the causes of addiction and develop better methods of treatment, while providing facilities for 30 inpatients and 150 outpatients.

Trained personnel are essential to the programs discussed above. In 1956 a Graduate School of Psychiatry was established at the Downstate Medical Center in New York City for resident psychiatrists at State hospitals in that area, and establishment of a similar school is under way at the Upstate Medical Center in Syracuse. The need for trained personnel is also recognized by stipends, fellowships and training programs for employees of State hospitals and schools, and by operation of nursing schools at each of the State's mental hospitals.

In addition to the research projects at health and mental health institutions, there are important programs under way in air and water pollution. Studies of air pollution have been started by the Air Pollution Control Board, established in 1957, while existing water classification and pollution abatement programs of the Water Pollution Control Board are proceeding successfully.

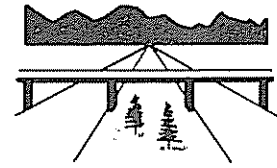
Community Participation . . .

The State reimburses localities for approximately 50 per cent of their health and mental hygiene expenditures. Community mental health services, which qualified for State aid of only \$50,000 in 1954-55, will receive nearly \$11 million from the State this year. Nineteen counties and the City of New York, representing 86 per cent of the State's population, now receive State aid under this program. The declining importance of tuberculosis permitted the closing of two local tuberculosis hospitals last year, and two more will terminate this year. These closings, together with the general decrease in number of tuberculosis

patients, have led to a reduction in State aid for tuberculosis care by \$314,000. The State also gives assistance to localities for the rehabilitation of handicapped children, the care of youthful narcotic users, the care of adult poliomyelitis victims, the operation of blood banks and laboratories, and the care of premature infants.

In addition to financial aid, the State supplies consultant services to communities, operates 12 child guidance centers and, with Federal help, conducts programs for maternal and child health, dental health and the control of communicable diseases. Altogether, State supplementation of community health and mental health programs will require \$63 million this year, including the allocable portion of general local assistance payments.

HIGHWAYS AND HIGHWAY SAFETY



The economy of the State is dependent in large measure upon the adequacy and safety of over 100,000 miles of State and local highways, used by five million New York State motorists, visitors from other states, and a steady flow of trucks. Construction, reconstruction and maintenance of these highways are expected to require \$321 million, or 18 per cent of total State expenditures, during 1958-59. Total State spending for highway purposes, counting in Federal funds of \$160 million and other nonbudget funds of \$22 million, will reach about \$503 million this year, an increase of \$90 million, or 22 per cent, over 1957-58. These amounts include monies to finance highway safety activities and payments to localities for the construction and maintenance of local roads. Expenditures of the New York State Thruway Authority are excluded, as they are financed outside the State budget.

Construction, Reconstruction and Improvement of Highways . . .

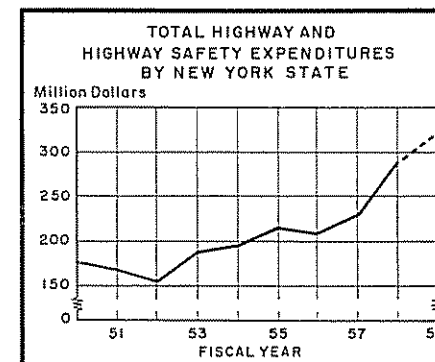
Congressional approval of an expanded program of Federal highway aid and authorization by the voters in 1956 of \$500 million in State bond issues for highway construction have permitted accelerated construction of highways, parkways and bridges and elimination of grade crossings. This year direct State spending for construction, reconstruction and improvement projects will total about \$174 million, an increase of \$27 million, or more than 18 per cent, over the level reached last year. To this expenditure will be added an estimated \$160 million of Federal funds, making a new record investment in State highway construction of \$334 million. A balanced schedule is planned, with emphasis on important links in the Interstate System, the Urban Arterial System, the Rural Primary System and the Secondary System. Included in this construction program are stepped-up expenditures on highways and parkways to help fight unemployment during the recession. These accelerated expenditures will involve Federal and State funds of approximately \$65 million.

Besides direct expenditure for highway construction, the State will spend \$35 million to aid local highway construction, an increase of \$2 million over 1957-58. This assistance includes grants for town and

county roads, and payments to counties based upon the State's motor fuel and motor vehicle revenues. An amount equal to 25 per cent of the State's revenues from motor vehicle fees is distributed among all counties, while an amount equal to 10 per cent of the State's revenues from the motor fuel tax is apportioned among counties outside of New York City. Indirectly the State also aids local highway construction through its per capita aid payments, to the extent that these payments are used for highway purposes.

Highway Maintenance . . .

Greater use of the State's highways and parkways requires an expansion of maintenance activities. Proper maintenance calls for the improvement of pavements and shoulders, cleaning of culverts and drainage ditches, removal of snow and ice, marking of pavements, repairing of traffic signs and signals, and painting and repairing of bridges. State spending for the maintenance of over 13,000 miles of State highways and highway facilities will be about \$46 million this year. This includes funds for the gradual assumption by the State of responsibility for 650 bridges formerly maintained by various towns and counties. In addition, the State will grant approximately \$48 million to towns and counties in 1958-59 for maintenance of local highways.



Highway Safety . . .

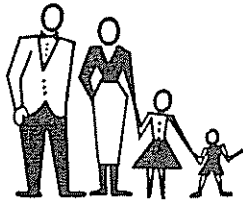
Continued emphasis on highway safety will require State expenditures of \$18 million this year. Among the activities provided for are registration of motor vehicles, examination and licensing of drivers, operation of the motor vehicle inspection program, administration of the Motor Vehicle Financial Security Act, safety education, and technical assistance to localities on traffic engineering problems. Included also is \$80,000, twice the amount authorized last year, for the Driver Research Testing Center in Albany.

Manufacture of new permanent "bonderized" license plates for use

in 1960 will require purchase and installation of new equipment for plate production this year. Use of tabs in 1959, in lieu of new plates, will result in a \$700,000 saving which will more than offset the cost of the new equipment.

Parkway Police are part of the highway safety program, and over one-half of the cost of the State Police, on the basis of a recent study, is chargeable to this function. This year 100 new State Police positions have been added, which will permit more intensive patrol service on highways in the rural areas of the State, where fatal accidents most frequently occur. In addition, first instance funds have been provided to expand the State Police Thruway detail by 26 men.

