

# ***EXECUTIVE BUDGET APPENDIX I***

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# ***PART I***

## ***THE BUDGET BY FUNCTIONAL AREA***



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



# **COUNCIL ON THE ARTS**

## **MISSION**

The primary responsibility for oversight and administration of the State's artistic and cultural resources is assigned to three existing entities — the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. The 2004-05 Executive Budget proposes the establishment of the New York Institute for Cultural Education to administer a variety of statewide cultural education programs and important cultural institutions. Working together, these agencies expand access to the performing and fine arts, preserve the State's cultural resources and promote greater public awareness of New York's rich cultural heritage.

## **ORGANIZATION AND STAFFING**

The Council on the Arts is headed by a Chair and a Vice Chair and consists of 20 members nominated for 5-year terms by the Governor with confirmation by the Senate. The Council's staff, headed by an Executive Director, is organized into an Administrative Division and a Program Division, both located in New York City. The Council has expertise in several major artistic disciplines (including dance, theater and music) and provides advisory services and financial assistance to New York's arts community. During 2004-05, the Council on the Arts will have a workforce of 55 for the review, processing and administration of arts grants and loans to non-profit organizations. An additional 400 FTEs will be transferred from the Education Department's Office of Cultural Education to assume the responsibilities associated with the creation of the New York Institute for Cultural Education (NYICE).

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

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

To promote increased recognition and visibility of the important cultural programs administered by the State Museum, the State Library and the State Archives, a transfer of these functions from the State Education Department (SED) is recommended to establish a new entity — the New York Institute for Cultural Education (NYICE) — which will have as its sole focus the promotion of New York's cultural resources. The 2004-05 Executive Budget proposes to implement this functional transfer by October 1, 2004 and provides for the related transfer of programs, facilities and staff.

A 15-member Board will oversee this new Institute with members nominated for 5-year terms by the Governor, legislative leaders and the Board of Regents. The Chair of the Board will be designated by the Governor from among its members; and the Institute's Chief Executive Officer will be appointed by the Board.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

Most (97 percent) of the funding for the Council on the Arts is provided by the State's General Fund. Federal grants from the National Endowment for the Arts are projected to



## **ARTS**

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represent approximately 2 percent of 2004-05 disbursements. One Fiduciary Fund account provides funding for short-term loans to arts organizations for acquisition of expensive musical instruments and for capital improvements. A second Fiduciary Fund, established in 1999-00, enables the Council to receive and expend funds available through donations and gifts.

Grants to not-for-profit arts organizations represent nearly 83 percent of the projected expenditures of the Council. The remainder is used for the administration of grant programs and the statewide advocacy, promotion and development of artistic and cultural programs. The 2004-05 Executive Budget provides \$4.9 million for administration of the Council's programs. In addition, \$37.4 million in continuing support is provided for general arts grants, decentralization grants and the Empire State Partnership initiative.

Funding of \$556,000 is provided for the Egg and \$1,578,000 for NYSTI. Receipts from ticket sales, private donations and sales and lease of products and facilities will supplement State funds provided to these organizations.

The Executive Budget provides \$12.5 million from dedicated revenues for NYICE, representing six month funding for the new Institute for the period of October 1, 2004 to March 31, 2005. Separate transitional funding is provided in SED to support these cultural education programs until the date of their transfer to NYICE on October 1, 2004.

## **PROGRAM HIGHLIGHTS**

**Council on the Arts.** Since April 1995, the Council has distributed approximately 25,000 grants totaling over \$350 million to more than 2,300 cultural organizations. Grant awards to non-profit arts organizations are approved through a multi-step review process, which ensures fair and equitable treatment of all applicants. Program audits are also conducted to promote accountability by monitoring program quality and contractual compliance.

The Council receives approximately 3,000 requests for funding each year from organizations throughout the State including symphony orchestras, museums, dance companies, theaters and libraries. To recognize program excellence and promote regional diversity, the Council devotes half of its State grant funding to organizations that have recognized standing in the field, and guarantees that each county receives a minimum base grant tied to its population.

**Performing Arts Center Corporation (the "Egg").** During the 2002-03 season, the Egg presented 83 events that featured the finest dance, music and theatre companies from New York State and around the world, generating a total audience of 44,860. The facility was in use over 320 days. The Egg is also home to the Ellen Sinopoli Dance Company, Ko-Motion Movement Company and the Student Theatre Opportunity Program, and has worked collaboratively with a number of civic and cultural organizations to present performing arts events and education programs.

**New York State Theatre Institute.** More than 65,000 children, teachers and parents attended NYSTI's six productions in 2002-03 in Troy and 33,000 children attended performances in other locations across the State. The Institute certified 90 high school units and 160 college credits to 65 high school seniors and college students who participated in its internship program. The Institute received an Emmy in 1984, the Silver Award from Worldfest for *A Tale of Cinderella* in 1996, the National American Alliance for Theater and Education award for artistic achievement in 1999, an Audie Award in 2000 for its production of *Sherlock's Secret Life*, a Benjamin Franklin Award for *The Snow Queen* in 2002 and a Classic Telly Award in 2003 for *A Tale of Cinderella*.

**The New York Institute for Cultural Education.** In its new role to oversee the administration of a variety of statewide cultural education programs and important cultural institutions, NYICE will:

- Provide effective leadership for the development of the State's cultural resources in partnership with local governments, non-profit organizations and the private sector;
- Transform the State Museum into a more vibrant and attractive resource to showcase New York's heritage using state-of-the-art technology; and

- Increase the opportunities for the State Library and the State Archives to emerge as world-class cultural information centers.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	8,454,700	20,755,000	12,300,300	444,000
Aid To Localities	37,785,000	37,850,000	65,000	1,650,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>46,239,700</b>	<b>58,605,000</b>	<b>12,365,300</b>	<b>2,094,000</b>

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	47	47	0
Special Revenue Funds - Federal	8	8	0
New York Institute for Cultural Education			
General Fund	0	18	18
Special Revenue Funds - Federal	0	68	68
Special Revenue Funds - Other	0	291	291
Internal Service Funds	0	23	23
<b>Total</b>	<b>55</b>	<b>455</b>	<b>400</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	7,277,500	7,055,000	(222,500)
Special Revenue Funds - Federal	777,200	800,000	22,800
Special Revenue Funds - Other	400,000	12,900,000	12,500,000
<b>Total</b>	<b>8,454,700</b>	<b>20,755,000</b>	<b>12,300,300</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	5,100,000	4,921,000	(179,000)
Special Revenue Funds - Federal	777,200	800,000	22,800
Special Revenue Funds - Other	400,000	400,000	0
Empire State Performing Arts Center Corporation			
General Fund	567,000	556,000	(11,000)
New York State Theatre Institute			
General Fund	1,610,500	1,578,000	(32,500)
New York Institute for Cultural Education			
Special Revenue Funds - Other	0	12,500,000	12,500,000
<b>Total</b>	<b>8,454,700</b>	<b>20,755,000</b>	<b>12,300,300</b>

# ARTS

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,173,000	(142,000)	3,059,000	(130,000)
Total	3,173,000	(142,000)	3,059,000	(130,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	114,000	(8,000)	0	(4,000)
Total	114,000	(8,000)	0	(4,000)

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,748,000	(37,000)	111,400	0
Empire State Performing Arts Center Corporation	556,000	(11,000)	0	0
New York State Theatre Institute	1,578,000	(32,500)	0	0
Total	3,882,000	(80,500)	111,400	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	189,200	0	1,366,000	(37,000)
Empire State Performing Arts Center Corporation	0	0	0	0
New York State Theatre Institute	0	0	0	0
Total	189,200	0	1,366,000	(37,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	81,400	0	0	0
Empire State Performing Arts Center Corporation	0	0	556,000	(11,000)
New York State Theatre Institute	0	0	1,578,000	(32,500)
Total	81,400	0	2,134,000	(43,500)

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,200,000	22,800	542,000	31,100
New York Institute for Cultural Education	12,500,000	12,500,000	0	0
Total	13,700,000	12,522,800	542,000	31,100

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	258,000	(8,300)	400,000	0
New York Institute for Cultural Education	0	0	12,500,000	12,500,000
Total	258,000	(8,300)	12,900,000	12,500,000

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	37,400,000	37,400,000	0
Special Revenue Funds - Federal	185,000	250,000	65,000
Special Revenue Funds - Other	200,000	200,000	0
Total	<u>37,785,000</u>	<u>37,850,000</u>	<u>65,000</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	37,400,000	37,400,000	0
Special Revenue Funds - Federal	185,000	250,000	65,000
Special Revenue Funds - Other	200,000	200,000	0
Total	<u>37,785,000</u>	<u>37,850,000</u>	<u>65,000</u>



# **CITY UNIVERSITY OF NEW YORK**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

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

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

In 1982, New York State assumed full financial responsibility for CUNY's senior college operations from New York City. In conjunction with the City of New York, the State also supports CUNY's community colleges.

## **SENIOR COLLEGES**

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

For 2004-05, CUNY's gross operating budget will total \$1.2 billion, an increase of \$36.5 million or 3.1 percent. Within this amount, taxpayer support will total \$608.6 million, an increase of \$28.5 million or 4.9 percent. CUNY's Senior College Revenue Offset will total \$603.6 million, an increase of \$8.0 million or 1.3 percent reflecting additional appropriation authority for University-generated revenues resulting from base year enrollment growth.

Special revenue funding for CUNY will total \$153.7 million, an increase of \$20 million to finance equipment purchases consistent with the useful life of assets.

Consistent with austerity reductions and efficiencies required of a wide range of State programs, funding for the Search for Education, Elevation and Knowledge (SEEK) program is reduced by five percent or \$730,000 for 2004-05.

## **COMMUNITY COLLEGES**

CUNY community colleges have three basic funding sources: State support, local support from New York City and tuition revenue. Recommended State funding for community colleges of \$144.9 million reflects a net increase of \$6.0 million from 2003-04 attributable to: enrollment growth (\$10.5 million); a 5 percent reduction in operating aid from the current per student rate of \$2,300 to \$2,185 (-\$7.3 million); an increase in rental aid for leased space

## ***CITY UNIVERSITY***

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(\$2.8 million); and a five percent reduction in funding for the College Discovery program (-\$.04 million). Funding for childcare and workforce development are continued at \$0.9 million and \$1 million, respectively.

### ***CAPITAL DEVELOPMENT PROJECTS***

The State finances all CUNY capital project costs for senior colleges, other than Medgar Evers College, and shares the capital costs for community colleges and Medgar Evers with the City of New York.

Capital recommendations for 2004-05 include a new \$1.1 billion Five-Year Capital Investment Program for CUNY, which provides for facility and infrastructure improvements at City University senior colleges consistent with the University's needs and priorities. Funded projects encompass critical health and safety, preservation and handicapped access projects, as well as the completion of ongoing projects at John Jay College and Brooklyn College. In addition, authorization is provided for CUNY to establish a Science Research Center and for the development of Governors Island. CUNY's bond cap will be increased by \$840 million, for a total bonding authorization of \$4.3 billion, to cover CUNY's planned bond sales for the multi-year period of the new Capital Investment Program and to reflect disbursement-based bonding.

CUNY's capital program for 2004-05 provides \$216 million to support the first year of the new Five-Year Capital Investment Program.

### ***PROGRAM HIGHLIGHTS***

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. Approximately 213,000 full-time and part-time students — 143,000 at the senior colleges and 70,000 at the community colleges — were enrolled in degree programs for the fall 2003 semester. In addition, the University served more than 238,000 individuals through adult and continuing education courses. CUNY's academic offerings and programs include, the following important programs:

- The Language Immersion Program is designed to strengthen the language skills of first year students prior to their entry into collegiate coursework. This intensive, full-time program has successfully taken a holistic approach to language development. The program operates at eight sites and, in its brief history, has helped more than 12,000 students to prepare for full collegiate matriculation;
- The College Preparatory Initiative is a system-wide collaboration between the City University and the New York City public schools to improve the academic preparation of high school students. The cooperative effort has enabled CUNY to strengthen its academic prerequisites for admission to the University;
- The New York City Alliance for Minority Participation is a consortium of 16 CUNY campuses that have joined with the National Science Foundation in a cooperative venture to increase the number of under-represented students successfully completing science, mathematics, engineering and technology baccalaureate programs; and
- Approximately 80 research institutes and centers are located throughout the University. Notable examples include the Structural Biology Center — a consortium of public and private research institutions located on the City College campus, the Levich Institute for Physico-Chemical Hydrodynamics at City College and the Institute for Biomolecular Structure and Function at Hunter College. University-wide research activities have been enhanced by the Applied Science Coordinating Institute.

In recent years, the CUNY Board of Trustees has advanced a series of significant actions to improve academic program quality and strengthen the planning and management functions of the University. These actions include the establishment of more rigorous

admissions criteria and the successful implementation of a new remedial education policy. The Board of Trustees continues to encourage campuses to set higher standards, reduce time-to-program completion and reallocate resources through program consolidation.

The City University will continue implementing its Master Plan, which was approved by the Board of Regents in 2000. The plan's objectives include: establishing a more rigorous and selective University system; improving CUNY's teacher education programs; expanding collaborative and outreach programs with the New York City Board of Education; and facilitating economic development. In December 2002, the Board of Regents approved the continuance of a 1999 amendment to the Master Plan authorizing more rigorous standards for admission to CUNY baccalaureate programs, in conjunction with continued monitoring and reporting on student access and success. In addition to the programs originally outlined in the Master Plan, CUNY is planning to undertake a number of initiatives designed to foster CUNY's participation in the economic rebuilding of New York City in the wake of the World Trade Center attacks.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	1,314,384,000	1,365,899,000	51,515,000	0
Aid To Localities	733,192,000	744,397,000	11,205,000	0
Capital Projects	55,000,000	1,115,000,000	1,060,000,000	577,561,000
<b>Total</b>	<b>2,102,576,000</b>	<b>3,225,296,000</b>	<b>1,122,720,000</b>	<b>577,561,000</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	188,700,000	153,700,000	(35,000,000)
Fiduciary Funds	1,125,684,000	1,212,199,000	86,515,000
<b>Total</b>	<b>1,314,384,000</b>	<b>1,365,899,000</b>	<b>51,515,000</b>

Adjustments:

Recommended Deficiency	
City University of New York	
Special Revenue Funds - Other	(55,000,000)
Appropriated 2003-04	<u>1,259,384,000</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	733,192,000	744,397,000	11,205,000
<b>Total</b>	<b>733,192,000</b>	<b>744,397,000</b>	<b>11,205,000</b>

Adjustments:

Recommended Deficiency	
City University of New York	
General Fund	(2,258,000)
Appropriated 2003-04	<u>730,934,000</u>



# CITY UNIVERSITY

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

Program	Available 2003-04	Recommended 2004-05	Change
Community College Programs			
General Fund	127,212,000	144,116,000	16,904,000
Institutional Support Services			
General Fund	602,980,000	595,481,000	(7,499,000)
Senior College Pension Payments			
General Fund	3,000,000	4,800,000	1,800,000
Total	<u>733,192,000</u>	<u>744,397,000</u>	<u>11,205,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Senior Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	20,000,000	20,000,000	32,531,000
Capital Projects Fund - Advances	0	1,095,000,000	1,095,000,000	4,037,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	2,311,000
New Facilities				
Capital Projects Fund - Advances	0	0	0	352,300,000
City University of New York Capital Projects Fund				
City University of New York Capital Projects Fund	0	0	0	1,966,000
Subtotal	<u>0</u>	<u>1,115,000,000</u>	<u>1,115,000,000</u>	<u>393,145,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	5,000,000	0	(5,000,000)	17,807,000
Capital Projects Fund - Advances	50,000,000	0	(50,000,000)	166,609,000
Subtotal	<u>55,000,000</u>	<u>0</u>	<u>(55,000,000)</u>	<u>184,416,000</u>
Total	<u>55,000,000</u>	<u>1,115,000,000</u>	<u>1,060,000,000</u>	<u>577,561,000</u>

# **STATE EDUCATION DEPARTMENT**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

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

Recommended staffing levels for 2004-05 are projected to total 2,654 positions at year's end, with 381 positions, or approximately 14 percent, supported by the General Fund. Various dedicated fees, charge-backs and Federal grants will support the remaining staff.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

In 2004-05, total funding for programs and operations of the State Education Department will increase by \$782 million or 3.5 percent. This year-to-year change is primarily due to: increases of \$290 million in support for public schools from General Fund and lottery revenues; a \$164 million increase in the STAR property tax relief program; and a Federal funds increase of \$291 million.