PUBLIC WELFARE



New York State supervises an extensive system of public assistance supported by Federal, State and local funds. The State operates institutions for delinquent children and the disabled, and supervises all public and private institutions and agencies that care for persons in need. The State also conducts programs

to provide better housing, combat juvenile delinquency, and assist veterans, consumers and older persons. This year the State will spend about \$199 million, or 11 per cent of its budget, for welfare activities.

Public Assistance Programs . . .

Public assistance is primarily the responsibility of the State's 66 local welfare districts. In 1958-59 approximately 495,000 persons will receive some type of public assistance each month. The Federal government will contribute about \$137 million to New York State for programs which aid dependent children, the aged, the disabled and the blind. The State turns over to its localities all monies received from the Federal government and pays one-half the remaining costs of these and all State-authorized programs. State payments for the four Federally-aided programs, for home relief and for other types of assistance and care will total \$142 million in 1958-59.

As a consequence of the business recession, public assistance caseloads are rising in many parts of the State. In the spring of 1958, there were 23 county and five city welfare districts with over one per cent of the population on home relief; such districts are entitled to increased State aid. This was more than double the number of such districts a year earlier. The State has reserved \$4 million for use in the event of further increases in relief burdens. At the same time that the need for public assistance has been growing, costs of the State's various programs, especially those for medical and hospital care, have been growing as the general price level has advanced.

This year's public assistance budget will permit improved food standards for relief recipients and an expansion of infirmary facilities in New York City. An additional 14 cents per day per family, or an increase of \$1.6 million in State expenditures, will be required for the improved food program in 1958-59. Conversion of 2,000 municipal

hospital beds to infirmary accommodations will enable New York City to receive additional State aid toward the care of chronically ill patients confined to these hospitals.

Operation of Welfare Institutions . . .

The State maintains six training schools for delinquent boys and girls committed to its care by the courts. Rehabilitation programs at the schools, including academic and vocational training, counseling and recreation, prepare these youths for return to the community. One-half of the cost is borne by the State and the rest by the communities from which they come.

Expansion of a facility acquired last year at Highland will provide room for 225 boys. The State has acquired, through a lease-purchase arrangement, New Hampton Farms in Orange County for conversion to a training school which will accommodate 220 boys. Also the former Pawling Sanatorium at Wynantskill will be taken over from Rensselaer County for use as an annex to the Hudson Training School for 100 girls. The population of all schools combined is expected to increase from 1,625 in 1957-58 to 1,880 in 1958-59 and to require total State expenditures this year of \$7 million. Accommodations already added this year, along with those now planned, will lift the potential capacity of the State's training schools by about one-third since the end of 1957-58, to reach a total of 2,420.

New York State operates an institution at Oxford in Chenango County which this year will care for 200 aged and disabled persons at an expenditure of \$529,000.

Other Welfare Activities . . .

The Department of Social Welfare is empowered to inspect all public and private institutions and agencies engaged in welfare activities. These include approximately 2,400 organizations: hospitals, child-care and child-placement agencies, public homes, shelters and dispensaries. The Department has jurisdiction over county and city welfare districts, registers and regulates charitable organizations, conducts research, and provides varied services to the blind. These activities, together with general administrative charges for welfare programs, are expected to cost the State \$4 million this year.

The distribution of surplus food to needy families is being continued. It is expected that over 50 million pounds of food, made available to the State by the Federal government, will be distributed this year to families in 47 counties, including the five comprising New York City. The cost to the State of this program will be about \$1 million this year.

Studies of the causes and effects of low incomes are being pursued further. A pilot demonstration program in the Utica-Rome area will concentrate on assisting low-income families to become self-supporting. These projects, being conducted through the cooperative efforts of several State agencies, are coordinated by an interdepartmental committee.

Housing Programs and Studies . . .

The State participates in several programs directed toward better housing. It makes loans to municipalities and housing authorities for the entire cost of building low-rent public housing. Ten of the 11 projects now under construction are scheduled for completion by the end of 1958-59. These ten projects contain more than 9,000 apartments and will bring to 47,000 the number built since the inception of the program. Completion of the remaining project, together with 14 now in planning, will bring the totals to 89 projects for approximately 243,000 people in more than 58,000 dwelling units. The State also subsidizes the operation of these housing projects in order to insure low rents. All payments made by the State for this purpose are matched by the municipalities through a combination of local tax exemption, free municipal services and direct subsidies. State subsidies for this program in 1958-59 are estimated at \$16 million. Administrative expenses payable from State funds for all housing programs and studies will be about \$348,000.

The State supervises limited-dividend housing under which the builder agrees to limit his profit to six per cent and the municipality agrees to maintain the assessed valuation of the property at the figure prevailing at the time of acquisition by the developer. This program presently encompasses 11,145 apartments in 21 projects.

The State also participates in limited-profit housing under which low-interest loans of up to 90 per cent of construction costs are made to private housing companies that provide middle-income housing. In 1955 the voters authorized the use of bonds totaling \$50 million for this purpose, an authorization that is now fully allotted or committed. The State's ability to meet further needs for limited-profit housing, slum

clearance and low-rent public housing projects depends upon approval by the voters in November, 1958 of \$200 million in debt for such purposes as authorized by the Legislature this year.

Studies relating to the housing needs of older people are being continued. Public housing projects now completed, under construction or being planned include nearly 2,000 apartments especially designed for older persons. In addition, almost as many units in earlier projects are occupied by older tenants, and more units will be provided in limited-profit housing.

Youth Programs and Care . . .

The State provides aid to localities toward the cost of approved youth bureaus and toward the cost of recreational and youth service projects for persons less than 21 years of age. Under provisions of the law permitting additional payments for a coordinated youth guidance program in areas of high juvenile delinquency, Buffalo and New York City receive further aid. State assistance to localities for youth programs is expected to be \$3 million in 1958-59. The State also reimburses localities for one-half the expenses of caring for juvenile delinquents in local facilities. Aid for this purpose will total about \$3 million this year.

Veterans' Services . . .

The State provides counseling services to veterans, servicemen and their families, and pays one-half of the expenditures of cities and counties offering such services. It also operates a rest camp in Saratoga County for convalescing veterans. State expenditures for veterans' services will be approximately \$3 million in 1958-59.

Services to the Aging . . .