The taxpayer-supported General Fund provides 8 percent of SED's operating budget. Federal grants, including programs for individuals with disabilities and disadvantaged pupils, account for 60 percent of the agency's resources. The remaining 32 percent is derived from fees, charge-backs and other miscellaneous receipts.

## **SCHOOL TAX RELIEF (STAR)**

The School Tax Relief (STAR) program was enacted in 1997-98 to provide needed tax relief for homeowners across the State. In 2004-05, \$3 billion is appropriated for STAR, an increase of \$164 million. This amount includes funds for the enhanced exemption for eligible senior citizens, the basic STAR exemption for other homeowners and the New York City Personal Income Tax reduction. The Governor will also call for a cap that would limit school spending increases to the lesser of 4 percent or 120 percent of the increase in the Consumer Price Index.

For 2004-05, STAR benefits will be increased to recognize the effects of inflation. As a result, local taxpayers will save \$43 million in property taxes paid to them as a credit on their income tax. The STAR credit provided for 2004-05 will be available for all homeowners in school districts that keep their spending within the proposed spending cap.

The Governor is also proposing to expand the School Property Tax Report Card to require school districts to include information displaying the three-year change in the school tax levy compared to the change in the Consumer Price Index, thereby helping local taxpayers review school spending trends.

## **EDUCATION**

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### **EDUCATIONAL GOVERNANCE**

The Executive Budget proposes changes to strengthen the accountability of New York's educational system. Under this proposal, a majority of the State Board of Regents will be appointed by the Governor — thereby making the State's highest elected official accountable for the performance of New York's educational system.

Currently, New York and South Carolina are the only two states in the nation where the Legislature appoints a board that is responsible for supervising the state's educational system. Upon passage of the Governor's educational governance proposal, New York's educational governance structure will be brought into conformance with most other states. Under the proposed restructuring of the Board of Regents:

- The number of Regents will be increased from 16 to 18;
- The term of office for a Regent will be changed from five years to six years;
- The Governor will appoint 12 Regents to provide representation from each of the State's judicial districts; and
- Legislative leaders will appoint the six remaining Regents, with two Regents appointed by the majority in each House, and one Regent by the minority in each House.

The Budget also proposes a restructuring of the State Education Department to sharpen its focus on its core mission — the education of our children. Cultural Education programs — including the State Museum, State Library and State Archives — will be transferred from the State Education Department to create a new entity, the New York Institute for Cultural Education (NYICE). NYICE will be established as a new public benefit corporation and will be headed by a 15-member board appointed by the Governor, legislative leaders and the Board of Regents. A total of 400 positions will be transferred from the State Education Department to NYICE effective October 1, 2004.

### **SCHOOL AID**

In September 2003, Governor Pataki announced the creation of the New York State Commission on Education Reform — a non-partisan group of educational, business and community leaders who will develop a comprehensive set of recommendations to address the historic opportunity presented by the Court of Appeals' order to overhaul New York's education finance system. The Commission will present its findings and recommendations to the Governor and the Legislature on March 1, 2004. While awaiting release of the Commission's recommendations, the 2004-05 Executive Budget proposes targeted reforms in certain critical areas.

Major recommendations for 2004-05 include:

- **School Year Support:** For the 2004-05 school year, \$14.56 billion is provided in State support for public schools, a school year increase of \$147 million or 1 percent;
- **Fiscal Year Support:** For the 2004-05 fiscal year, \$14.65 billion is provided in State support for public schools, a fiscal year increase of \$290 million or 2 percent, including an increase of \$110 million in lottery revenues;
- **Additional Support for Education:** In addition to the \$14.56 billion for general school aid, the Budget reserves certain new revenues to support expected reforms related to ensuring that every child has the opportunity to receive a sound basic education. Beginning with the 2004-05 school year, all State revenues generated by Video Lottery Terminals (VLTs) will be dedicated to support the sound basic education requirements set forth in the State Constitution and re-affirmed in a recent decision by the State Court of Appeals. Based upon VLT facilities now being developed and new ones to be authorized in legislation introduced with the Executive Budget, these receipts are expected to approximate \$325 million in the 2004-05 school year, growing to \$2 billion over the next five years;

- **Sound Basic Education Grant:** The Executive Budget includes a \$100 million Sound Basic Education matching grant for New York City as part of the City's general school aid, which will be supplemented by an allocation to the City from the \$325 million in new VLT revenues;
- **Flex Aid:** For the coming year, the Executive Budget recommendations would provide schools with greater flexibility to meet locally defined needs by consolidating seven existing aid categories into a single program — Flex Aid. Overall, Flex Aid funding will total nearly \$10 billion and will be maintained at 2003-04 levels for all districts;
- **Building Aid:** For the 2004-05 school year, \$1.36 billion is recommended in State support for the construction of school facilities, an increase of \$152 million. The Executive Budget recommends a series of reforms to ensure that State and local resources are effectively targeted to address school facility needs across New York. These reforms include: replacing the existing open-ended building aid system with a priority-based system; simplifying the building aid formula to provide realistic allowances for construction costs and per student based space needs; and creation of a State Clearinghouse for Efficient Construction Practices and Designs whereby the Dormitory Authority of the State of New York will provide advisory services and technical expertise to school districts. Additionally, payment reforms for new projects enacted in 2003-04 will be extended for 2004-05;
- **BOCES Aid:** The 2004-05 Executive Budget recommends reforms to refocus BOCES on their core mission — to promote cost-efficiency through the regional delivery of educational services. For 2004-05, the Executive Budget also recommends that BOCES Aid be limited to the amount received by the school district in the prior year;
- **Transportation Aid:** The 2004-05 Executive budget provides \$1.1 billion for reimbursement of the cost of transporting 2.5 million students statewide. As a cost-containment measure, transportation aid for non-capital expenses will be limited to an increase of 2.5 percent. Beginning in 2005-06, transportation-related capital expenses will be reimbursed over a term consistent with the useful life of the asset. In 2004-05, during the transition to the new reimbursement system, capital grants will be provided to school districts from proceeds of State supported bonds;
- **Teachers of Tomorrow:** The 2004-05 Executive Budget continues funding of \$20 million for the Teachers of Tomorrow Program;
- **Categorical Grant Programs:** State support is being reduced for various discretionary grant programs, including the Teacher Support Aid, Teacher Centers and the Teacher Mentor Intern program;
- **Other Programs:** The 2004-05 Executive Budget recommends funding based on existing statutory formulas for several programs, including growth aid, textbook aid, reorganization incentive aid, special services aid and instructional materials aids;
- **Mandate Relief:** In order to avoid costly unfunded mandates, legislation accompanying the Executive Budget would require the Board of Regents to obtain approval by the State Office of Regulatory Reform of any new regulations that carry significant costs for the State, local governments, or educational institutions. Other mandate relief initiatives include extending to all schools the exemption from the Wicks Law currently provided to New York City;
- **School Safety:** The Governor's Safe Schools Against Violence in Education Act of 2000 — based upon the recommendations of the Task Force on School Violence, chaired by Lieutenant Governor Mary Donohue — represents the most comprehensive plan in the nation to ensure the safety and well being of school children. For 2004-05, \$475,000 is recommended to support the efforts of the Statewide Center for School Safety in promoting "best practices" and providing technical assistance to schools, and \$500,000 is provided for character education curriculum development activities;

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- **School Choice:** For 2004-05, \$6 million is provided for the Charter School Stimulus Fund to assist with facility needs and other costs connected to the development and expansion of charter schools; and
- **Advantage Schools:** The Advantage After-School Program provides school-age children with supervised educational and social activities during non-school hours. Recommended appropriations for the Office of Children and Family Services will restore the Advantage Schools program to \$20.2 million in 2004-05, \$10.2 million more than the enacted 2003-04 budget. This increase is expected to return Advantage Schools to a full program level, providing vital after-school services to more than 25,000 children throughout the State.

### ***SPECIAL EDUCATION***

#### ***School-Age Special Education***

The State's current special education finance system provides unintended fiscal incentives for children to be placed in restrictive settings, away from their non-disabled peers. Effective in the 2004-05 school year, \$2.2 billion in funding for public special education programs will be consolidated within Flex Aid to:

- Eliminate financial incentives for unnecessary referrals to special education;
- Discontinue the allocation of aid based upon special education placements; and
- Address discrepancies cited in recent reviews by the Office of the State Comptroller of New York's special education programs.

Also, reimbursement for private special education placements will be limited to the statewide amount provided in 2003-04.

#### ***Preschool Special Education***

Over the past several years, fundamental reforms have been enacted in the preschool special education program to improve the cost-effective delivery of these services and ensure that over 75,000 disabled children receive services in the least restrictive setting.

The 2004-05 Executive Budget will reinstate the restriction on the creation or expansion of preschool programs that serve children with disabilities in non-inclusive settings. Provisions are also recommended to authorize the State Education Department to approve new or expanded non-inclusive preschool programs based upon a demonstrated need for such programs.

The 2004-05 General Fund recommendation of \$552 million will support the State's 59.5 percent share of preschool special education program costs.

### ***ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS***

Various categorical education programs will experience a net reduction of \$111 million for the 2004-05 school year. Increased funding is provided for mandated expenditure-based programs that include Non-Public School Aid (\$2.5 million) and Education of Native Americans (\$3 million). The overall net decrease reflects the elimination of \$59 million in one-time legislative grants and a \$62 million reduction in funding for fiscal stabilization grants. Consistent with austerity reductions and efficiencies required of many other State aid programs, there is also a 5 percent reduction in funding for the following categorical programs: AIDS Education; Apprenticeship Training; Comprehensive School Health Demonstration; Consortium for Worker Education; Education of Children of Migrant Workers; Extended Day/School Safety; Primary Mental Health; School Health Demonstration; Schools Under Registration Review; Transferring Success; and Workplace Literacy.

## EDUCATION

### ELEMENTARY, MIDDLE AND SECONDARY CATEGORICAL PROGRAMS 2004-05 SCHOOL YEAR

(amounts in thousands of dollars)

Program	2003-04 School Year	2004-05 School Year	Change
Adult Literacy Education	3,325	3,325	0
AIDS Education	693	658	(35)
AIS for Non-Public Schools	1,000	1,000	0
Apprenticeship Training	1,830	1,739	(91)
Character Education	0	500	500
Charter Schools	0	6,000	6,000
Comprehensive School Health	368	349	(19)
Consortium for Worker Education	9,000	8,550	(450)
Extended Day	30,200	28,690	(1,510)
Fiscal Stabilization Grants/Prior Year Claims	90,000	28,000	(62,000)
Migrant Workers	90	68	(22)
Native American Education	16,000	19,000	3,000
Non-Public School Aid	80,800*	83,300	2,500
One-Time Legislative Adds	58,958	0	(58,958)
Primary Mental Health	570	542	(28)
School Health Demo.	150	143	(7)
School Lunch/Breakfast	31,700	31,700	0
School Safety Center	0	475	475
Summer Food Program	3,300	3,300	0
SURR Schools	2,000	1,900	(100)
Targeted Pre-Kindergarten	50,200	50,200	0
Transferring Success	630	598	(32)
WEP/Adult Basic Education	5,000	5,000	0
Workplace Literacy	1,376	1,307	(69)
<b>Total</b>	<b>\$387,190</b>	<b>\$276,344</b>	<b>(\$110,846)</b>

\*Includes recommended current year deficiency of \$8 million

### OTHER RECOMMENDATIONS

The Executive Budget provides \$35.5 million in General Fund support for agency operations reflecting a net reduction of \$8.3 million, due to \$7 million in savings from recommended management efficiencies and \$1.3 million reflecting the transfer of tenured teacher hearing costs to school districts. In addition to funding for agency operations, the State Education Department's budget also includes the following aid programs:

- \$84.4 million for Library Aid, a decrease of \$4.4 million (-5%);
- \$13.1 million for Aid for Public Broadcasting, a decrease of \$692,000 (-5%);
- \$52.6 million for Case Services for vocational rehabilitation clients, a decrease of \$2 million;
- \$14.8 million for Supported Employment, to maintain services including extended supported employment services for consumers being transitioned from the Office of Mental Retardation and Developmental Disabilities to VESID;
- \$10.2 million for Independent Living Centers, reflecting a decrease of a \$536,600 (-5%);
- \$42.0 million for Unrestricted Aid for Independent Colleges and Universities, a decrease of \$2.2 million (-5%);
- \$20.9 million for the Higher Education Opportunity Program, a decrease of \$1.1 million (-5%);
- \$10.9 million for the Liberty Partnerships Program; a decrease of \$575,000 (-5%);
- \$9.5 million for the Science and Technology Entry Program (STEP) and its collegiate counterpart (CSTEP), a decrease of \$500,000 (-5%); and
- \$712,500 for the Teacher Opportunity program; a decrease of \$37,500 (-5%).

## ***EDUCATION***

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### ***PROGRAM HIGHLIGHTS***

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

#### ***SCHOOL AID***

The 2004-05 Executive Budget will provide \$14.6 billion for the 2004-05 school year. As a result of the combination of school aid and property tax relief through STAR, New York State now supports nearly 44 percent of local school districts' spending on education. State support for public schools, combined with STAR and lottery payments, now accounts for more than 37 percent of the State's General Fund — up from 27 percent when the Governor first took office.

School aid is distributed to school districts through formula-based aids and categorical grants, including:

- **Flex Aid:** In this aid program, seven aid categories are consolidated into a single funding stream that represents more than 68 percent of State aid to local school districts. This program provides support to school districts for their general operating costs;
- **Transportation Aid and Building Aid** provides support to school districts for student transportation and the construction and preservation of school facilities. With a combined total of nearly \$2.5 billion, these two aid categories account for nearly 17 percent of overall school aid; and
- **Specialized aid and grant programs** address specific educational needs, ranging from textbooks to adult education programs. Notable program recommendations for 2004-05 include continuation of \$136.1 million in grants for magnet school programs in 19 cities throughout the State and \$81.9 million in aid to small city school districts.

#### ***SCHOOL TAX RELIEF (STAR)***

STAR provides New York's taxpayers with savings totaling \$3 billion in appropriations for school property tax relief and New York City personal income tax reductions. For the coming year, a new State STAR credit will be created under the personal income tax to protect the STAR benefit from the effects of inflation.

#### ***School Property Tax Relief***

- In 2004-05, more than 620,000 senior homeowners will be eligible to receive an enhanced exemption of at least \$50,000 (on a "full value" basis) with a statewide benefit averaging \$1,080. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age and have annual incomes of \$63,750 or less (combined incomes of the owners and their spouses who reside on the premises). The new income limit reflects the second Cost of Living Adjustment to income eligibility, as enacted in the 2002-03 budget;
- In 2004-05, the school property tax exemption will provide nearly 2.5 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Statewide tax savings for non-senior owner occupied residences will average \$710; and
- The exemptions provided to homeowners (both seniors and non-seniors) living in a county whose median home sale price exceeds the statewide median will be adjusted upward to account for the variation in property values for similar homes in different regions of the State.

### ***New York City Tax Reduction***

Under the STAR program, New York City's more than 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Total local taxpayer savings will be \$560 million. The personal income tax credit and changes in the tax rates were fully implemented in 2001-02 and have reduced the New York City personal income tax by nearly 10 percent.