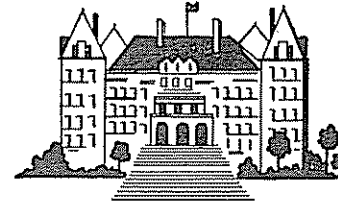
The Office of the Governor's Special Assistant on the Problems of the Aging coordinates a variety of activities directed toward meeting the needs of older persons. This year guidance to communities that develop recreational programs for the aging will be extended to towns as well as cities, and annual aid for that purpose will be increased from 10 to

25 cents per elderly person. The research and demonstration projects in geriatrics of the Department of Health will be expanded with Federal funds. Other activities are a program of inspection, consultation and training in institutions which care for the aging, the housing studies mentioned earlier, job counseling for older workers, pilot projects in the reduction of indigency among the aged, and pre-retirement counseling for State employees.

Consumer Protection . . .

The Office of the Consumer Counsel has been instrumental in obtaining legislation for the protection of the consumer. It took an active part in obtaining the extension, from automobiles to other goods and services, of regulations on instalment sales. This year protection for the consumer is being further strengthened by new legislation against bait advertising and against overcharges for insurance sold with instalment purchases of motor vehicles. This office also holds hearings and publishes pamphlets on matters of concern to consumers.

GENERAL GOVERNMENT



Many general governmental services are necessary in the formulation and execution of public policies. These embrace the activities of the Legislature and the Judiciary and over-all services of the Executive Branch of government such as the collection of taxes, financial management, administration of the personnel system and supervision of the State's legal affairs. These services will cost about \$105 million this year, or six per cent of total expenditures.

The Legislature . . .

The Legislature establishes State policy, evaluates going State programs, and appropriates the monies for all State expenditures. The Legislature convenes annually in early January and usually adjourns in late March. Permanent staffs are maintained by the Legislature and its committees to assist in their work. It is anticipated that the Legislature will spend \$9 million during 1958-59.

The Judiciary . . .

The Judiciary is responsible for the conduct and administration of the State's courts. The general statewide system consists of the Supreme Court, its Appellate Division and the Court of Appeals, which is the highest State court. The Court of Claims adjudicates claims against the State, including those resulting from the acquisition of private land for public use, breach of contract, and accidents. In addition to jurists, the administration of the courts requires the maintenance of law libraries, reporting facilities, and referee and stenographic services. Expenditures for the State court system are expected to total \$10 million in 1958-59. This includes funds for the start this year of reconstruction of the Court of Appeals building in Albany, the total cost of which will be over \$3 million.

General Assistance to Localities . . .

The State distributes financial aid to municipalities on a per capita basis according to population at the last Federal decennial or interim census. Each year cities receive \$6.75 per person, towns \$3.55 and villages \$3.00. Per capita State aid will cost \$97 million in 1958-59. It is estimated that \$23 million of this will be used by localities for general governmental purposes, with the remainder allocable to specific functions.

Executive Services . . .

. . . for executive management

The Governor's office is responsible for the development and coordination of policies. The Governor provides over-all direction for State departments and agencies, passes on proposed laws, and recommends new State programs. Staff assistants help him with these duties, maintain liaison with the various departments and agencies, and explore special problems. Expenditures for the Governor's office will total approximately \$1 million this year.

. . . for financial administration

Responsible management of the State's monies requires continuing attention. Annually the needs of each State agency are studied by the Division of the Budget in relation to other needs and available revenues. Priorities are established and a financial plan is developed by the Division under the direction of the Governor. After action by the Legislature, the budget becomes law. Careful accounting and auditing by the Comptroller and his staff in the Department of Audit and Control assure that State expenditures are made for the purposes defined by law. The Comptroller also is responsible for investing State funds and managing the State's debt. He also supervises the financial affairs of 59 cities, 57 counties, 932 towns, 549 villages and more than 5,500 school, fire and improvement districts. Central purchasing through the Division of Standards and Purchase enables the State as well as local governments to secure equipment and material at the lowest possible prices. Revenues are collected principally by the Department of Taxation and Finance, which also is the custodian of State monies. Expenditures for these operations will approximate \$28 million in 1958-59.

. . . for legal services

The Attorney General is responsible for the general supervision of the legal affairs of the departments and agencies of the State government. He prosecutes and defends civil actions brought by or against the State. Through the activities of various bureaus in the Department of Law, persons are assisted in obtaining protection against misrepresentation, business frauds, monopolistic actions and deceitful practices.

The Secretary of State, in addition to his regulatory and licensing duties, is the general recording officer for the State. He charters domestic corporations, administers the oath of office to State officials, records and publishes State laws and regulations, maintains official election records, and performs related services of a legal nature. Expenditures for this group of services will total about \$5 million in 1958-59.

. . . for personnel management

State civil service employees are selected and promoted on the basis of merit. To assure that the personnel system operates fairly and efficiently, the Department of Civil Service classifies positions according to duties, administers examinations and conducts training courses for State employees. The Department establishes uniform rules of attendance; administers the grievance and merit award programs; provides for employee counseling; and performs other services to improve employee-management relations. The Department of Civil Service also assists localities in developing standards and provides other personnel services to municipalities. Expenditures for all these purposes will total about \$3 million this year.

Employee benefits were further improved this year. About 24,000 employees who worked 42 hours a week last year now work the normal 40-hour week, with no loss in pay. This completes a three-year program to place on a 40-hour week all persons formerly working up to 48 hours. In addition, some 34,000 lower-paid and hard-to-fill positions have been reallocated to higher salary grades. These two improvements will cost over \$7 million in 1958-59. A comprehensive health insurance plan for State employees was put into operation on December 5, 1957, and coverage is being extended this year to employees who retired prior to that date. In addition, all municipalities in the State were authorized by 1958 legislation to participate in the

plan. The costs of these employee benefits have been allocated among the respective governmental functions.

. . . for other housekeeping duties

The Department of Public Works maintains office buildings for the use of State agencies, with major centers located in Albany, Buffalo, New York City and Syracuse. Two new buildings on the Albany campus site were completed and occupied by State agencies early in 1958. The Department of Public Works also is providing increased administrative, architectural and engineering services for the accelerated construction of highways, mental and other institutions and State University facilities. Expenditures for these housekeeping, engineering and related services are estimated at \$17 million for 1958-59.

Various commissions perform services of a general governmental nature. Largest in this group is the State Board of Equalization and Assessment, which reviews laws and procedures relating to the assessment and taxation of real property throughout the State.