### ***New State STAR Credit***

For 2004-05, STAR benefits will be increased to recognize the effects of inflation. As a result, current STAR benefits that average \$1,080 for seniors and \$710 for other homeowners will be adjusted by the increase in the Consumer Price Index. The STAR credit will be available for all homeowners in school districts that keep their spending within the proposed spending cap.

### ***Property Taxpayer's Bill of Rights***

Enacted in 1997, the Property Taxpayer's Bill of Rights ensures the full disclosure of information to property taxpayers in a more readable and comprehensive format than was previously available. This enables taxpayers to better understand their property taxes and their rights under the law.

### ***Local Voter Empowerment***

The STAR program includes a series of school budget voting reforms that give local voters a greater role in education spending decisions and in controlling property tax growth. Reforms enacted in recent years include:

- **Property Tax Report Card:** Schools are now required to report proposed property tax increases, spending growth and estimated enrollment changes to the State Education Department prior to the statewide school budget voting day. A property tax report card is then compiled and released to the public before school budget votes are held. For 2004-05, the property tax report card will be expanded to include information displaying the three-year change in the school tax levy compared to the change in the CPI, thereby helping local taxpayers review school spending trends.
- **Special Informational Mailings:** School districts are now required to mail notices to voters prior to budget votes, disclosing:
  - How proposed school spending increases compare with increases in consumer prices;
  - How a proposed budget would compare to the contingency budget that would be authorized by statute if the voters were to defeat the proposed budget on two successive votes; and
  - How STAR savings were affected by school tax increases for a typical homeowner in the current year and the estimated effects of proposed tax changes on estimated STAR savings under the budget proposed for the coming year.

### ***Limiting School Property Tax Increases***

To ensure that STAR results in property tax savings to homeowners, and that STAR benefits are not eroded by excessive tax increases, Governor Pataki is proposing that limits be placed on the ability of school districts to increase total spending. An annual cap would limit school spending increases to the lesser of 4 percent or 120 percent of the increase in the Consumer Price Index. A two-thirds majority of school district voters would be required to exceed this spending cap.



## ***EDUCATION***

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Certain exceptions including those currently allowed in calculating the maximum school contingency budget would be allowed in calculating spending increases. Expenditures for increases in enrollment, capital projects, certified emergencies, judgments, tax certiorari proceedings and court ordered funding to provide a sound basic education would be excluded from the cap.

### ***PROGRAMS FOR STUDENTS WITH SPECIAL NEEDS***

New York provides a full spectrum of special education services for over 400,000 students aged 4 to 21. These services range from speech therapy to placement in full-time residential schools for those school-age children with the most severely disabling conditions. The network of service providers includes school districts, Boards of Cooperative Educational Services (BOCES), private not-for-profit schools and State-operated facilities.

School districts and BOCES serve approximately 390,000 school-age children in classroom settings. An additional 14,000 students who require particularly intensive programs are served by nearly 150 private schools, including 14 Special Act School Districts and 11 State-supported schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The New York State School for the Blind in Batavia serves over 70 blind and multiply disabled students, including 16 developmentally disabled students at its Intermediate Care Facility. The New York State School for the Deaf in Rome serves over 80 deaf and multiply disabled students.

### ***ELEMENTARY, MIDDLE AND SECONDARY EDUCATION PROGRAMS***

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

- **School Lunch and Breakfast Program:** State funds of \$31.7 million supplement Federal support for the provision of free and reduced-price meals to low-income students. Approximately 1.4 million lunches and 456,000 breakfasts are served daily under this program;
- **Summer Food Program:** \$3.3 million in additional State funds supplement Federal support for the provision of free meals for low-income students participating in summer recreation programs. There are more than 270 sponsors of summer programs serving almost 260,000 students; and
- **Non-Public School Aid:** The State reimburses 1,400 non-public schools for the costs of administering State mandated tests, attendance taking and other data collection efforts.

### ***HIGHER EDUCATION AND REGULATION OF THE PROFESSIONS***

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

- Assists the Regents in making higher education policies and plans, administers aid programs for colleges, universities and students and reviews and registers academic programs of degree-granting institutions. This office also oversees the regulation of proprietary schools that offer a range of vocational education programs, as well as teacher certification and discipline and background checks of prospective school personnel.
- Licenses and provides oversight for members of the 44 professions regulated pursuant to Title VIII of the Education Law, including: Nursing, Optometry, Dentistry, Pharmacy, Veterinary Medicine, Social Work, Architecture, Civil Engineering and Public Accountancy. The Office is also responsible for enforcing standards of

practice, codes of conduct and professional discipline for the licensees, except members of the medical professions (Physicians, Physician Assistants and Special Assistants) whose professional conduct is within the purview of the Department of Health. Professional licensure, oversight and enforcement functions have been self-supporting, through the collection of fines and fees, since 1987.

### ***VOCATIONAL REHABILITATION***

The Vocational and Educational Services for Individuals with Disabilities (VESID) program provides job training, counseling and placement services for disabled persons throughout New York. Using its network of 15 district offices across the State, VESID provides vocational rehabilitation services to disabled clients tailored to their individual goals, capabilities and needs. This program arranges job placements for more than 15,000 individuals annually from an active caseload of 57,000.

# EDUCATION

Program	School Aid School Year Payments (millions)			
	Estimated 2003-04	Recommended 2004-05	Change Amount	Change Percent
<b>I. Computerized Aids:</b>				
Comprehensive Operating Aid	\$6,840.62	\$0.00	\$0.00	0.00
Extraordinary Needs Aid	703.12	0.00	0.00	0.00
ERSSA	71.08	0.00	0.00	0.00
Limited English Proficiency	77.41	0.00	0.00	0.00
Summer School	36.18	0.00	0.00	0.00
Tax Limitation Aid	29.93	0.00	0.00	0.00
Excess Cost - Public	2,198.81	0.00	0.00	0.00
Flex Aid	\$9,957.15	\$9,957.15	\$0.00	0.00
Excess Cost - Private	187.42	187.42	0.00	0.00
Textbooks (Incl. Lottery)	189.01	188.65	(0.36)	(0.19)
Computer Software	45.88	46.40	0.52	1.13
Computer Hardware	28.10	28.38	0.28	1.00
Library Materials	19.26	19.58	0.32	1.66
Prekindergarten	201.34	201.34	0.00	0.00
Class Size Reduction	136.49	136.49	0.00	0.00
Minor Maintenance	49.97	49.97	0.00	0.00
New York City Sound Basic Education Grant	0.00	100.00	100.00	NA
Subtotal Computerized Aid Excluding Bldg, Trans, BOCES, Sp Serv, FDK, Reorg Oper	10,814.62	10,915.38	100.76	0.93
Transportation (Including Summer)	1,076.94	1,097.23	20.29	1.88
Building/Reorganization Building	1,207.33	1,359.46	152.13	12.60
BOCES	505.05	480.58	(24.47)	(4.85)
Special Services (Career Ed./Computer Admin.)	132.37	131.03	(1.34)	(1.01)
Full-Day Kindergarten	7.57	3.66	(3.91)	(51.65)
Reorganization Incentive (Operating)	17.53	14.74	(2.79)	(15.92)
<b>Computerized Aid Total</b>	<b>\$13,761.41</b>	<b>\$14,002.10</b>	<b>\$240.69</b>	<b>1.75</b>
<b>II. Grant Programs and Other Aid Categories:</b>				
Capital Outlay Transition Grant Adjustments	11.44	0.00	(11.44)	(100.00)
Growth Aid	29.93	13.59	(16.34)	(54.59)
Teachers of Tomorrow	20.00	20.00	0.00	0.00
Teacher Centers	30.00	10.00	(20.00)	(66.67)
Teacher-Mentor Intern	4.00	1.33	(2.67)	(66.75)
Teacher Support Aid	67.48	22.49	(44.99)	(66.67)
Roosevelt	6.00	6.00	0.00	0.00
Categorical Reading	63.95	63.95	0.00	0.00
Improving Pupil Performance	66.35	66.35	0.00	0.00
Magnet Schools	135.80	136.10	0.30	0.22
Aid to Small City School Districts	81.88	81.88	0.00	0.00
Fort Drum	2.63	2.63	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	84.00	84.00	0.00	0.00
Homeless Pupils	5.61	5.91	0.30	5.35
Incarcerated Youth	14.00	14.50	0.50	3.57
Bilingual	11.20	11.20	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	25.00	26.00	1.00	4.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(18.00)	(18.00)	0.00	0.00
Tuition Adjustment	1.18	1.18	0.00	0.00
CVEEB	0.92	0.92	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Shared Services Incentive	0.20	0.20	0.00	0.00
Native American Building	2.00	2.00	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Add'l Prekindergarten	0.60	0.60	0.00	0.00
Add'l Class Size Reduction	1.82	1.82	0.00	0.00
<b>Subtotal</b>	<b>655.94</b>	<b>562.60</b>	<b>(93.34)</b>	<b>(14.23)</b>
<b>SCHOOL YEAR TOTAL</b>	<b>\$14,417.35</b>	<b>\$14,564.70</b>	<b>\$147.35</b>	<b>1.02</b>

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	452,894,300	426,138,200	(26,756,100)	340,908,200
Aid To Localities	21,669,850,900	22,392,426,000	722,575,100	4,113,347,900
Capital Projects	3,750,000	90,300,000	86,550,000	26,875,000
<b>Total</b>	<b>22,126,495,200</b>	<b>22,908,864,200</b>	<b>782,369,000</b>	<b>4,481,131,100</b>

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Office of Management Services Program			
General Fund	160	160	0
Special Revenue Funds - Other	181	181	0
Internal Service Funds	101	101	0
Elementary, Middle and Secondary Education			
General Fund	189	189	0
Special Revenue Funds - Federal	305	300	(5)
School for the Blind			
Special Revenue Funds - Other	104	104	0
Batavia ICF/DD			
Special Revenue Funds - Other	37	37	0
School for the Deaf			
Special Revenue Funds - Other	103	103	0
Higher Education and the Professions, Office of			
General Fund	55	52	(3)
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	412	440	28
Cultural Education			
General Fund	18	0	(18)
Special Revenue Funds - Federal	68	0	(68)
Special Revenue Funds - Other	291	0	(291)
Internal Service Funds	23	0	(23)
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	995	995	0
Management Efficiencies Program			
General Fund	0	(20)	(20)
<b>Total</b>	<b>3,054</b>	<b>2,654</b>	<b>(400)</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	43,820,600	35,520,600	(8,300,000)
Special Revenue Funds - Federal	274,917,200	255,929,500	(18,987,700)
Special Revenue Funds - Other	114,552,600	113,855,100	(697,500)
Internal Service Funds	19,603,900	20,833,000	1,229,100
<b>Total</b>	<b>452,894,300</b>	<b>426,138,200</b>	<b>(26,756,100)</b>

Adjustments:

Recommended Deficiency Education Department, State Special Revenue Funds - Other	(1,400,000)
Appropriated 2003-04	451,494,300

# EDUCATION

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

Program	Available 2003-04	Recommended 2004-05	Change
Office of Management Services Program			
General Fund	17,399,500	17,399,500	0
Special Revenue Funds - Other	17,474,000	21,674,000	4,200,000
Internal Service Funds	11,550,000	12,660,000	1,110,000
Elementary, Middle and Secondary Education			
General Fund	21,414,000	21,414,000	0
Special Revenue Funds - Federal	133,456,000	104,919,000	(28,537,000)
Special Revenue Funds - Other	978,900	978,900	0
School for the Blind			
Special Revenue Funds - Other	7,577,900	8,505,000	927,100
Batavia ICF/DD			
General Fund	126,100	126,100	0
Special Revenue Funds - Other	2,650,000	2,917,000	267,000
School for the Deaf			
Special Revenue Funds - Other	7,446,000	8,167,000	721,000
Higher Education and the Professions, Office of			
General Fund	4,881,000	3,581,000	(1,300,000)
Special Revenue Funds - Federal	2,723,000	2,900,000	177,000
Special Revenue Funds - Other	47,048,000	51,488,000	4,440,000
Cultural Education			
Special Revenue Funds - Federal	8,154,000	8,689,000	535,000
Special Revenue Funds - Other	30,465,800	19,213,200	(11,252,600)
Internal Service Funds	8,053,900	8,173,000	119,100
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	130,584,200	139,421,500	8,837,300
Special Revenue Funds - Other	912,000	912,000	0
Management Efficiencies Program			
General Fund	0	(7,000,000)	(7,000,000)
Total	<u>452,894,300</u>	<u>426,138,200</u>	<u>(26,756,100)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Office of Management Services Program	9,560,600	0	9,560,600	0
Elementary, Middle and Secondary Education	11,051,000	0	11,051,000	0
Higher Education and the Professions, Office of	2,256,000	0	2,256,000	0
Total	<u>22,867,600</u>	<u>0</u>	<u>22,867,600</u>	<u>0</u>

# EDUCATION

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Office of Management Services Program	7,838,900	0	400,000	0
Elementary, Middle and Secondary				
Education	10,363,000	0	282,300	0
Batavia ICF/DD	126,100	0	0	0
Higher Education and the Professions,				
Office of	1,325,000	(1,300,000)	0	0
Management Efficiencies Program	(7,000,000)	(7,000,000)	0	0
Total	<u>12,653,000</u>	<u>(8,300,000)</u>	<u>682,300</u>	<u>0</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Office of Management Services Program	350,000	0	5,648,900	0
Elementary, Middle and Secondary				
Education	697,500	0	9,108,200	0
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions,				
Office of	0	0	325,000	0
Management Efficiencies Program	0	0	0	0
Total	<u>1,047,500</u>	<u>0</u>	<u>15,082,100</u>	<u>0</u>

<b>Program</b>	<b>Equipment</b>		<b>General State Charges</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Office of Management Services Program	250,000	0	1,190,000	0
Elementary, Middle and Secondary				
Education	0	0	0	0
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions,				
Office of	0	0	0	0
Management Efficiencies Program	0	0	0	0
Total	<u>250,000</u>	<u>0</u>	<u>1,190,000</u>	<u>0</u>

<b>Program</b>	<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>
Office of Management Services Program	0	0
Elementary, Middle and Secondary		
Education	275,000	0
Batavia ICF/DD	126,100	0
Higher Education and the Professions,		
Office of	1,000,000	(1,300,000)
Management Efficiencies Program	(7,000,000)	(7,000,000)
Total	<u>(5,598,900)</u>	<u>(8,300,000)</u>

# EDUCATION

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	34,334,000	5,310,000	13,822,000	0
Elementary, Middle and Secondary Education	105,897,900	(28,537,000)	48,225,000	(15,214,000)
School for the Blind	8,505,000	927,100	5,300,000	110,000
Batavia ICF/DD	2,917,000	267,000	1,790,000	108,000
School for the Deaf	8,167,000	721,000	5,150,000	276,000
Higher Education and the Professions, Office of	54,388,000	4,617,000	4,640,000	0
Cultural Education	36,075,200	(10,598,500)	8,026,000	(54,700)
Vocational and Educational Services for Individuals with Disabilities	140,333,500	8,837,300	58,605,100	1,340,000
<b>Total</b>	<b>390,617,600</b>	<b>(18,456,100)</b>	<b>145,558,100</b>	<b>(13,434,700)</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	14,602,000	0	5,910,000	5,310,000
Elementary, Middle and Secondary Education	56,694,000	(13,323,000)	978,900	0
School for the Blind	3,205,000	817,100	0	0
Batavia ICF/DD	1,127,000	159,000	0	0
School for the Deaf	3,017,000	445,000	0	0
Higher Education and the Professions, Office of	5,008,000	177,000	44,740,000	4,440,000
Cultural Education	13,297,400	830,200	14,751,800	(11,374,000)
Vocational and Educational Services for Individuals with Disabilities	80,816,400	7,497,300	912,000	0
<b>Total</b>	<b>177,766,800</b>	<b>(3,397,400)</b>	<b>67,292,700</b>	<b>(1,624,000)</b>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	13,758,431,900	13,896,846,000	138,414,100
Special Revenue Funds - Federal	3,210,127,000	3,520,072,000	309,945,000
Special Revenue Funds - Other	4,701,292,000	4,975,508,000	274,216,000
<b>Total</b>	<b>21,669,850,900</b>	<b>22,392,426,000</b>	<b>722,575,100</b>

Adjustments:

Recommended Deficiency	
Education Department, State	
General Fund	(16,000,000)
Special Revenue Funds - Other	(40,000,000)
Appropriated 2003-04	<u>21,613,850,900</u>

# EDUCATION

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

Program	Available 2003-04	Recommended 2004-05	Change
School Tax Relief			
Special Revenue Funds - Other	2,836,000,000	3,000,000,000	164,000,000
Elementary, Middle and Secondary Education			
General Fund	13,482,911,300	13,633,492,000	150,580,700
Special Revenue Funds - Federal	2,568,162,000	2,769,840,000	201,678,000
Special Revenue Funds - Other	1,855,142,000	1,965,358,000	110,216,000
Higher Education and the Professions, Office of			
General Fund	89,205,000	84,710,000	(4,495,000)
Cultural Education			
General Fund	105,245,000	100,110,000	(5,135,000)
Special Revenue Funds - Federal	4,660,000	4,660,000	0
Special Revenue Funds - Other	10,150,000	10,150,000	0
Vocational and Educational Services for Individuals with Disabilities			
General Fund	81,070,600	78,534,000	(2,536,600)
Special Revenue Funds - Federal	637,305,000	745,572,000	108,267,000
Total	<u>21,669,850,900</u>	<u>22,392,426,000</u>	<u>722,575,100</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Education Building				
Capital Projects Fund	0	0	0	1,946,000
Capital Projects Fund - Advances	0	0	0	400,000
School for the Blind				
Capital Projects Fund	0	0	0	1,997,000
Capital Projects Fund - Advances	0	0	0	1,510,000
School for the Deaf				
Capital Projects Fund	250,000	2,500,000	2,250,000	336,000
Capital Projects Fund - Advances	0	0	0	200,000
Schools For Native American Reservations				
Capital Projects Fund	1,500,000	5,800,000	4,300,000	1,500,000
Cultural Education Center				
Capital Projects Fund	0	1,000,000	1,000,000	5,314,000
Capital Projects Fund - Advances	0	0	0	8,800,000
Administration				
Capital Projects Fund	2,000,000	1,000,000	(1,000,000)	4,772,000
Capital Transition Grants				
Capital Projects Fund - Authority Bonds	0	80,000,000	80,000,000	0
Washington Avenue Armory				
Capital Projects Fund - Advances	0	0	0	100,000
Total	<u>3,750,000</u>	<u>90,300,000</u>	<u>86,550,000</u>	<u>26,875,000</u>





# **OFFICE OF CHILDREN AND FAMILY SERVICES**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

The Office of Children and Family Services is headquartered in Rensselaer with regional offices throughout the State. These offices provide operational support and policy direction to local social services districts and youth bureaus. The Office is also responsible for the operation of 37 residential and 8 day placement facilities statewide serving nearly 2,000 youth. The workforce for fiscal year 2004-05 is estimated at 3,853 positions.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Office of Children and Family Services receives 40 percent of its \$3.6 billion budget from State tax dollars and 60 percent from Federal and other funds. The State Operations budget of \$409 million supports the operation of juvenile justice facilities as well as OCFS oversight of child welfare, child care, adult protection and other related programs. The 2004-05 Executive Budget reduces State Operations General Fund support for OCFS by \$11.28 million through cost savings measures that range from maximization of Federal funding to full implementation of a juvenile justice program restructuring initiated in 2003-04.

The Local Assistance budget of \$3.19 billion provides payments to local governments and not-for-profit providers for programs such as foster care, adoption, child protective services, delinquency prevention and child care.

Capital projects appropriations of \$20 million support the maintenance of the State-operated juvenile justice facilities in order to provide a safe living environment, appropriate education, recreation and vocational program space; and an appropriate level of security for youth while they are in residential care.

## **CHILDREN AND FAMILY SERVICES**

The Executive Budget provides more than \$1.8 billion in State and Federal funding to support New York's child welfare programs. These programs are structured to encourage local governments to invest in preventive services necessary to reduce out-of-home placement of children. Specific program elements include:

- **Open-ended Funding for Child Welfare Services:** The centerpiece of the child welfare financing system is the provision of 65 percent State reimbursement for community-based preventive services that avert the placement of children in foster care or juvenile justice facilities. State funding at a 65 percent level is also available for child protective services, aftercare services, independent living activities, and local administration costs related to adoptions. The Budget includes an increase of \$2.4 million in 2004-05, from \$344.9 million to \$347.3 million, to support this child welfare funding source.
- **Investments in Child Welfare Quality Enhancement:** OCFS will distribute \$1.9 million in Temporary Assistance for Needy Families (TANF) funding to counties and not-for-profit groups in 2004-05 to promote the development of innovative child welfare service delivery models.
- **A Flexible Foster Care Block Grant:** The Executive Budget continues funding for a \$364.5 million Foster Care Block Grant that provides counties with a clear incentive to reduce the number of children in foster care. Under the Block Grant, savings

## ***CHILDREN AND FAMILY SERVICES***

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resulting from reduced use of foster care can be reinvested in locally-designed child welfare initiatives that strengthen preventive services or better serve high-needs children. OCFS will again distribute \$9 million in General Fund support outside the Foster Care Block Grant to fund the cost of a COLA for direct care workers in foster care agencies that took effect December 1, 2002.

As part of an overall effort to target limited TANF resources to the Earned Income Tax Credit (EITC) and other direct assistance for needy families, the 2004-05 Executive Budget reduces the transfer of Federal TANF funds to the Title XX Block Grant from the maximum of 10 percent to 5 percent. In order to mitigate much of this reduction, State funding at the 65 percent level will continue to be available on an open-ended basis.

Within the TANF Block Grant, \$286 million is again set aside for children and their families facing emergency situations. The Executive Budget also provides \$5.95 million in TANF funding to support the full cost of locally-developed services necessary to prevent placement of persons-in need of supervision (PINS) in costly institutional settings such as non-secure detention.

The Executive Budget includes \$172 million for the State's share of subsidies provided to families who adopt children with special needs. These funds will support approximately 47,000 children in adoptive homes. SFY 2003-04 funds will remain available through 2004-05 for the \$1 million Adoption Now initiative intended to expedite the adoption of foster children in targeted areas.

The 2004-05 recommendation will decrease TANF funding for Adolescent Pregnancy Prevention Services (APPS) by \$1.7 million, from \$7.67 million to \$5.95 million. OCFS will act in 2004-05 to ensure that remaining APPS resources are targeted to the most effective programs.

### ***CHILD CARE***

The Executive Budget maintains funding for the State Child Care Block Grant at \$929 million. Using a combination of Federal, State, local and available prior year funding, the Block Grant supports child care subsidies for public assistance and low-income families. Subsidized child care is guaranteed for public assistance recipients with children up to age 13, when such care is required for the parent/guardian to engage in work activities. Families transitioning from welfare to work are guaranteed subsidized child care for up to 12 months after leaving Family Assistance. The State also provides subsidized child care to families at risk of becoming dependent on Family Assistance. Each social services district receives a single grant that enables it to tailor its expenditures to meet local needs and to comply with mandated work participation requirements for Family Assistance.

The Budget increases funding for Advantage After-School programs to \$20.2 million, thereby restoring a \$10 million reduction included in the final 2003-04 State budget. This program offers educational and recreational after-school activities for elementary, middle and high school students and funds community-based organizations demonstrating the ability to work collaboratively with schools, child care providers and other community providers for after-school programming. As in 2003-04, Advantage Schools will be fully supported in 2004-05 with Federal TANF funds.

### ***YOUTH FACILITIES***

The Youth Facilities Program includes the Office's 37 residential facilities and 8 day placement centers serving youth placed by the Family Courts or directed by the Criminal Courts. Through a broad array of programs, the Office provides rehabilitative services that include counseling, education and training designed to promote positive youth development and foster a youth's return to the community as a law-abiding and productive citizen.

The 2004-05 Executive Budget fully implements an OCFS juvenile justice program reform that reduces overall State spending through a targeted expansion of community-based services and a reduction in the number of State-operated youth facility beds. In 2004-05, OCFS will invest \$6 million in Evidence-based Community Initiative (EbCI) programs

## **CHILDREN AND FAMILY SERVICES**

designed to reduce the rate of recidivism among non-violent youths through the use of local non-profit agencies providing services ranging from family-based counseling to specialized after-school programs. Combined with a declining facility population, EbCI has allowed OCFS to reduce its facility capacity by approximately 290 beds.

### **SYSTEMS**

The Executive Budget continues approximately \$50 million in State and Federal funding to operate and continue development of CONNECTIONS, the State's child welfare information system. Once completed, CONNECTIONS will electronically transmit reports of child abuse or neglect from the State's Child Abuse Hotline to local governments to enhance case management and afford children and families greater protections.

### **PROGRAM HIGHLIGHTS**

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

The Office also provides funding to counties and municipalities, and community-based not-for-profit agencies for the provision of youth development and delinquency prevention programs. The 2004-05 Budget continues nearly \$38 million in General Fund support for these programs.

The State Child Abuse Hotline receives more than 330,000 calls each year reporting alleged child maltreatment or abuse through a toll-free 800 telephone number. As a result, the State initiates investigations of these allegations, which are conducted by county protective services staff and/or local law enforcement agencies. The Register maintains a master database of those found culpable of child abuse so that employers, such as day care centers, can screen out potential employees with a history of familial child abuse.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. Many of these programs serve the public assistance population and play an important role as the State and its localities implement welfare reform. Programs include oversight of locally administered adult protective services and programs providing services to victims of domestic violence, including emergency shelters and community-based crisis intervention.

Legislation accompanying the 2004-05 Executive Budget creates a new \$56 million Detention Block Grant designed to discourage excessive lengths of stay in detention while promoting the creation of new preventive program models. Counties will be able to access State 65 percent open-ended reimbursement as well as TANF funding dedicated to support new community-based services that allow youth to remain with their families in the community as an alternative to detention.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	420,185,000	409,158,500	(11,026,500)	271,733,000
Aid To Localities	3,258,505,100	3,191,231,000	(67,274,100)	3,240,567,400
Capital Projects	20,030,000	20,025,000	(5,000)	75,116,000
Total	<u>3,698,720,100</u>	<u>3,620,414,500</u>	<u>(78,305,600)</u>	<u>3,587,416,400</u>

# CHILDREN AND FAMILY SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Central Administration			
General Fund	357	338	(19)
Special Revenue Funds - Federal	6	6	0
Special Revenue Funds - Other	79	79	0
Child Care			
Special Revenue Funds - Federal	235	235	0
Commission for the Blind and Visually Handicapped			
General Fund	14	14	0
Special Revenue Funds - Federal	163	163	0
Special Revenue Funds - Other	1	1	0
Employment and Disability Assistance Account			
Special Revenue Funds - Federal	11	11	0
Family and Children Services			
General Fund	410	405	(5)
Special Revenue Funds - Federal	79	79	0
National and Community Service, Office of			
General Fund	4	4	0
Special Revenue Funds - Federal	5	5	0
Systems Support			
General Fund	142	138	(4)
Training and Development			
Special Revenue Funds - Other	52	52	0
Youth Facilities			
General Fund	2,323	2,323	0
Total	<u>3,881</u>	<u>3,853</u>	<u>(28)</u>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	210,448,500	199,167,500	(11,281,000)
Special Revenue Funds - Federal	75,330,000	76,760,000	1,430,000
Special Revenue Funds - Other	133,806,500	132,631,000	(1,175,500)
Enterprise Funds	500,000	500,000	0
Internal Service Funds	100,000	100,000	0
Total	<u>420,185,000</u>	<u>409,158,500</u>	<u>(11,026,500)</u>

# CHILDREN AND FAMILY SERVICES

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

Program	Available 2003-04	Recommended 2004-05	Change
Central Administration			
General Fund	32,873,400	30,965,500	(1,907,900)
Special Revenue Funds - Federal	1,986,000	500,000	(1,486,000)
Special Revenue Funds - Other	18,200,500	18,125,000	(75,500)
Internal Service Funds	100,000	100,000	0
Commission for the Blind and Visually Handicapped			
General Fund	8,456,000	8,456,000	0
Special Revenue Funds - Federal	25,544,000	26,260,000	716,000
Special Revenue Funds - Other	1,902,000	1,902,000	0
Departmental Administrative Reimbursement			
General Fund	(42,643,000)	(41,043,000)	1,600,000
Special Revenue Funds - Other	49,143,000	47,543,000	(1,600,000)
Family and Children Services			
General Fund	30,003,100	29,686,000	(317,100)
Special Revenue Funds - Federal	17,800,000	20,000,000	2,200,000
Special Revenue Funds - Other	1,046,000	1,546,000	500,000
Systems Support			
General Fund	27,151,000	27,389,000	238,000
Special Revenue Funds - Federal	30,000,000	30,000,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Training and Development			
General Fund	7,514,000	7,514,000	0
Special Revenue Funds - Other	53,515,000	53,515,000	0
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	147,094,000	136,200,000	(10,894,000)
Enterprise Funds	300,000	300,000	0
Total	<u>420,185,000</u>	<u>409,158,500</u>	<u>(11,026,500)</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	19,554,000	(1,157,000)	18,140,000	(1,202,000)
Family and Children Services	20,607,000	(590,000)	19,663,000	(607,100)
Systems Support	5,881,000	156,000	5,760,000	156,000
Youth Facilities	108,000,000	(11,558,000)	96,354,000	(11,954,000)
Total	<u>154,042,000</u>	<u>(13,149,000)</u>	<u>139,917,000</u>	<u>(13,607,100)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	1,167,000	37,000	247,000	8,000
Family and Children Services	0	(6,000)	944,000	23,100
Systems Support	0	0	121,000	0
Youth Facilities	5,739,000	180,000	5,907,000	216,000
Total	<u>6,906,000</u>	<u>211,000</u>	<u>7,219,000</u>	<u>247,100</u>

# CHILDREN AND FAMILY SERVICES

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Central Administration	11,411,500	(750,900)	208,000	0
Commission for the Blind and Visually Handicapped	8,456,000	0	0	0
Family and Children Services	9,079,000	272,900	595,000	6,000
Systems Support	21,508,000	82,000	233,000	8,000
Training and Development	7,514,000	0	0	0
Youth Facilities	28,200,000	664,000	9,869,000	(720,000)
<b>Total</b>	<b>86,168,500</b>	<b>268,000</b>	<b>10,905,000</b>	<b>(706,000)</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Central Administration	534,000	0	8,870,800	(245,100)
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	372,000	12,000	8,082,000	253,900
Systems Support	52,000	2,000	10,590,000	64,000
Training and Development	0	0	0	0
Youth Facilities	849,000	(63,000)	12,444,000	(936,000)
<b>Total</b>	<b>1,807,000</b>	<b>(49,000)</b>	<b>39,986,800</b>	<b>(863,200)</b>

<b>Program</b>	<b>Equipment</b>		<b>General State Charges</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Central Administration	385,200	0	0	(5,800)
Commission for the Blind and Visually Handicapped	0	0	0	0
Family and Children Services	30,000	1,000	0	0
Systems Support	233,000	8,000	0	0
Training and Development	0	0	0	0
Youth Facilities	1,088,000	(80,000)	0	0
<b>Total</b>	<b>1,736,200</b>	<b>(71,000)</b>	<b>0</b>	<b>(5,800)</b>