PUBLIC SAFETY



In the interest of public safety, the State operates correctional institutions, administers parole and probation activities, operates a civil defense system, promotes accident prevention and safety education, and maintains the State's military establishment. The State has a police force which is responsible for crime prevention and detection in rural areas and patrolling the highways. These and related activities, including the allocable portion of general local assistance payments, will cost about \$86 million in 1958-59, or five per cent of total State expenditures.

Correctional Institutions . . .

The Department of Correction operates six prisons and four reformatories for men, a reformatory and prison for women, a reformatory and institution for mentally defective delinquent women, an institution for mentally defective delinquent men, two hospitals for the criminally insane, a reception center at Elmira for the study and classification of male offenders between the ages of 16 and 21, and two conservation camps for the rehabilitation of youth. In 1957 the Western Reformatory for Women was set up on the property of the Albion State Training School to relieve overcrowding at Westfield State Farm. Population at all correctional institutions is expected to increase from about 19,700 last year to 20,100 in 1958-59. Expenditures for operating all correctional institutions will approximate \$38 million this year. Expansion and improvement of facilities at these institutions will require an additional \$7 million.

Rehabilitation of inmates, particularly youthful offenders, is receiving increased attention. As the result of experience gained from the forestry work camp in Chenango County during its first full year of operation, a second camp was opened in April 1958 in Schuyler County and a third camp is planned. Guidance and counseling work is being strengthened at several institutions. Studies of the characteristics of prisoners have helped to develop more effective and economical programs and facilities, such as less costly quarters for those older prisoners who are minimum security risks. At the reformatories for women, an attempt is made to approximate normal living conditions

within the institutional setting, as well as offer training in typing, office procedures, beauty culture, dressmaking and other vocations that will be helpful in making a successful return to community life.

Probation and Parole . . .

Probation or parole often contributes more to successful rehabilitation of an offender than does a long period of imprisonment. In addition, parole and probation services are less expensive than prisons. The annual cost of maintaining an inmate of a State correctional institution, apart from construction expenses, is about \$1,900, while each parolee costs slightly over \$200 and each probationer even less. Approximately 55,000 convicted persons are under the supervision of local probation officers over the course of a year, and 14,000 others are under parole supervision in New York State.

Adoption of a recently devised staffing standard, justifying a rise in number of parole officers, ultimately will reduce the average number of parolees per officer from 86 to 66 and heighten the chances of successfully returning parolees to community life. Greater job finding activities and other efforts have increased the number of parolees in some areas and have produced savings which offset the costs of new positions necessary under the improved standards for parole supervision. However, the economic recession has prevented parole of some inmates, otherwise qualified, because of lack of jobs.

Under a program started in 1955, the State pays 50 per cent of the cost of new or additional probation services furnished by counties and New York City. To assist further, the State offers scholarships to young people interested in probation work and provides financial aid to universities in the State which expand their courses for probation officers.

The total cost of the State's probation and parole program, including aid for local probation services, will be \$4 million in 1958-59.

General Safety, Civil and Military . . .

The day-to-day safety of the public is assured by the State Police who are responsible for patrolling State highways and for preventing and detecting crime in rural areas. The 100 new State Police positions authorized this year will strengthen general law enforcement

as well as the highway safety activities referred to in another section. A new Criminal Intelligence Unit is being set up this year to investigate and collect information on criminal activities and assist local law enforcement officers in dealing with organized crime. Since July, 1957, apprehension of criminals has been aided by electronic searching of master arrest files—a new and unique service of the Division of Identification in the Correction Department for law enforcement agencies throughout the State.

This year the State Temporary Commission of Investigation was established. It is charged with investigating the enforcement of laws, particularly with respect to organized crime and racketeering. It may also inquire into the conduct of public officers and employees and other matters of public peace, safety and justice.

The State's military and civil defense organizations provide additional safety services. The Division of Military and Naval Affairs is nearing completion of its present armory construction program, approximately three-fourths of the cost of which is paid by the Federal government. The Civil Defense Commission develops plans for use in the event of enemy attack and is prepared to coordinate relief work during and after natural disasters.

The State coordinates a mutual aid system comprising 58 county fire control centers, gathers information on accident prevention and promotes traffic safety. The State's training courses for volunteer fire companies will be attended by over 14,000 persons this year.

Under a constitutional amendment approved in the general election of November, 1957 each municipality may decide whether to permit bingo games within its jurisdiction, but games are subject to State regulation and inspection. Expenditures in 1958-59 will be largely for planning and organization.

In 1958-59, the cost of the State's police, military, civil defense, and other safety organizations will be \$16 million.

NATURAL RESOURCES AND RECREATION



Protection and improvement of the State's natural resources and recreational areas require constant expert attention. The State maintains an extensive park system, large wildlife and forest areas, recreational facilities, water resources and waterways. The State,

with Federal help, assists communities in providing protection against floods and shore erosion. For these activities, the State will spend approximately \$39 million in 1958-59, or two per cent of total expenditures

Forest Management . . .

The State owns and maintains 2,485,000 acres of Forest Preserve in the Adirondack and Catskill ranges and 565,000 reforestation acres reclaimed largely from marginal land. Greater needs for recreational areas, for water conservation facilities and for timber production require the expansion of the Forest Preserve and reforestation acreage. The State helps counties in reclaiming marginal land for forest purposes through technical assistance and payments to counties having approved plans. Expenditures for forest management and related programs will be \$4 million this year.

Parks and Recreation . . .

Population growth, improved transportation and more leisure time have all contributed to the increased use of State parks. The number of visitors to the more than 80 State parks and public beaches is expected to exceed 30 million this year. It will cost about \$8 million to operate these areas in 1958-59.

Enlarging and developing the State's recreational areas to meet greater public demand is a continuing task that has led to one of the largest park expansion programs in the State's history. This year \$4.7 million is budgeted for land acquisition, new facilities and the modernization of existing grounds. This compares with expenditures of \$3.8 million last year for these purposes and \$2.5 million two years

ago. Over 200 individual campsites, each accommodating up to six persons, are being added this year. Water supply systems, bathing facilities, ski slopes and play areas are also being further developed.