<b>Program</b>	<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>
Central Administration	1,413,500	(500,000)
Commission for the Blind and Visually Handicapped	8,456,000	0
Family and Children Services	0	0
Systems Support	10,400,000	0
Training and Development	7,514,000	0
Youth Facilities	3,950,000	2,463,000
<b>Total</b>	<b>31,733,500</b>	<b>1,963,000</b>

# CHILDREN AND FAMILY SERVICES

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	18,725,000	(1,561,500)	0	0
Commission for the Blind and Visually Handicapped	28,162,000	716,000	0	0
Family and Children Services	21,546,000	2,700,000	0	0
Systems Support	40,000,000	0	0	0
Training and Development	53,715,000	0	1,662,000	0
Youth Facilities	300,000	0	0	0
<b>Total</b>	<b>162,448,000</b>	<b>1,854,500</b>	<b>1,662,000</b>	<b>0</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	1,925,000	(500)	16,800,000	(1,561,000)
Commission for the Blind and Visually Handicapped	0	0	28,162,000	716,000
Family and Children Services	7,700,000	2,700,000	13,846,000	0
Systems Support	0	0	40,000,000	0
Training and Development	3,224,000	0	48,829,000	0
Youth Facilities	300,000	0	0	0
<b>Total</b>	<b>13,149,000</b>	<b>2,699,500</b>	<b>147,637,000</b>	<b>(845,000)</b>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	1,230,617,100	1,228,959,000	(1,658,100)
Special Revenue Funds - Federal	2,012,108,000	1,946,492,000	(65,616,000)
Special Revenue Funds - Other	15,780,000	15,780,000	0
<b>Total</b>	<b>3,258,505,100</b>	<b>3,191,231,000</b>	<b>(67,274,100)</b>

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

Program	Available	Recommended	Change
	2003-04	2004-05	
Child Care			
General Fund	96,066,000	96,066,000	0
Special Revenue Funds - Federal	768,000,000	735,000,000	(33,000,000)
Special Revenue Funds - Other	250,000	350,000	100,000
Family and Children Services			
General Fund	1,129,551,100	1,127,893,000	(1,658,100)
Special Revenue Funds - Federal	1,215,670,000	1,183,054,000	(32,616,000)
Special Revenue Funds - Other	15,530,000	15,430,000	(100,000)
Training and Development			
General Fund	5,000,000	5,000,000	0
Special Revenue Funds - Federal	28,438,000	28,438,000	0
<b>Total</b>	<b>3,258,505,100</b>	<b>3,191,231,000</b>	<b>(67,274,100)</b>



# CHILDREN AND FAMILY SERVICES

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Design and Construction Supervision				
Youth Facilities Improvement Fund	4,000,000	5,000,000	1,000,000	6,034,000
Child Care Facilities Development Program				
Capital Projects Fund - Authority Bonds	0	0	0	8,724,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	2,930,000	1,325,000	(1,605,000)	7,861,000
Youth Facilities Improvement Fund	11,000,000	13,700,000	2,700,000	32,387,000
Executive Direction and Administrative Services				
Capital Projects Fund	0	0	0	270,000
Misc. Capital Projects	0	0	0	3,625,000
Program Improvement or Program Change				
Youth Facilities Improvement Fund	2,100,000	0	(2,100,000)	10,416,000
Youth Center				
Capital Projects Fund	0	0	0	5,799,000
Total	<u>20,030,000</u>	<u>20,025,000</u>	<u>(5,000)</u>	<u>75,116,000</u>

# **OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

Office staff also provide legal, audit and computer systems support. Through its Division of Disability Determinations, the Office also evaluates the medical eligibility of disability claimants for Supplemental Security Income and Social Security Disability Insurance. The office is authorized 2,347 positions for 2004-05. Approximately 463 of these positions are paid by State tax dollars from the General Fund with partial Federal reimbursement and 1,449 are funded directly by Federal grants. The remaining 18 percent are supported by various non-governmental grants and revenues.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

A total of \$4.8 billion is recommended from all funding sources in 2004-05 to support State Operations and Aid to Localities programs including Family Assistance, Safety Net, Supplemental Security Income (SSI), Food Assistance (FAP), Home Energy Assistance (HEAP), child support enforcement and Food Stamp administration.

Aid to Localities is funded by \$4.3 billion in Federal funds, General Fund dollars and other revenue, and includes modest increases in certain programs — Family Assistance, Safety Net Assistance and Supplemental Security Income (SSI) for the aged and disabled — related to economic factors.

For State Operations, an appropriation of approximately \$441 million is recommended from all funding sources. These funds will support a workforce of approximately 2,347, including 1,285 federally funded positions in the Division of Disability Determinations.

The recommended \$51.7 million General Fund appropriation includes: funding for staff and other costs related to the oversight of social services district administration of public assistance and child support enforcement programs; administrative hearings for public assistance, Food Stamp, and Medicaid applicants and recipients; and operation of the major computer systems supporting public assistance programs. Approximately \$523 million in Federal funds and other revenues are recommended for the operation of the Division of Disability Determinations, the Home Energy Assistance program (HEAP) and the Bureau of Refugee and Immigration Affairs.

State funding of \$20 million is appropriated for the cost of redesigning the Welfare Management System (WMS), continued development of the Welfare-to-Work Caseload Management System and related systems initiatives including the Human Services Enterprise Network.

## ***TEMPORARY AND DISABILITY ASSISTANCE***

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Specific priorities for the Office of Temporary and Disability Assistance for 2004-05 are as follows:

- In partnership with local social services districts, the Department of Labor and the Office of Children and Family Services operate programs enacted through the State Welfare Reform Act of 1997 so that recipients can transition to work and self-sufficiency and at-risk households can avoid welfare dependency;
- Build upon the substantial accomplishments of recent years by further strengthening child support enforcement to increase parental financial support for children;
- Improve, redesign and more effectively use technology, information and communication to support program operations; and
- Continue to strengthen program integrity and anti-fraud activities throughout the welfare system.

### ***PROGRAM HIGHLIGHTS***

The welfare system in New York State has changed in basic philosophy and approach, bringing to fruition the overall objectives of State welfare reform. These changes include transforming welfare into a system of temporary income support while recipients secure employment and child support payments; promoting individual responsibility; and providing social services districts with the flexibility they need to effectively administer a work-oriented welfare system. The system has evolved from one that focused primarily on determining client eligibility and distributing benefit payments to one that now focuses on assisting individuals achieve independence from publicly supported welfare programs.

OTDA programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households. These activities help families address life events that could otherwise jeopardize continued employment.

This new approach has resulted in a dramatic decline in welfare caseloads. Since 1995, over 1,028,000 recipients have left the welfare rolls, a 62.6 percent decline. In addition to generating significant State and local government savings, this unprecedented caseload decrease has allowed the State to use TANF Block Grant funding to encourage employment. The programs funded include the Earned Income Tax Credit (EITC) and Child and Dependent Care Credit, and programs that provide transportation, drug and alcohol services, domestic violence screening and child care services.

### ***FAMILY ASSISTANCE***

The Family Assistance program provides employment assessments, support services and time-limited cash assistance to eligible families with children while the parent acquires the necessary work skills to secure and retain employment.

All Family Assistance participants must undergo an assessment of their employability, skills and training needs and, unless disabled, must participate in assigned work activities to remain eligible. Federal financial participation in cash benefits for Family Assistance participants is limited to a cumulative period of five years. If the Family Assistance household is unable to transition off of cash assistance during this period, the family typically moves to the Safety Net Assistance program (discussed below) while the head of household continues to search for a job.

Local social services districts are required to meet Federal work activity participation targets. Under current Federal law, districts must place at least 50 percent of all Family Assistance cases in an allowable work activity for not less than 30 hours per week. State law requires that this activity be work or work-like activities such as job training, community service or workfare. However, current proposals in both Houses of Congress would increase the required work activity requirement to 70 percent of all Family Assistance cases by Federal Fiscal Year 2008.

The Governor's welfare reform program also fosters individual responsibility to help break the cycle of long-term dependency. All applicants and recipients are required to participate in

## ***TEMPORARY AND DISABILITY ASSISTANCE***

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screening and assessment to determine if the need for welfare results from use of illegal drugs or excessive consumption of alcoholic beverages. If a participant is unable to work because of such circumstances, he or she is referred to an appropriate treatment program. Teen parents must attend high school or other approved education programs to receive welfare benefits.

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

Homeless families in the State's transitional and emergency shelter system also are expected to strive for self-sufficiency. These facilities help homeless families achieve this goal by strengthening their independent living skills and helping them to acquire permanent housing. To this end, the Governor is continuing funding for family shelters, housing subsidy and homeless support services programs in SFY 2004-05.

In November 2003, New York increased the maximum amount that may be provided to families on welfare for shelter costs to improve housing quality and availability. Local districts were also authorized, at local discretion, to provide additional rent supplement payments to homeless families and families facing eviction. The increased shelter allowance, combined with the provision of rent subsidies and various supportive services, provide access to permanent housing, enable needy individuals to retain housing, promote self-sufficiency and curtail unnecessary use of more expensive emergency hotels and homeless shelters.

The Governor's welfare reform program has also strengthened child support enforcement. Improvements include automated updating of child support awards to reflect inflation; improved customer services through website access of account information and interstate reciprocity in child support proceedings; a strengthened role for child support staff in welfare case processing; and administrative authority for social services districts to order genetic tests, subpoena information and collect relevant data from Federal, State and local agencies. These measures have helped to increase total child support collections to their current level of \$1.38 billion.

The Executive Budget continues to re-invest Federal incentive bonuses in child support initiatives to strengthen performance in "hard-to-collect" cases, update asset information on non-custodial parents, expand private health care coverage for children in support cases, expand the "Celebrating Fatherhood" media campaign and contract for private parent locator services. OTDA has also embarked on State-local partnerships to group appropriate investigatory, prosecutorial and collection staff in Joint Enforcement Teams (JET) to increase criminal prosecutions for parents who refuse to pay child support. These initiatives will further strengthen the child support enforcement system and improve customer services, thus helping to ensure that parents provide for the income support of their children.

Welfare reform also protects taxpayer investments in the welfare system by providing sanctions for persons who refuse to comply with work requirements and by prohibiting welfare payments to fugitive felons, persons who have been convicted of a felony and failed to abide by the terms of their probation or parole, and persons who have been convicted of fraudulently seeking to obtain benefits in two or more states.

### ***SAFETY NET ASSISTANCE PROGRAM***

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

Safety Net Assistance participants are single adults and childless couples, families that have exhausted their five-year limit on Family Assistance, certain non-citizens, households where the adult is unable to work because of substance abuse and households where the adult has refused to participate in drug/alcohol screening or treatment. In addition to

## ***TEMPORARY AND DISABILITY ASSISTANCE***

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providing for essential needs, the Safety Net Assistance program provides employment services such as job search, work training and workfare. Unless prevented from doing so by a physical or mental disability, Safety Net Assistance participants must engage in assigned work activities to receive assistance.

The Executive Budget provides funding for a new case management initiative to assist local social services districts in finding lower-cost and more effective treatment options for Safety Net recipients unable to work due to substance abuse problems.

## ***SUPPLEMENTAL SECURITY INCOME***

Federal Supplemental Security Income (SSI) provides cash assistance to the aged, visually handicapped and disabled. The State's SSI benefit currently is among the highest nationally. The 2004-05 recommendation of \$629 million funds the State cost of SSI benefits for a projected 624,400 recipients. SSI and Social Security Disability Insurance (SSDI) eligibility for disability claimants is evaluated by OTDA's Division of Disability Determinations (DDD).

## ***NUTRITION ASSISTANCE***

The Federal Food Stamp Program provides low-income households with coupons or electronic benefits that can be used as cash at grocery stores to purchase food. New York receives \$1.6 billion per year in Federal Food Stamp benefits, with an average monthly benefit of \$194 to support needy households and those making the transition from welfare to work.

New York's Nutrition Outreach and Education Program increases public awareness of the benefits of participating in the Federal Food Stamp, Summer Food Service and School Breakfast programs and assists individuals and families with the Food Stamp application process. The SFY 2004-05 Budget continues funding to expand enrollment in the federally-funded Food Stamp program for eligible individuals and to expand related nutrition education and outreach.

New York's Food Assistance Program (FAP) purchases food stamps on behalf of immigrants age 60 through 67 who are not eligible for federally funded Food Stamp benefits. Although the Food Stamp Reauthorization Act of 2002 restored Food Stamp eligibility to the vast majority of qualified aliens served by FAP, recent State legislation extended the FAP program until September 2005. As a result, the Budget includes \$200,000 in combined State and local funds to continue program operations.

## ***PROGRAM AND ADMINISTRATIVE COST CONTAINMENT***

While welfare reform continues to be an unprecedented success, cost containment measures continue to be necessary to not only preserve basic income support for eligible children and adults, but to also foster individual self-sufficiency and employment. In order to accomplish this, the 2004-05 welfare budget recommendations:

- Encourage adult participation in mandatory work requirements by imposing a full welfare benefit reduction if the head of the household is out of compliance with work requirements. Currently, only a portion of the household's welfare benefit is reduced when the head of the household does not meet mandatory employment requirements;
- Discourage long-term reliance on public assistance by reducing the non-shelter portion of the welfare grant by 10 percent for families on welfare longer than 5 years and by 10 percent for single adults/childless couples on welfare longer than 1 year;
- Modify the welfare family grant eligibility determination methodology to include the income of a household member on SSI and eliminate from the grant the pro-rata share of an applicant or recipient of public assistance if the individual refuses to cooperate in applying for or accepting SSI benefits for him/herself or a household member; and

## **TEMPORARY AND DISABILITY ASSISTANCE**

- Fix the amount of earnings disregarded for purpose of determining welfare eligibility and welfare benefit levels at 50 percent for recipients on welfare less than two years; reduce the disregard percentage to 25 percent for recipients on welfare more than two years but less than five years; and eliminate the disregard entirely for recipients on welfare more than five years.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	436,769,500	441,175,000	4,405,500	292,424,000
Aid To Localities	4,316,100,500	4,313,906,900	(2,193,600)	10,195,547,600
Capital Projects	30,000,000	30,000,000	0	155,929,000
Total	<u>4,782,870,000</u>	<u>4,785,081,900</u>	<u>2,211,900</u>	<u>10,643,900,600</u>

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

#### Full-Time Equivalent Positions (FTE)

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	150	149	(1)
Special Revenue Funds - Federal	98	98	0
Special Revenue Funds - Other	56	56	0
Child Support Enforcement			
Special Revenue Funds - Other	56	56	0
Disability Determinations			
Special Revenue Funds - Federal	1,285	1,285	0
Special Revenue Funds - Other	101	101	0
Executive Direction			
General Fund	17	16	(1)
Legal Affairs			
General Fund	149	151	2
System Support and Information Services			
General Fund	114	91	(23)
Special Revenue Funds - Federal	16	16	0
Special Revenue Funds - Other	59	59	0
Temporary and Disability Assistance Programs			
General Fund	38	35	(3)
Special Revenue Funds - Federal	21	21	0
Special Revenue Funds - Other	148	148	0
Transitional Supports and Policy, Division of			
General Fund	14	21	7
Special Revenue Funds - Federal	29	29	0
Special Revenue Funds - Other	15	15	0
Total	<u>2,366</u>	<u>2,347</u>	<u>(19)</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	45,956,500	51,656,000	5,699,500
Special Revenue Funds - Federal	240,342,000	238,762,000	(1,580,000)
Special Revenue Funds - Other	149,471,000	149,557,000	86,000
Internal Service Funds	1,000,000	1,200,000	200,000
Total	<u>436,769,500</u>	<u>441,175,000</u>	<u>4,405,500</u>

# TEMPORARY AND DISABILITY ASSISTANCE

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	20,576,000	22,033,000	1,457,000
Special Revenue Funds - Federal	7,000,000	7,000,000	0
Special Revenue Funds - Other	19,500,000	19,750,000	250,000
Internal Service Funds	1,000,000	1,200,000	200,000
Child Support Enforcement			
Special Revenue Funds - Federal	3,100,000	3,100,000	0
Special Revenue Funds - Other	27,000,000	27,000,000	0
Departmental Administrative			
Reimbursement			
General Fund	(72,127,000)	(71,963,000)	164,000
Special Revenue Funds - Other	75,696,000	75,532,000	(164,000)
Disability Determinations			
Special Revenue Funds - Federal	160,000,000	158,000,000	(2,000,000)
Special Revenue Funds - Other	8,900,000	8,900,000	0
Executive Direction			
General Fund	1,756,000	1,846,000	90,000
Legal Affairs			
General Fund	11,304,700	12,063,000	758,300
System Support and Information Services			
General Fund	78,955,000	82,334,000	3,379,000
Special Revenue Funds - Federal	60,000,000	60,000,000	0
Special Revenue Funds - Other	13,100,000	13,100,000	0
Temporary and Disability Assistance			
Programs			
General Fund	4,141,400	3,659,000	(482,400)
Special Revenue Funds - Federal	6,100,000	6,520,000	420,000
Special Revenue Funds - Other	4,000,000	4,000,000	0
Transitional Supports and Policy, Division of			
General Fund	1,350,400	1,684,000	333,600
Special Revenue Funds - Federal	4,142,000	4,142,000	0
Special Revenue Funds - Other	1,275,000	1,275,000	0
Total	<u>436,769,500</u>	<u>441,175,000</u>	<u>4,405,500</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	8,565,000	69,000	8,435,700	69,000
Executive Direction	1,546,000	90,000	1,462,300	96,900
Legal Affairs	9,441,000	705,000	9,216,000	790,500
System Support and Information Services	6,314,000	(2,103,000)	6,292,000	(1,784,000)
Temporary and Disability Assistance				
Programs	2,784,000	(482,000)	2,340,900	(432,200)
Transitional Supports and Policy, Division of	1,452,000	334,000	1,435,900	334,000
Total	<u>30,102,000</u>	<u>(1,387,000)</u>	<u>29,182,800</u>	<u>(925,800)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	94,800	0	34,500	0
Executive Direction	82,500	(6,500)	1,200	(400)
Legal Affairs	0	0	225,000	(85,500)
System Support and Information Services	0	0	22,000	(319,000)
Temporary and Disability Assistance				
Programs	420,900	(50,600)	22,200	800
Transitional Supports and Policy, Division of	0	0	16,100	0
Total	<u>598,200</u>	<u>(57,100)</u>	<u>321,000</u>	<u>(404,100)</u>

# TEMPORARY AND DISABILITY ASSISTANCE

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	13,968,000	1,388,000	154,700	400
Executive Direction	300,000	0	31,900	8,700
Legal Affairs	2,622,000	53,300	137,500	(3,000)
System Support and Information Services	76,020,000	5,482,000	37,900	(386,200)
Temporary and Disability Assistance Programs	875,000	(400)	18,000	0
Transitional Supports and Policy, Division of	232,000	(400)	17,000	(400)
Total	94,017,000	6,922,500	397,000	(380,500)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	236,700	48,400	7,679,900	2,279,200
Executive Direction	58,100	(5,000)	198,000	11,000
Legal Affairs	115,700	(3,400)	2,302,800	61,700
System Support and Information Services	33,700	(124,400)	10,404,400	834,600
Temporary and Disability Assistance Programs	80,500	(77,500)	749,500	102,100
Transitional Supports and Policy, Division of	61,500	0	108,600	0
Total	586,200	(161,900)	21,443,200	3,288,600

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	371,700	(880,000)	5,525,000	(60,000)
Executive Direction	12,000	(14,700)	0	0
Legal Affairs	66,000	(2,000)	0	0
System Support and Information Services	70,000	(142,000)	65,474,000	5,300,000
Temporary and Disability Assistance Programs	27,000	(25,000)	0	0
Transitional Supports and Policy, Division of	44,900	0	0	0
Total	591,600	(1,063,700)	70,999,000	5,240,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	27,450,000	450,000	600,000	0
Child Support Enforcement	30,100,000	0	0	0
Disability Determinations	166,900,000	(2,000,000)	68,000,000	0
System Support and Information Services	73,100,000	0	0	0
Temporary and Disability Assistance Programs	10,520,000	420,000	0	0
Transitional Supports and Policy, Division of	5,417,000	0	870,000	0
Total	313,487,000	(1,130,000)	69,470,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	250,000	0	26,600,000	450,000
Child Support Enforcement	0	0	30,100,000	0
Disability Determinations	90,000,000	(2,000,000)	8,900,000	0
System Support and Information Services	0	0	73,100,000	0
Temporary and Disability Assistance Programs	0	0	10,520,000	420,000
Transitional Supports and Policy, Division of	405,000	0	4,142,000	0
Total	90,655,000	(2,000,000)	153,362,000	870,000



# TEMPORARY AND DISABILITY ASSISTANCE

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	1,388,098,900	1,445,557,300	57,458,400
Special Revenue Funds - Federal	2,898,126,600	2,843,249,600	(54,877,000)
Special Revenue Funds - Other	19,875,000	15,100,000	(4,775,000)
Fiduciary Funds	10,000,000	10,000,000	0
Total	<u>4,316,100,500</u>	<u>4,313,906,900</u>	<u>(2,193,600)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Child Support Enforcement			
General Fund	30,774,000	30,936,000	162,000
Special Revenue Funds - Federal	100,000,000	120,000,000	20,000,000
Special Revenue Funds - Other	75,000	0	(75,000)
Employment Services			
General Fund	66,421,900	84,690,700	18,268,800
Food Assistance Program			
General Fund	300,000	100,000	(200,000)
Special Revenue Funds - Other	300,000	100,000	(200,000)
Food Stamp Administration Program			
General Fund	101,680,000	77,911,000	(23,769,000)
Special Revenue Funds - Federal	294,526,600	294,526,600	0
Special Revenue Funds - Other	9,500,000	5,000,000	(4,500,000)
Temporary and Disability Assistance Administration			
General Fund	178,458,000	147,595,600	(30,862,400)
Temporary and Disability Assistance Programs			
General Fund	883,715,000	982,374,000	98,659,000
Special Revenue Funds - Federal	2,450,100,000	2,375,298,000	(74,802,000)
Fiduciary Funds	10,000,000	10,000,000	0
Transitional Supports and Policy, Division of			
General Fund	126,750,000	121,950,000	(4,800,000)
Special Revenue Funds - Federal	53,500,000	53,425,000	(75,000)
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>4,316,100,500</u>	<u>4,313,906,900</u>	<u>(2,193,600)</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Supported Housing Program				
Housing Program Fund	30,000,000	30,000,000	0	155,929,000
Total	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>	<u>155,929,000</u>

# **HIGHER EDUCATION SERVICES CORPORATION**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

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

The Agency will have a workforce of 735 employees in 2004-05. Virtually all employees are paid through funds received for the administration of Federal student loans. General administrative operations are located in Albany and Menands, while data processing operations are located in Troy.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends over \$766 million in support of agency operations and programs. Of this amount, approximately \$106 million will be available to support administration of State and Federal student aid programs and \$660 million will be awarded in financial aid to students or colleges to promote access to postsecondary educational opportunities.

Of the \$660 million invested in financial aid and institutional grants, General Fund support accounts for \$655 million. Support for the remaining expenditures is provided from Federal funds.

## **STATE OPERATIONS**

The Corporation will continue to improve its operational efficiency in 2004-05 through increased reliance on technology and streamlined administrative practices. In addition to a renewed emphasis on providing comprehensive services to its clientele, the Corporation continues to develop partnerships with other student loan guaranty agencies and the Federal government to streamline costs, improve services, and increase responsiveness through shared development efforts.

## ***HIGHER EDUCATION SERVICES***

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### ***FINANCIAL AID PROGRAMS***

The 2004-05 recommended appropriation for the Tuition Assistance Program (TAP) is \$604.2 million. This level of funding continues enhancements made to the TAP program in 2000-01, and reflects a restructuring of the program to emphasize degree completion by creating a financial incentive for students to stay in college and graduate.

TAP enhancements enacted in 2000-01 provide the higher TAP maximum award level of \$5,000 to another class of first-time TAP recipients in 2004-05. The proposed restructuring of TAP will generate \$259.2 million in TAP savings, offset by an increase of \$11.5 million for a new TAP loan program. Major components of the restructured TAP program are as follows:

- TAP awards will be provided in two components — a “base” award equivalent to two-thirds of the current TAP award and a “performance” award equivalent to the remaining one-third of the award;
- Students will be expected to finance the performance award through federally guaranteed loans including Federal subsidized, unsubsidized and parent PLUS loans. Students who have exhausted their Federal loan eligibility will be eligible to receive their performance awards as TAP loans provided by HESC; and
- Upon completion of their degree programs, students will receive a performance award payment from HESC equal to the amount of their deferred TAP awards plus accrued interest (if any) from any Federal or TAP loans they may have used in financing their performance award.

The 2004-05 Executive Budget provides \$20.8 million for various scholarship and fellowship programs, reflecting a reduction of \$1.2 million from 2003-04. Under existing statute, the awarding of new scholarships under the Regents Health Care Opportunity Scholarships, Regents Professional Opportunity Scholarships and Regents Physician Loan Forgiveness Program will sunset in 2004-05 producing savings of \$2.9 million. Scholarship payments will continue to be provided for existing recipients under these three programs. Funding of \$1.7 million is provided for Military Enhanced Recognition, Incentive and Tribute (MERIT) Scholarships which were enacted in 2003 as part of the Patriot Act. A total of \$4 million will support Volunteer Recruitment Service Scholarships which were enacted in 2002.

### ***PROGRAM HIGHLIGHTS***

#### ***STATE OPERATIONS***

The Corporation is continuing to move more of its services to the Internet, enhancing the public’s ability to get information and strengthening services to schools, lenders, students and families. HESC has made it easier for students to secure college loans by allowing them to apply on-line for loans and electronically sign promissory notes. Schools and lenders are now able to conduct all loan transactions on HESC’s Web site. In addition, the Corporation has recently reached an agreement with the Federal Department of Education to allow New York State residents to apply for Federal and State financial aid simultaneously through one on-line application.

In 2004-05, the Corporation will continue to coordinate the State’s participation in the Federal GEAR-UP program. In 1999, the Corporation was awarded a five-year Federal GEAR-UP grant to provide early college preparation and guidance services to low-income individuals.

The Corporation will also continue working with New York’s two public university systems, SUNY and CUNY, to encourage the campuses to use HESC as the Federal guarantor for loans provided to their students.

### **FEDERAL LOAN GUARANTEE PROGRAM**

The largest part of the Corporation's operational responsibility is the administration of the Federal Family Education Loan program. Under this program, the Corporation guarantees over \$16.1 billion in outstanding loans made by banks to students. When banks are unable to collect student loan repayments, the Corporation intervenes to avert default. If these default aversion efforts are unsuccessful, defaulted loans are purchased from banks and steps are taken to bring such defaulted loans into repayment. The Corporation also provides customer services for lenders, schools and students, which include the distribution of loan information, as well as training and technical assistance related to loan applications and processing.

Federal loan activities administered by the Corporation include:

- \$5.4 billion in new guaranteed loans in 2002-03;
- Processing of student loans for over 609,000 individual borrowers; and
- Defaulted loan collections of \$271 million and defaulted loan purchases of \$255 million in 2002-03.

### **FINANCIAL AID PROGRAMS**

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

- Tuition Assistance Program: \$604.2 million in aid will be provided to recipients in all sectors of higher education;
- Tuition Assistance Loan Program: \$11.5 million will be made available for those students who have exhausted their Federal loan eligibility and need additional assistance to finance their TAP performance award prior to graduation;
- Aid for Part Time Study: \$14.6 million will be available to over 22,000 part-time students in all sectors of higher education; and
- Scholarships and Fellowships: \$20.8 million will be provided for various scholarships and fellowships. Under existing statute, the awarding of new scholarships will sunset in 2004-05 for the Regents Health Care Opportunity Scholarships, the Regents Professional Opportunity Scholarships and the Regents Loan Forgiveness Program. Scholarship payments will be continued for existing recipients under these three programs. Funding is provided for the new Military Enhanced Recognition, Incentive and Tribute (MERIT) Scholarships. Nearly 20,700 recipients are projected to receive aid under the eleven State and Federal scholarship programs administered by HESC.

### **COLLEGE CHOICE TUITION SAVINGS PROGRAM**

Signed into law in 1997, the College Choice Tuition Savings Program represents a State initiative to encourage families throughout New York to save for the college education of their children or grandchildren. Under this program, families can save for their children's attendance at accredited public and private colleges in New York or in other states with accompanying tax benefits on contributions made to, and interest earned on, college savings accounts.

Jointly administered by the Corporation and the Office of the State Comptroller, the program has been well received by the general public. Since its inception in September 1998, over 253,000 accounts have been opened, with contributions exceeding \$2.0 billion. New York's program has already received national recognition as one of the top college savings plans in the nation.

# HIGHER EDUCATION SERVICES

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	101,479,000	105,697,000	4,218,000	5,023,000
Aid To Localities	909,234,000	660,347,000	(248,887,000)	0
Capital Projects	0	0	0	0
Total	1,010,713,000	766,044,000	(244,669,000)	5,023,000

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
Special Revenue Funds - Other	336	336	0
Guaranteed Loan Programs			
Special Revenue Funds - Other	399	399	0
Total	735	735	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	6,340,000	7,203,000	863,000
Special Revenue Funds - Other	95,139,000	98,494,000	3,355,000
Total	101,479,000	105,697,000	4,218,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
Special Revenue Funds - Other	45,133,000	47,389,000	2,256,000
Guaranteed Loan Programs			
Special Revenue Funds - Federal	6,340,000	7,203,000	863,000
Special Revenue Funds - Other	50,006,000	51,105,000	1,099,000
Total	101,479,000	105,697,000	4,218,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	47,389,000	2,256,000	14,186,000	106,000
Guaranteed Loan Programs	58,308,000	1,962,000	19,350,000	144,000
Total	105,697,000	4,218,000	33,536,000	250,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	32,703,000	2,150,000	500,000	0
Guaranteed Loan Programs	31,755,000	955,000	7,203,000	863,000
Total	64,458,000	3,105,000	7,703,000	863,000

## HIGHER EDUCATION SERVICES

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	900,018,000	651,131,000	(248,887,000)
Special Revenue Funds - Federal	5,216,000	5,216,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	<u>909,234,000</u>	<u>660,347,000</u>	<u>(248,887,000)</u>

Adjustments:

Prior Year Deficiency			
Higher Education Services Corporation, New York State General Fund	35,200,000		
Recommended Deficiency			
Higher Education Services Corporation, New York State General Fund	(33,900,000)		
Appropriated 2003-04	<u>910,534,000</u>		

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

Program	Available 2003-04	Recommended 2004-05	Change
Scholarships and Fellowships			
General Fund	21,918,000	20,768,000	(1,150,000)
Special Revenue Funds - Other	4,000,000	4,000,000	0
State Grant Programs			
General Fund	863,470,000	615,733,000	(247,737,000)
Special Revenue Funds - Federal	5,216,000	5,216,000	0
Tuition Awards for Part-Time Students			
General Fund	14,630,000	14,630,000	0
Total	<u>909,234,000</u>	<u>660,347,000</u>	<u>(248,887,000)</u>



# ***DIVISION OF HUMAN RIGHTS***

## ***MISSION***

New York holds the proud distinction of being the first state to enact a Human Rights Law, affording every citizen an equal opportunity to enjoy a full and productive life. Discriminating against others because of their race, sex, age, disability or membership in other specified classes is illegal in the State of New York. In 2003, protection under the Human Rights Law was expanded by the Patriot Act, prohibiting discrimination based on military status, and by the Sexual Orientation Non-Discrimination Act, which further ensures fair and equitable treatment for all New Yorkers based on sexual orientation.