Among the State's new recreational areas are sites on Lake Chautauqua (Long Point) and Seneca Lake (near Geneva), and Mohansic Park, which is being acquired from Westchester County. Funds have been provided to purchase Rockland Lake and acreage of the Sampson Air Force Base on Seneca Lake when that property becomes available from the Federal government. Major projects being undertaken at existing parks include acquisition of substantial additional acreage and shore frontage for Sunken Meadow State Park; the completion of the Anthony Wayne section of Palisades State Park; the expansion of Lake Taghkanic State Park; development of Short Beach in the western part of Jones Beach State Park; and the construction of parking fields for 2,500 cars at a cost of \$1 million at Jones Beach. In addition, St. Lawrence State Park, constructed by the New York State Power Authority on Barnhart Island in the St. Lawrence River near Massena, is expected to open in 1959. The Power Authority is also planning extensive park and parkway development in the area of the Niagara power project.

Water Resources, Waterways and Flood and Erosion Control . . .

The control of rivers, streams, lakes and ground water sources is a State responsibility. Preservation of these essential natural resources requires classification of water supplies as to purity consistent with use, regulation of drainage and surface and ground water levels, apportionment of water resources, and repair of flood damage. The continued use of the State canal system by business and pleasure boats has necessitated larger expenditures for the reconstruction of locks and related facilities. Greater funds are provided for the State-local program for prevention of shore erosion on Long Island and Staten Island. In 1958-59 State expenditures for control, use and improvement of water resources will total \$10 million; this is supplemented by Federal funds for a number of these purposes.

Fish and Wildlife Management . . .

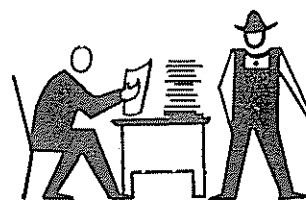
Protection, control and management of fish and wildlife provide opportunities for persons to enjoy the State's outdoor facilities. This

requires the operation of fish hatcheries and game farms, the stocking and improvement of streams, maintenance of wildlife management areas, development of waterfowl areas, research on game and aquatic life, supervision of commercial fishing, control of wildlife rabies, and the issuance of hunting and fishing licenses. These activities are financed primarily from license fees, supplemented by Federal aid and State tax revenues. Total State expenditures for these purposes in 1958-59 will approximate \$5 million, including \$1.6 million from license fees.

Other Services and Functions . . .

A variety of other services help meet the recreational needs of New York's citizens and preserve the natural resources of the State. Through its publication, *The New York State Conservationist*, the State informs the public about proper conservation practices. Youth camps, exhibits, and sportsmen's shows are conducted to achieve better understanding of prudent use of the State's natural riches and scenic attractions.

SERVICES TO AGRICULTURE, BUSINESS AND LABOR



The State provides farmers, businessmen and wage earners with services that benefit all citizens in their capacities as producers and consumers. New York State regulates instalment purchases, rents and utility rates, provides employment services, and furnishes market

data and other information in order to promote economic well-being. These services will cost the State approximately \$38 million, or two per cent of total expenditures, in 1958-59.

Services to Agriculture . . .

To assist the farmer with the many technical problems of farm production and marketing, the State administers various instructional, promotional and regulatory programs. These include the organization and regulation of facilities for marketing farm products, the inspection of milk, the eradication of harmful insects and plant and animal diseases, the protection of consumers from falsely labeled food, the grading of food to aid the consumer as well as to assist farmers in promoting their products, and the advancement of the interests of farmers and consumers through exhibits at county fairs and the annual State Fair in Syracuse. The State supports a College of Agriculture and a Veterinary College at Cornell and agricultural and technical institutes throughout the State. Study and experimentation are carried on at these schools and training is given to future farmers and agricultural technicians.

The State is continuing to participate with local soil conservation districts in projects eligible for Federal aid. Federal, State and local funds are being used for planning and carrying out improvements in soil conservation, flood prevention and watershed protection. Increased State funds are provided this year to match greater local funds in the drive to eliminate brucellosis in milk-producing cows in New York State by mid-1959. Improvements at the State Fair grounds at Syracuse, including an addition to the Boys and Girls Building, are planned for 1958-59. For all farm programs, except agricultural education, the State will spend approximately \$6 million this year.

Services to Labor . . .

Protection of the wage earner against hazardous employment, substandard working conditions, inadequate wage standards and accidental loss of earning capacity is an accepted function of modern government. This requires State inspection of industries with high accident rates and vigorous enforcement of laws regarding employment. Improved labor relations are promoted by the State Labor Relations Board and the State Board of Mediation. The State also supervises approved apprenticeship training programs in industry. Expenditures for this group of activities will total about \$8 million in 1958-59.

The State administers systems of unemployment insurance and job placement, workmen's compensation, and disability benefits insurance. These protect wage earners against loss of earnings due to layoffs and to injuries or sickness incurred on or off the job. Unemployment benefits are financed by employers. Protection against sickness or injury incurred on the job is financed entirely by the employer, while compensation for disabilities suffered off the job is financed by both employee and employer contributions. About four-fifths of the nonagricultural wage earners employed in the State are covered by all three of these programs. Maximum weekly benefits under unemployment insurance and workmen's compensation were raised this year from \$36 to \$45, the former retroactively to July 1, 1957. The maximum period of unemployment benefit payments was extended from 26 to 39 weeks under new State legislation permitting New York to participate in a new Federal program of assistance for this purpose. Last year maximum disability benefits were increased to \$45, and this year the duration of benefits was extended from 20 weeks to 26 weeks.

Services to Business . . .

State economists, business consultants, engineers, statisticians and other specialists work with private industry to achieve more prosperous business and employment conditions. This work embraces regional studies to determine the suitability of various areas for industrial development, maintenance of a foreign trade referral service, and promotion of the State's tourist attractions. Particular attention is given to the encouragement of small businesses by providing a variety of State services to assist them, including management counseling, research reports, technical advice, shopping surveys and product promotion campaigns.

A Temporary State Commission on Historic Observances was

created to aid in the celebration of the "Year of History" in 1959, and additional funds were appropriated to the Interstate Commission on the Lake Champlain Basin for the same purpose. This celebration will honor the 350th anniversary of the explorations of Henry Hudson and Samuel de Champlain and other events in the State's history such as Giovanni da Verrazano's discovery of New York Harbor. Expenditures for these business and commemorative programs will total about \$3 million this year.

Related Services . . .

For the protection of its citizens, the State regulates the alcoholic beverage industry; licenses persons in certain commercial occupations and businesses; licenses and certifies teachers, physicians, engineers, architects, nurses and others to assure compliance with professional standards; regulates horse racing and professional boxing and wrestling; coordinates the State's atomic energy activities; licenses and supervises manufacturers, dealers and dispensers of narcotics; formulates building codes and advises communities on their application; and administers the laws on local rent control.

The State enforces laws against discrimination, because of race, creed, color or national origin, in employment, places of public accommodation and public housing. This year coverage under the anti-discrimination laws was extended to the protection of employment rights of persons between the ages of 45 and 65.

The State regulates banks and insurance companies, an activity financed by the organizations supervised. The Banking Department licenses and oversees operations of sales finance companies and, together with the Insurance Department, supervises a growing number of employee welfare funds. Public utilities are regulated by the Public Service Commission, which this year is authorized to spend \$150,000 for an investigation of the financial condition of railroads in the State. The purpose is to formulate recommendations for State and local governmental action on problems of passenger transportation and taxation of railroad franchises and property.

An increasing number of localities are taking advantage of the State's urban planning services and are establishing community programs looking to the effective use of land resources in keeping with modern health, safety and aesthetic standards. This program is financed by Federal, State and local funds.

State expenditures for this group of regulatory and other services are expected to be \$17 million in 1958-59.

APPENDIX

New York State Funds

Tables:

1. Budget of the General Fund and the Capital Construction Fund
2. Financial Operations of the General Fund
3. General Fund Revenues
4. Local Assistance Fund Appropriations
5. State Purposes Fund Appropriations
6. Capital Construction Fund Appropriations in Force
7. Functional Classification of Estimated Expenditures from All Sources
8. State Debt

Selected Source Material on State Finance

NEW YORK STATE FUNDS

Expenditures for State programs are made primarily from the General Fund and the Capital Construction Fund. In addition, funds are maintained to pay debt service on certain bonds and to hold reserves against fluctuating State revenues. A number of other funds are maintained for special purposes.

The General Fund . . .

The major operating fund of the State is the General Fund, which is divided into two components: the Local Assistance Fund, from which appropriations are made for support of units of local government, and the State Purposes Fund, from which appropriations are made for operation of State departments and agencies, for general State charges, and for debt service. The General Fund is financed mainly from tax revenues. In 1958-59, the Local Assistance Fund will receive an estimated 61 per cent and the State Purposes Fund 39 per cent of total General Fund revenues. Appropriations from the General Fund are shown in Tables 4 and 5 of this Appendix.

The War Bonus and Mental Health Bond Account . . .

One-ninth of the receipts from the personal income tax and one-third of the cigarette tax receipts are deposited in the War Bonus and Mental Health Bond Account. The money in this fund was used, through 1957-58, to service bonds issued to provide veterans' bonuses. The last veterans' bonus bonds were retired in January, 1958, and the fund now services bonds for mental health construction. Money in the fund beyond that required for debt service and administrative costs is transferred to the Capital Construction Fund and the General Fund.

The Capital Construction Fund . . .

The Capital Construction Fund finances practically all construction of highways, bridges and buildings, as well as facilities for park, con-

servation, military and canal purposes and for erosion and flood control. This fund derives its resources mainly from the War Bonus and Mental Health Bond Account and from bond funds. To meet expenditures, assets accumulated in the Capital Construction Fund during previous years may also be used.

The operations of the Capital Construction Fund differ from those of the General Fund because of the nature of capital financing. Since the completion of construction contracts often requires several years, most unexpended balances are reappropriated annually. Total Capital Construction Fund appropriations in force greatly exceed annual expenditures because of the large amount of these reappropriations necessary to cover outstanding contract commitments. Appropriations from the Capital Construction Fund are shown in Table 6 of this Appendix.

The Tax Stabilization Reserve Funds . . .

These funds were established as depositories for year-end General Fund surpluses. 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 an unanticipated deficit occurs in either operating fund, but such withdrawals are repaid from succeeding years' revenues.

Other Funds . . .

Among the large number of funds for special purposes are the revolving funds, such as the Correctional Industry Fund, the Broadway Office Building Fund, the Fund for Investigation and Valuation of Public Utilities, the Purchase Revolving Fund and the Conservation Fund. These funds derive their income from the sale of products, assessment of companies in the industry being regulated, collection of special fees, licenses and charges, appropriations, or other sources. Expenditures may be made from them only for purposes specified by law.

Special funds are maintained to receive and disburse monies from Federal grant programs. Among these are the Federal Social Security Fund, the Federal Fund for Hospital Construction, and the Federal School Lunch Fund.

The Housing Debt Fund and the Grade Crossing Elimination Debt Fund pay the debt service on housing and certain grade crossing bonds, respectively. The first is financed by payments from local housing authorities (which are assisted by State subsidies), while the second receives income from assessments levied on railroads.

There are also trust, retirement, bequest, custodial and college income funds. Largest in this group are the Unemployment Insurance Benefit Fund and the State Employees' Retirement System Fund.

Table 1
BUDGET OF THE GENERAL FUND
AND THE CAPITAL CONSTRUCTION FUND
(millions of dollars)

	1957-58 <i>Actual</i>	1958-59 <i>Estimated</i>	<i>Change</i>
RESOURCES BUDGETED			
Current revenue			
General Fund.....	1,454	1,521	+ 67
Capital Construction Fund.....	5	4	- 1
Transfer from War Bonus and Mental Health Bond Account	50	82	+ 32
Total current revenue.....	1,509	1,607	+ 98
Other resources			
Bond funds.....	84	138	+ 54
Capital Construction Fund assets	79	98	+ 19
Total other resources.....	163	236	+ 73
Total resources budgeted	1,672	1,843	+ 171
OUTGO			
Expenditures			
Local Assistance Fund.....	865	953	+ 88
State Purposes Fund.....	569	600	+ 31
Capital Construction Fund.....	223	272	+ 49
Total expenditures.....	1,657	1,825	+ 168
Net cash outgo for first instance ad- vances on capital construction.....	15	18	+ 3
Total outgo.....	1,672	1,843	+ 171
Balance of usable assets in the Capital Construction Fund at end of year.....	120	22	- 98

Table 2
FINANCIAL OPERATIONS OF THE GENERAL FUND
(millions of dollars)