The New York State Division of Human Rights serves as the administrative arm of the law, with a primary mission to enforce and protect human rights. Programs of the Division of Human Rights focus on ensuring equal opportunity in employment, housing, public accommodation, education and credit. To fulfill these responsibilities the Division:

- Investigates and resolves complaints of illegal discrimination;
- Promotes human rights awareness through education; and
- Acts as a resource in the prevention and elimination of discrimination.

## ***ORGANIZATION AND STAFFING***

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

The Division will have a workforce of 203 employees during 2004-05: 31 for administration of the Division and 172 to investigate, determine probable cause, and hear individual cases of discrimination. Funding is also provided to support five per diem administrative law judges not reflected in the 203 salaried staff.

## ***BUDGET AND PROGRAM HIGHLIGHTS***

In the last eight years, the Division has made solid progress in reducing the number of open cases. Open cases totaled 5,883 as of November 2003, down from 16,880 in January 1995; a reduction of 65 percent. The agency continues to work vigorously to reduce the caseload and meet reasonable standards for timely case processing. To help further shorten its case processing time, the Division is implementing a new Case Management System expected to be operational in 2004.

In 2004-05, the Office of Temporary and Disability Assistance will assume partial responsibility for basic administrative functions of the Division such as personnel and finance. This "host agency" concept is designed to produce savings of \$280,000 in 2004-05 through increased administrative efficiencies.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	18,224,000	17,869,000	(355,000)	9,600,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	18,224,000	17,869,000	(355,000)	9,600,000



# HUMAN RIGHTS

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	168	166	(2)
Special Revenue Funds - Federal	37	37	0
Total	<u>205</u>	<u>203</u>	<u>(2)</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	13,334,000	13,054,000	(280,000)
Special Revenue Funds - Federal	4,800,000	4,700,000	(100,000)
Special Revenue Funds - Other	90,000	115,000	25,000
Total	<u>18,224,000</u>	<u>17,869,000</u>	<u>(355,000)</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	13,334,000	13,054,000	(280,000)
Special Revenue Funds - Federal	4,800,000	4,700,000	(100,000)
Special Revenue Funds - Other	90,000	115,000	25,000
Total	<u>18,224,000</u>	<u>17,869,000</u>	<u>(355,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	9,801,000	0	9,574,000	0
Total	<u>9,801,000</u>	<u>0</u>	<u>9,574,000</u>	<u>0</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	222,000	0	5,000	0
Total	<u>222,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>

# HUMAN RIGHTS

STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,533,000	0	71,000	0
Total	3,533,000	0	71,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	57,000	0	3,285,000	0
Total	57,000	0	3,285,000	0

Program	Equipment	
	Amount	Change
Administration	120,000	0
Total	120,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	4,815,000	(75,000)	4,815,000	(75,000)
Total	4,815,000	(75,000)	4,815,000	(75,000)



# **DEPARTMENT OF LABOR**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

The Department is headed by a Commissioner with a central office located in Albany. This office is responsible for three Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 103 locations throughout the State. In addition, through nine worker protection district offices, the Department enforces child labor laws, fosters workplace health and safety and ensures that employees are paid in accordance with provisions of the Labor Law. Offices are staffed based upon the workload in each geographic area.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Department of Labor will have a workforce of 4,138 in SFY 2004-05. Approximately 85 percent of these positions are financed by Federal grants and 14 percent are supported by fees and assessments. Less than one percent of the Department's positions are supported by State tax dollars from the General Fund.

General Fund appropriations will provide partial support for Agency administrative costs. The \$1.7 million decrease in General Fund appropriations reflects the increased use of fee and penalty revenue from the Department's Worker Protection and Unemployment Insurance (UI) programs to pay for administration and employment and training costs.

Excluding the \$4.8 billion appropriation for the Unemployment Insurance Benefit Fund, Federal funds support approximately 87 percent of the Department's remaining budget. Specific programs and activities include Workforce Investment Act (WIA) job training services and re-employment services for persons who may be affected adversely by international trade agreements. Under the State Welfare Reform Act of 1997, the Department is responsible for supervising social services district operation of welfare employment programs. The programs are supported by the General Fund, Federal Temporary Assistance for Needy Families (TANF) Block Grant dollars and Federal Food Stamp Employment and Training money.

In SFY 2004-05, the Department will initiate a multi-year effort to ensure New York meets expected increases in public assistance work participation requirements as the Federal government acts to reauthorize the TANF program. As a first step in this effort, \$8.5 million in TANF funding is appropriated in the Office of Temporary and Disability Assistance (OTDA) to support "best practices" initiatives to develop employment and transitional services program models targeted to hard-to-serve public assistance recipients. Also appropriated in OTDA is TANF funding of \$50 million, an increase of \$11 million, to be made available in the form of a block grant to social services districts and State agencies to support work activities and transitional services for public assistance recipients and those recipients who have recently left assistance.

TANF funding of \$52 million will be appropriated in the Department of Labor for employment and training programs, including \$22 million for the Bridge/EDGE program, \$9.5 million for State employment specialists to assist local districts in meeting work participation

## **LABOR**

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goals and \$15 million for summer youth employment programs. TANF funding for the Youth Education, Employment and Training Program (YEETP) and the Green Teams Program is not recommended. Prior-year set-asides for initiatives, such as the New York Works Block Grant, will remain available for expenditure in the forthcoming fiscal year and can be provided to eligible individuals and families with incomes that do not exceed 200 percent of the Federal poverty level. Finally, although Displaced Homemaker Centers will not receive TANF or other direct funding in 2004-05, displaced homemakers will continue to be eligible for services and training through local One-Stop Centers.

Federal appropriations also include funding to assist individuals and families that are the victims of disasters.

Fee revenues support approximately 13 percent of the Department of Labor's non-Unemployment Insurance benefit related budget, funding worker protection and compensation enforcement activities and job training programs. These accounts are financed by fees for health and safety inspections, revenue from Workers' Compensation Board assessments and penalties for misreporting wages for Unemployment Insurance purposes. The Unemployment Insurance benefit appropriation of \$4.8 billion comprises 83 percent of the Department of Labor's overall budget. These benefits are funded from Unemployment Insurance taxes paid by employers.

UI penalty revenue of \$3.5 million is appropriated in 2004-05 for upgrades to the outdated UI computer system. High maintenance costs for the UI system, which is nearly 40-years old, cannot be supported with declining Federal UI administration funding. To fund the required improvements, it is necessary to eliminate a number of programs previously funded with penalty revenue.

## **PROGRAM HIGHLIGHTS**

### **JOB SERVICES**

Consistent with Workforce Investment Act (WIA) requirements, the Department of Labor and local governments have worked together to open 69 local One-Stop Centers across the State that offer access to a variety of employment services including job referral and placement, education and training, resume preparation, employer services, human resources consultation and support services such as child care and transportation. The Centers benefit employers by providing them with access to worker resumes and information on tax credits, workplace safety issues and apprenticeship services. Department of Labor employment services also help move individuals from welfare to work and help prevent public assistance dependency by focusing on disadvantaged youth, displaced homemakers and persons who may lose their jobs because of plant closings or relocations.

Through the use of job orders, on-line forms, America's Job Bank and America's Talent Bank available through the Internet, the Department of Labor has made it easier for job seekers and employers to use and benefit from Agency services. The internet capabilities allow employers and job seekers to immediately access relevant information without assistance from Department staff.

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

### **WORKFORCE INVESTMENT ACT (WIA)**

Federally funded local assistance appropriation authority includes \$272 million for WIA services. WIA provides job training to youth, adults and dislocated workers. WIA also upgrades the skills of those currently working, thus helping employers meet the changing needs of their business operations. Eligible participants access WIA services through a

network of local One-Stop Centers for the delivery of employment and training services. WIA also improves customer choice and program effectiveness, as participants can choose training providers based on past performance through the use of individual training accounts.

**WORKER PROTECTION**

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

The Occupational Safety and Health program is responsible for health and safety inspections and granting licenses to qualified persons to operate or handle dangerous equipment or substances. Statistics for recent years show that the Division inspected 24,027 amusement park devices, 882 ski lifts, 6,436 places of public assembly (e.g., bleachers at concerts) and 31,103 commercial boilers. It also reviewed applications for 813 radioactive materials licenses and 54,464 asbestos licenses and certificates.

The Labor Standards program enforces the Labor Law in such areas as minimum and prevailing wage, child labor and garment industry registration. Statistics for recent years indicate the Division inspected 694 businesses for compliance with child labor laws and collected over \$15 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 30,970 employees.

**UNEMPLOYMENT INSURANCE**

The Unemployment Insurance program makes weekly payments to eligible unemployed workers who have lost a job through no fault of their own. These temporary payments, generally available for up to 26 weeks, help workers and their families pay bills and buy basic household items while looking for work. The Department also operates a re-employment services program to further strengthen efforts to move individuals back to work.

As part of Governor Pataki's continuing efforts to make government more efficient, the Department of Labor operates a telephone claims system that uses computer technology and information received over the phone to determine if applicants are eligible to receive Unemployment Insurance benefits and handle all other processing issues related to an individual's benefits. The system operates through three Tele-Claims Centers located in Troy, Endicott and New York City, and replaces the old, inefficient process which required DOL staff to determine eligibility from paper forms filled out by applicants at local Department of Labor offices. In addition, the Department is currently piloting programs for filing Unemployment Insurance claims and employer registration through the Internet.

A projected deficit in the Unemployment Insurance Trust Fund resulting from the September 11 terrorist attacks and the downturn in the national economy will require the State to borrow funding from the Federal government in 2004 thereby incurring Federal interest costs. The Budget includes an interest assessment on employer taxes to pay these interest costs.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	5,443,782,000	5,450,666,000	6,884,000	748,257,000
Aid To Localities	706,720,000	323,821,000	(382,899,000)	916,740,900
Capital Projects	0	0	0	0
<b>Total</b>	<b>6,150,502,000</b>	<b>5,774,487,000</b>	<b>(376,015,000)</b>	<b>1,664,997,900</b>

# LABOR

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration			
General Fund	32	18	(14)
Special Revenue Funds - Federal	3,524	3,524	0
Employment Relations Board			
General Fund	16	16	0
Employment and Training			
General Fund	43	0	(43)
Special Revenue Funds - Other	74	89	15
Labor Standards			
Special Revenue Funds - Other	210	242	32
Occupational Safety and Health			
Special Revenue Funds - Other	239	249	10
Total	<u>4,138</u>	<u>4,138</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	5,100,000	3,401,000	(1,699,000)
Special Revenue Funds - Federal	550,375,000	520,303,000	(30,072,000)
Special Revenue Funds - Other	88,307,000	126,962,000	38,655,000
Enterprise Funds	4,800,000,000	4,800,000,000	0
Total	<u>5,443,782,000</u>	<u>5,450,666,000</u>	<u>6,884,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	2,000,000	1,359,000	(641,000)
Special Revenue Funds - Federal	491,865,000	452,803,000	(39,062,000)
Employment Relations Board			
General Fund	1,720,000	1,720,000	0
Employment and Training			
General Fund	1,380,000	322,000	(1,058,000)
Special Revenue Funds - Federal	1,010,000	0	(1,010,000)
Special Revenue Funds - Other	10,919,000	9,500,000	(1,419,000)
Labor Standards			
Special Revenue Funds - Other	16,836,000	19,756,000	2,920,000
Occupational Safety and Health			
Special Revenue Funds - Other	30,552,000	32,706,000	2,154,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	57,500,000	67,500,000	10,000,000
Special Revenue Funds - Other	30,000,000	65,000,000	35,000,000
Enterprise Funds	4,800,000,000	4,800,000,000	0
Total	<u>5,443,782,000</u>	<u>5,450,666,000</u>	<u>6,884,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	904,000	(476,000)	904,000	(476,000)
Employment Relations Board	1,251,000	0	1,234,000	0
Employment and Training	0	(954,000)	0	(954,000)
<b>Total</b>	<b>2,155,000</b>	<b>(1,430,000)</b>	<b>2,138,000</b>	<b>(1,430,000)</b>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Administration	0	0
Employment Relations Board	17,000	0
Employment and Training	0	0
<b>Total</b>	<b>17,000</b>	<b>0</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	455,000	(165,000)	34,000	(4,000)
Employment Relations Board	469,000	0	19,000	0
Employment and Training	322,000	(104,000)	0	(35,000)
<b>Total</b>	<b>1,246,000</b>	<b>(269,000)</b>	<b>53,000</b>	<b>(39,000)</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	20,000	(4,000)	171,000	(153,000)
Employment Relations Board	65,000	0	383,000	0
Employment and Training	0	(26,000)	0	(17,000)
<b>Total</b>	<b>85,000</b>	<b>(30,000)</b>	<b>554,000</b>	<b>(170,000)</b>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	30,000	(4,000)	200,000	0
Employment Relations Board	2,000	0	0	0
Employment and Training	0	(26,000)	322,000	0
<b>Total</b>	<b>32,000</b>	<b>(30,000)</b>	<b>522,000</b>	<b>0</b>



# LABOR

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	452,803,000	(39,062,000)	0	0
Employment and Training	9,500,000	(2,429,000)	954,000	954,000
Labor Standards	19,756,000	2,920,000	12,027,000	(146,000)
Occupational Safety and Health	32,706,000	2,154,000	15,145,000	(289,000)
Unemployment Insurance Benefit Fund	4,932,500,000	45,000,000	0	0
<b>Total</b>	<b>5,447,265,000</b>	<b>8,583,000</b>	<b>28,126,000</b>	<b>519,000</b>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	0	452,803,000	(39,062,000)
Employment and Training	500,000	500,000	8,046,000	(3,883,000)
Labor Standards	7,729,000	3,066,000	0	0
Occupational Safety and Health	17,561,000	2,443,000	0	0
Unemployment Insurance Benefit Fund	0	0	4,932,500,000	45,000,000
<b>Total</b>	<b>25,790,000</b>	<b>6,009,000</b>	<b>5,393,349,000</b>	<b>2,055,000</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Federal	706,290,000	323,391,000	(382,899,000)
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>706,720,000</b>	<b>323,821,000</b>	<b>(382,899,000)</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Employment and Training			
Special Revenue Funds - Federal	706,290,000	323,391,000	(382,899,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>706,720,000</b>	<b>323,821,000</b>	<b>(382,899,000)</b>

# **OFFICE OF REAL PROPERTY SERVICES**

## **MISSION**

The Office of Real Property Services is charged with the general supervision of local property tax administration in New York. The Office plays a major role in developing the State's property tax policy and helps local governments with property tax administration in accordance with constitutional provisions for the supervision, review and equalization of local assessments for purposes of taxation.

## **ORGANIZATION AND STAFFING**

The Office of Real Property Services is headed by the State Board of Real Property Services, a five-member Board appointed by the Governor, and its day-to-day administration is the responsibility of an Executive Director appointed by the Board. The agency has a central office in Albany and five regional offices in Batavia, Syracuse, Newburgh, Melville and Saranac Lake.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget will support a staffing level of 401 positions for the Office of Real Property Services. State tax dollars from the General Fund currently support 39 percent of these positions, with the remaining 61 percent supported by three revenue accounts: the Improvement of Real Property Tax Administration Account; the Industrial and Utility Services Account; and the Local Services Account. These accounts are funded from the State's share of the real property transfer recording fee, chargebacks for assessments made on industrial, utility and railroad property and charges for miscellaneous consulting and computing services.

Effective July 1, 2004, the real property transfer recording fee will be increased from \$50 to \$75 for residences and farms and from \$50 to \$165 for all other properties to generate \$14.2 million in additional revenues in 2004-05 and \$18.9 million annually. This revenue will be used to offset General Fund support for agency operations and permit self-sufficiency in 2005-06.