	1957-58 <i>Actual</i>			1958-59 <i>Estimated</i>		
	<i>Local Assistance Fund</i>	<i>State Purposes Fund</i>	<i>Total General Fund</i>	<i>Local Assistance Fund</i>	<i>State Purposes Fund</i>	<i>Total General Fund</i>
INCOME						
Revenue	865.6	588.2	1,453.8	953.5*	600.5*	1,554.0*
APPROPRIATIONS AND OUTGO						
Total appropriations for the year (excluding deficiencies)...	870.4	594.5	1,464.9	945.4	600.6	1,546.0
Deficiencies and reimbursement of Governmental Emergency Fund provided for in succeeding year's appropriations.....	0.2	11.5	11.7	7.0	5.0	12.0
Total appropriations for the year.....	870.6	606.0	1,476.6	952.4	605.6	1,558.0
Add: Unexpended appropriations and reappropriations carried forward from prior years.....	31.5	45.7	77.2	16.1	43.9	60.0
Less: Lapses and repeals during the year.....	20.5	19.7	40.2	7.7	17.3	25.0
Less: Unexpended appropriations and reappropriations carried forward to succeeding years.....	16.1	43.9	60.0	7.4	31.8	39.2
Outgo during the year.....	865.5	588.1	1,453.6	953.4	600.4	1,553.8
BALANCE						
Excess of income over outgo (for transfer to the Tax Stabili- zation Reserve Funds).....	0.1	0.1	0.2	0.1	0.1	0.2

* Includes anticipated transfers from the War Bonus and Mental Health Bond Account.

Table 3
GENERAL FUND REVENUES ^a
(millions of dollars)

	1957-58 <i>Actual</i>	1958-59 <i>Estimated</i>	<i>Change</i>
Personal income tax.....	456.5	508.0	+ 51.5
Business taxes	391.1	390.5	- 0.6
Corporation franchise tax.....	200.6	195.0	- 5.6
Corporation tax (Article 9).....	70.6	73.8	+ 3.2
Utilities tax (gross receipts).....	45.2	46.6	+ 1.4
Unincorporated business tax.....	31.1	29.7	- 1.4
Bank tax	31.6	32.8	+ 1.2
Other business taxes.....	12.0	12.6	+ 0.6
Taxes on consumption and use.....	392.2	407.1	+ 14.9
Motor fuel tax.....	140.1	145.0	+ 4.9
Motor vehicle tax.....	117.1	125.5	+ 8.4
Alcoholic beverage tax.....	52.9	53.5	+ 0.6
Cigarette tax.....	42.3	43.3	+ 1.0
Alcoholic beverage control licenses.....	23.9	24.0	+ 0.1
Highway use tax.....	15.9	15.8	- 0.1
Taxes on transfers and exchanges.....	160.2	161.0	+ 0.8
Pari-mutuel tax	74.6	77.0	+ 2.4
Estate tax	47.1	44.0	- 3.1
Stock transfer tax.....	38.5	40.0	+ 1.5
Other taxes	2.8	3.0	+ 0.2
Other receipts	51.0	51.4	+ 0.4
Grand total	1,453.8	1,521.0	+ 67.2

^a Excludes collections earmarked for the War Bonus and Mental Health Bond Account as follows:

Personal income tax	57.0	63.5	+ 6.5
Cigarette tax	21.2	21.6	+ 0.4

Table 4 — LOCAL ASSISTANCE FUND APPROPRIATIONS

<i>Agency or Purpose</i>	1957-58	1958-59 ^a
Agriculture and Markets		
County watershed projects.....	\$ 36,000	\$ 36,000
Civil Defense Commission.....	1,557	.....
Commerce		
Urban planning assistance program.....	.....	200,000
Conservation		
County reforestation.....	56,000	56,000
County rabies control.....	7,000	3,000
Correction		
Probation services.....	450,000	450,000
Education		
Support of common schools.....	487,940,000	546,046,000
Teacher training—New York City.....	7,170,000	8,450,000
Emergency school building.....	5,000,000	8,500,000
School lunch program.....	5,000,000	6,500,000
Aid to libraries.....	2,550,000	3,250,000
Community colleges.....	6,200,000	2,550,000
Physically handicapped children.....	175,000	200,000
Recreation for the elderly.....	50,000	200,000
General local assistance		
Per capita aid.....	91,150,000	96,985,000
Health		
General public health work.....	17,120,000	18,585,000
Tuberculosis care and control.....	11,220,000	10,600,000
Physically handicapped children.....	3,100,000	3,400,000
Local laboratories.....	1,250,000	1,300,000
Administration of local assistance.....	500,000	485,000
Joint Hospital Survey and Planning Commission.....	154,500	159,000
Poliomyelitis care for adults.....	80,000	65,000
Housing		
Subsidies.....	14,500,000	15,500,000
Administration of loans and subsidies.....	320,800	347,700
Housing Rent Commission.....	3,916,447	4,128,890
Mental Health		
Community mental health services.....	9,346,440	10,844,720
Public Works		
Town highways.....	13,000,000	13,000,000
County highways.....	2,200,000	2,200,000
Distribution of motor vehicle fees.....	29,500,000	29,000,000
Distribution of motor fuel tax.....	13,600,000	14,400,000
Municipal public works planning.....	635,000	635,000
Administration of local assistance.....	127,957	135,767
Social Welfare		
Standards and Purchase		
Distribution of Federal surplus foods.....	2,500,000	1,400,000
Veterans' service agencies.....	450,000	450,000
Youth Commission.....	3,300,000	3,200,000
Miscellaneous		
Salary adjustments.....	365,000	80,000
Social security.....	150,000	90,000
Total—exclusive of transfer to Capital Construction Fund.....	\$869,647,701	\$945,393,077
Transfer to Capital Construction Fund	1,000,000	.....
Grand total	\$870,647,701	\$945,393,077

^a Excludes allowance of \$7,000,000 for possible deficiency appropriations.

Table 5—STATE PURPOSES FUND APPROPRIATIONS

<i>Agency or Purpose</i>	<i>1957-58</i>	<i>1958-59^a</i>
Executive Department		
Alcoholic Beverage Control, Division of	\$ 1,932,455	\$ 2,070,506
Local Alcoholic Beverage Control	1,121,071	1,183,330
Budget, Division of the	1,032,514	1,211,655
Building Code Commission	403,300	433,500
Civil Defense Commission	2,535,644	1,464,455
Discrimination, Commission Against	630,668	741,174
Executive Chamber	1,022,425	1,116,323
Housing, Division of	952,500	993,000
Investigation, Office of Commissioner of	257,180	20,000
Lottery Control Commission	100,000	200,000
Military and Naval Affairs, Division of	6,223,516	6,077,480
Parole, Division of	2,881,208	3,132,172
Pensions, Commission on	35,000	
Police, Division of State	9,609,010	10,803,129
Safety, Division of	317,607	344,536
Standards and Purchase, Division of	2,234,035	2,104,524
Veterans' Affairs, Division of	2,108,470	2,197,100
Youth Commission	338,000	330,000
Agriculture and Markets, Department of	5,310,086	5,620,895
Audit and Control, Department of	5,145,846	5,369,372
Banking Department	178,500	233,428
Civil Service, Department of	2,904,755	3,082,291
Commerce, Department of	3,134,831	3,034,935
Conservation Department	14,202,518	14,995,128
Correction, Department of	37,060,700	39,203,904
Education Department	22,728,093	26,312,720
State University	39,211,767	44,122,017
Health, Department of	22,413,789	23,283,178
Insurance Department	323,870	380,939
Labor, Department of	7,885,752	8,367,593
Law, Department of	2,964,804	3,434,629
Mental Hygiene, Department of	178,681,868	189,428,994
Public Service, Department of	3,641,098	3,962,693
Public Works, Department of	51,170,589	52,118,268
Social Welfare, Department of	8,206,877	9,643,358
State, Department of	3,326,112	3,571,566
Taxation and Finance, Department of	26,806,690	27,964,800
Temporary State commissions	726,988	780,000
Other State agencies and commissions	2,813,884	3,585,730
All departments, agencies—to supplement appropriations for personal service	17,752,000	6,800,000
General State charges		
Insurance		
Compensation	2,400,000	1,250,000
Health	4,200,000	200,000
Judgments, Court of Claims, and other	1,527,500	1,027,500
Pension administration and contributions	33,690,765	36,445,815
Social security administration and contributions	8,918,500	5,102,791
Taxes on public lands	2,759,300	2,939,300
Other	691,073	51,429
Judiciary	8,952,184	9,887,654
Legislature	8,634,777	8,009,439
Total—current operations	\$562,100,119	\$574,668,250
Debt service	\$ 24,471,983	\$ 25,940,179
Transfer to Capital Construction Fund	19,400,000	
Grand total	\$605,972,102	\$600,608,429

^a Excludes allowance of \$5,000,000 for possible deficiency appropriationsTable 6
CAPITAL CONSTRUCTION FUND APPROPRIATIONS IN FORCE

	<i>Prior Appropriations in Force April 1, 1958^a</i>	<i>New Appropriations 1958-59</i>	<i>Total Ap- propriations Available 1958-59</i>
Departmental projects			
Conservation and Parks	\$ 3,352,249	\$ 5,941,000	\$ 9,293,249
Correction	22,852,366	1,591,300	24,443,666
Education and State Uni- versity	67,227,318	9,095,175	76,322,493
Community Colleges		14,300,000	14,300,000
Dormitory Authority	7,284,000	6,083,600	13,367,600
Health	6,331,631	657,000	6,988,631
Mental Hygiene	179,553,990	22,985,900	202,539,890
Military and Naval Affairs	7,120,870	535,000	7,655,870
Social Welfare	3,101,692	1,990,100	5,091,792
State Police	1,001,555		1,001,555
Public Works buildings	5,212,777	919,200	6,131,977
Planning and inspection	2,671,352	4,000,000	6,671,352
Miscellaneous	1,932,909	867,000	2,799,909
Unapportioned equipment	448,268	8,386,500	8,834,768
Unapportioned rehabilita- tion	69,416	5,000,000	5,069,416
Unapportioned construc- tion	1,178,896	4,000,000	5,178,896
Services and expenses	88,162	6,169,438	6,257,600
Total — departmental projects	\$309,427,451	\$ 92,521,213	\$401,948,664
Highways, parkways and grade crossing elimination including services and ex- penses	\$315,751,734	\$164,263,678	\$480,015,412
Canals	3,015,921	1,500,000	4,515,921
Flood control	1,400,333	178,000	1,578,333
Shore protection	2,170,292	500,000	2,670,292
Grand total	\$631,765,731	\$258,962,891	\$890,728,622

^a Includes deficiency appropriations made available prior to April 1, 1958

Table 7
FUNCTIONAL CLASSIFICATION OF ESTIMATED EXPENDITURES
FROM ALL SOURCES
Year Ending March 31, 1959
(millions of dollars)

	<i>General Fund and Capital Con- struction Fund</i>	<i>Federal Funds</i>	<i>Other Funds</i>	<i>Total</i>
Education	682	22	10	714
Health and Mental Hygiene	351	8	10	369
Highways and Highway Safety	321	160	22	503
Public Welfare	199	139	18	356
General Government	105	.....	2	107
Public Safety	86	2	2	90
Natural Resources and Recreation	39	1	7	47
Services to Agriculture, Business and Labor	38	39	43	120
Nonallocated general costs	4	.....	3	7
	<u>1,825</u>	<u>371</u>	<u>117</u>	<u>2,313</u>

Table 8
STATE DEBT ^a
(millions of dollars)

	<i>1957-58 Actual</i>	<i>1958-59 Estimated</i>
OUTSTANDING DEBT AT BEGINNING OF YEAR		
Net bonded debt	234	273
Temporary debt against bond funds	94	89
Total outstanding debt at beginning of year	<u>328</u>	<u>362</u>
INCREASE IN DEBT DURING YEAR		
Bonds issued	89	205
Less repayment of serial debt plus reduction in net sinking fund debt	50	25
Net increase in bonded debt	<u>39</u>	<u>180</u>
Temporary debt incurred against bond funds	84	138
Less bonds issued	89	205
Net increase in temporary debt against bond funds	<u>-5</u>	<u>-67</u>
Total debt increase during year	<u>34</u>	<u>113</u>
OUTSTANDING DEBT AT END OF YEAR		
Net bonded debt	273	453
Temporary debt against bond funds	89	22
Total outstanding debt at end of year	<u>362</u>	<u>475</u>

^a Exclusive of housing debt and debt of the Thruway Authority, neither of which is financed with State revenue.

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