Budget recommendations for the Office of Real Property Services for 2004-05 include:

- General Fund support of \$2.6 million for agency operations as ORPS transitions to self-sufficiency in 2005-06;
- State aid of \$6 million for local administration of the School Tax Relief (STAR) program;
- State Aid of \$11.7 million for financial incentives for local governments to improve assessment administration through various programs that include annual updates of assessment rolls pursuant to the higher standards enacted in 1999; and
- State aid of \$5 million to reimburse local governments for their revenue losses relating to the Rail Infrastructure Investment Act of 2002.

## **PROGRAM HIGHLIGHTS**

The Office of Real Property Services is involved with all State-level responsibilities relating to the real property tax, which represents the largest revenue source for counties, towns, villages, school districts and other municipalities. Accordingly, the Office has programs to establish equalization rates which are used to estimate the full market value of taxable real

## ***REAL PROPERTY SERVICES***

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property in each municipality, to provide policy guidance as well as technical and financial assistance to local assessing units, and to assist other State agencies with information and administrative support in areas that relate to property tax policy or administration.

### ***EQUALIZATION OF MUNICIPAL FULL VALUE***

State laws permit New York's local governments to select the percentage of full value they use in assessing properties. However, every assessing unit is required to indicate its assessment ratio — i.e., the ratio of the assessed value to the full value of properties — on the assessment roll and tax bills. Using audit procedures and statistical tests on sample data, the Office of Real Property Services verifies the accuracy of the assessment ratio stated annually by each of the approximately 1,000 assessing units (i.e., cities, towns and the counties of Nassau and Tompkins). If the assessment ratio provided by a local assessor is determined to be accurate, it is established as the State equalization rate for that assessing unit; otherwise, the Office prepares an independent estimate of the local assessment ratio, which will be established as the equalization rate.

By adhering to statewide standards, the Office ensures that equalization rates can be used to estimate full values of properties in a consistent manner. Full value estimates are necessary to distribute taxes for counties and school districts when tax levies are based upon assessments by more than one assessing unit. They are also used as indicators of local fiscal capacity for several purposes, including allocation of State aid.

Increased coordination between the Office and local assessing units, as well as improvements in local assessment and reporting practices, has resulted in several notable enhancements in the equalization program. Recent accomplishments include the following:

- In 2003, the assessment ratios supplied by 76 percent of local assessors were adopted without change as State equalization rates and that rate of adoption is expected to increase to more than 80 percent in 2004;
- Preparation of equalization rates has been accelerated so that all school districts across the State can now use current equalization rates for their school tax levies, instead of using modified rates from prior years;
- The number of complaints on preliminary equalization rates by local officials has dropped, resulting in reduced costs for rate complaint hearings and improved State-local relations. The percentage of cities and towns that filed complaints was approximately 6 percent in 2003, as compared to 36 percent a decade ago;
- The Office has integrated nationally accepted standards and techniques, such as computer assisted appraisal studies and residential sales studies within its equalization rate process, thereby reducing its reliance on costly appraisals. The percentage of localities where residential appraisals are needed has been reduced from 100 percent in 1994 to less than 10 percent in 2003; and
- Since 1994-95, the continuing base cost of the Office's equalization program has been reduced from \$17 million to \$14 million.

### ***ASSISTANCE AND SERVICES TO LOCAL GOVERNMENTS***

Since many municipal assessing units are very small-scale operations, local property tax administrators are dependent on technical assistance provided by the Office of Real Property Services. Centralized assistance to assessors and taxing jurisdictions includes administrative, legal and other technical services. In helping municipalities, the Office works closely with county offices of real property tax services, many of which have developed programs for coordinating reassessment projects on a countywide basis.

In furthering the State-local partnership in property tax administration, the Office also administers various State aid programs in support of local assessment administration, including:

- Annual aid of up to \$5 per parcel for assessing units that meet State standards that include annual revisions of assessments and comprehensive re-inventory and revaluation at least once every six years;

## **REAL PROPERTY SERVICES**

- Consolidation aid providing a one-time financial incentive of up to \$7 per parcel to encourage cost-efficiency through the coordination of assessment functions performed by two or more assessing units;
- Assessor training aid to reimburse local assessment officials (including assessors and county directors of property tax services) for their cost of attending State-mandated training courses;
- STAR administration aid to ensure that localities are compensated for their workload associated with the administration of the State's school tax relief program;
- Software support which includes the development, maintenance, training and consulting relating to a state-of-the-art software program to facilitate cost-efficient administration of local property taxes; and
- Advisory appraisals for certain complex properties — such as utilities and large manufacturing plants — which require highly specialized resources that are not available to most local assessors.

These State aid programs have been a catalyst for enhancing the equity and cost-efficiency of local property tax administration throughout the State. According to recent data, nearly two-thirds of the State's assessing units prepare assessment rolls that are reasonably equitable and current. Additionally, since the introduction of consolidation aid in 1994, 100 towns in 23 counties have come together to form 43 coordinated assessment programs.

### **OTHER SERVICES AND RESPONSIBILITIES**

The Office of Real Property Services maintains inventory and valuation data on approximately 4 million acres of State-owned land and conservation easements that are subject to local taxation. Local assessments on taxable State-owned properties are scrutinized by the agency and either certified for payment or brought to administrative and judicial review, as appropriate.

In conjunction with the State Education Department and the Department of Taxation and Finance, the Office is responsible for administering the School District Income Verification program. This program verifies and corrects the school district codes reported on personal income tax returns to accurately assign personal income to school districts. These data are then used as a measure of local fiscal capacity in school aid formulas.

Special assessments are statutorily authorized for agricultural properties, transportation properties owned by railroad companies and oil and gas wells. The Office establishes values of agricultural land, ceilings on assessments of railroad properties and values of oil- and gas-producing facilities.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	36,424,000	40,088,200	3,664,200	0
Aid To Localities	21,840,000	23,044,000	1,204,000	0
Capital Projects	0	0	0	0
Total	<u>58,264,000</u>	<u>63,132,200</u>	<u>4,868,200</u>	<u>0</u>

# REAL PROPERTY SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Policy and Organizational Support Services			
General Fund	90	0	(90)
Special Revenue Funds - Other	53	106	53
Regional Operations			
General Fund	65	0	(65)
Special Revenue Funds - Other	193	295	102
Total	<u>401</u>	<u>401</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	10,000,000	2,570,000	(7,430,000)
Special Revenue Funds - Other	26,424,000	37,518,200	11,094,200
Total	<u>36,424,000</u>	<u>40,088,200</u>	<u>3,664,200</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Policy and Organizational Support Services			
General Fund	6,412,000	2,570,000	(3,842,000)
Special Revenue Funds - Other	4,877,700	15,380,700	10,503,000
Regional Operations			
General Fund	3,588,000	0	(3,588,000)
Special Revenue Funds - Other	21,546,300	22,137,500	591,200
Total	<u>36,424,000</u>	<u>40,088,200</u>	<u>3,664,200</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	870,000	(2,859,200)	870,000	(2,859,200)
Regional Operations	0	(3,537,800)	0	(3,537,800)
Total	<u>870,000</u>	<u>(6,397,000)</u>	<u>870,000</u>	<u>(6,397,000)</u>

## REAL PROPERTY SERVICES

### STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	1,700,000	(982,800)	0	(84,900)
Regional Operations	0	(50,200)	0	(41,660)
Total	1,700,000	(1,033,000)	0	(126,560)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	0	(168,200)	0	(434,600)
Regional Operations	0	(8,540)	0	0
Total	0	(176,740)	0	(434,600)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	0	(295,100)	1,700,000	0
Regional Operations	0	0	0	0
Total	0	(295,100)	1,700,000	0

### STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	15,380,700	10,503,000	9,322,300	6,397,000
Regional Operations	22,137,500	591,200	10,500,000	0
Total	37,518,200	11,094,200	19,822,300	6,397,000

Program	Nonpersonal Service	
	Amount	Change
Policy and Organizational Support Services	6,058,400	4,106,000
Regional Operations	11,637,500	591,200
Total	17,695,900	4,697,200

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	21,840,000	23,044,000	1,204,000
Total	21,840,000	23,044,000	1,204,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Policy and Organizational Support Services			
General Fund	21,840,000	23,044,000	1,204,000
Total	21,840,000	23,044,000	1,204,000



# **STATE UNIVERSITY OF NEW YORK**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

- Eight campuses (including four health science centers) offering academic programs through the doctoral level and serving as research centers;
- Fourteen comprehensive colleges providing undergraduate education in a variety of academic fields;
- Seven colleges of technology focusing on the development of a workforce with the advanced skills required by an increasingly technology-dependent economy;
- Five statutory and contract colleges at Alfred and Cornell universities that offer nationally acclaimed programs in ceramics, veterinary medicine, agriculture and life sciences, industrial and labor relations, and human ecology; and
- Thirty community colleges offering access to a wide array of higher education opportunities that prepare students for transfer to senior colleges or train them for a variety of technical or paraprofessional occupations.

The University is governed by a Board of Trustees consisting of 16 members, with 15 appointed by the Governor to staggered seven-year terms and approved by the Senate, and one ex-officio trustee representing the student assembly of the State University. The Board oversees the operations of the University's State-operated campuses and also exercises general supervisory authority over the community colleges, which are sponsored by local governments and governed by local boards of trustees.

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

The State University's operating budget supports an estimated 36,700 full-time equivalent positions consisting of 22,100 positions that are supported through a combination of State tax dollars and tuition revenues and 14,600 positions supported by other funds. Community college staff are not included in these totals as they are not employees of the State.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

### **STATE-OPERATED COLLEGES**

The 2004-05 Executive Budget recommends nearly \$5.3 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to \$1.6 billion in support from the General Fund (\$889.8 million for operations, \$132.7 million for University-specific fringe benefit costs and \$554 million for general fringe benefit costs), the University's budget includes \$3.7 billion in activities funded by other revenues. Revenue-generating entities and programs include: three teaching hospitals at Brooklyn, Stony Brook and Syracuse; the Long Island Veterans' Home administered by the Stony Brook Health Science Center; dormitory operations; food services; and tuition-supported activities, including summer session and overseas academic studies.



## **STATE UNIVERSITY**

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SUNY's 2004-05 gross operating budget will total \$2.6 billion, an increase of \$95 million or 3.8 percent. Within this amount, taxpayer support will total \$1.6 billion, an increase of \$75.4 million or 5 percent. SUNY's General Revenue Offset Account will total \$1 billion, an increase of \$19.6 million or 2 percent.

SUNY's special revenue funding, exclusive of the General Revenue Offset Account, will total \$2.5 billion, an increase of \$326.9 million including:

- \$140.5 million for the SUNY hospitals to support their revenue-generating strategic and operational initiatives;
- \$82.7 million for the General Income Fund Reimbursable (IFR) account reflecting inflation and the use of bond proceeds to finance equipment purchases consistent with the useful life of assets;
- \$80 million for the Stabilization account, which has a two-year life and is appropriated every other year; and
- \$20 million for the Dormitory IFR account reflecting inflation.

For 2004-05, Federal appropriations totaling \$200.6 million will support the Pell grant program and various other student financial aid programs.

Consistent with austerity reductions and efficiencies required of a wide range of State programs, funding for the Educational Opportunity Program (EOP) is reduced by 5 percent or \$820,000 for 2004-05.

### **SUNY HOSPITALS**

The 2004-05 Budget continues the appropriation structure enacted in 2001-02 for the SUNY hospitals. All hospital spending is now appropriated in one account with the hospitals being responsible for direct payment of their fringe benefit and debt service costs. Under this appropriation structure, the SUNY hospitals will continue to be directly accountable for operating within their available revenues, including a fixed State subsidy amount.

The recommended State subsidy for the SUNY hospitals, which recognizes costs attributable to their State agency status, is maintained at \$92.6 million for 2004-05. A payment of \$13 million will be made from reserves held by the Dormitory Authority for the State's share of a multi-year effort by the SUNY hospitals and the State to address the accumulated deficit of the hospitals. To address the capital needs and priorities of SUNY's hospitals, \$350 million was included in the Multi-Year Capital Investment Program enacted in the 2003-04 Budget. In addition, legislation will be advanced to restructure the SUNY hospitals as private not-for-profit corporations to better position them to compete in today's health care environment.

### **COMMUNITY COLLEGES**

SUNY community colleges have three primary funding sources – State aid, support from local government sponsors and tuition revenue. Recommended State funding for community colleges of \$358.7 million reflects a net decrease of \$6 million from 2003-04 attributable to additional funding for enrollment growth (\$7.8 million) offset by a 5 percent reduction in operating aid from the current per student rate of \$2,300 to \$2,185 (-\$13.8 million). Funding for childcare, rental aid for leased space and contract courses for workforce development are continued at \$1.1 million, \$2.8 million and \$1 million respectively.

### **CORNELL COOPERATIVE EXTENSION**

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

**CAPITAL**

The 2004-05 Executive Budget recommends a new Five-Year Capital Investment Program that will provide nearly \$1.8 billion over the next five years to respond to the needs and priorities of SUNY State-operated campuses. The new \$1.8 billion Five-Year Capital Investment Program, combined with the \$895 million enacted as part of the 2003-04 capital budget, provides nearly \$2.7 billion for SUNY over a six-year period. This new program, which builds on the prior multi-year capital program initiated in 1998-99, is primarily targeted toward renovation and reconstruction of existing facilities.

SUNY's bond cap will be increased by \$1.15 billion, for a total bonding authorization of \$4.7 billion, to cover SUNY's planned bond sales for the multi-year period of the new Capital Investment Program and to reflect disbursement-based bonding.

Capital recommendations include: \$1.6 billion for academic facilities, critical health/safety and preservation needs, the phased revitalization of campuses through rehabilitation of existing buildings and selected new facilities essential for the campus mission.

The recommendations also enable the University to maximize revenues by authorizing \$150 million for projects supported by private donations and other non-State sources through the SUNY Capital Projects Fund.

**PROGRAM HIGHLIGHTS**

The State University of New York is the nation's largest comprehensive public university, offering 5,600 degree programs at the research universities, community colleges, medical schools and colleges of technology that comprise its 64 campuses. The State University enrolls over 40 percent of college-bound students graduating from New York State high schools. More than 410,700 full-time and part-time SUNY students — 206,300 at State-operated campuses and 204,400 in community colleges — are pursuing studies ranging from one-year certificate programs to doctorates.

More than ever before, the University is focusing its attention on the pursuit of educational excellence and academic achievement. SUNY has completed a comprehensive review of the academic missions and goals of each of its 64 institutions, from community colleges to university centers. This effort has established individual goals for campuses in terms of enrollment, student mix, retention and graduation rates, research and other key indicators of institutional vitality and success.

The State University is also working to raise the profile and volume of the scholarly research conducted by its faculty, and is more aggressively seeking Federal and other external support for research. As a result, funding for SUNY sponsored research reached an all-time high of more than \$770 million in 2003, a growth of 11 percent from 2002. In addition, the State University was recently ranked in the Top 10 of all institutions nationally in the number of patents issued each year and in the Top 15 for royalties earned on inventions by research universities by *IP Worldwide* magazine.

The University's initiatives in the area of technology have placed it at the forefront of higher educational institutions across the nation and recently earned it the Award for Excellence in Institution-Wide Asynchronous Learning Networks (ALN) Programming by the Alfred P. Sloan Foundation for the promotion of anytime/anywhere learning. The Sloan Foundation recognized the SUNY Learning Network, citing its primary goal of bringing SUNY's diverse, high-quality instructional programs within the reach of learners everywhere. In the 2001-02 academic year, the SUNY Learning Network enabled more than 40,000 student enrollments in 2,500 online courses. The 55 SUNY campuses participating in the SUNY Learning Network offer complete online degree and certificate programs.

Several SUNY campuses are key partners in the State's five University-based Centers of Excellence, a high-technology initiative that will enable New York State to become a worldwide leader in university-based research, business creation and job development, including:

# STATE UNIVERSITY

- Albany Center of Excellence in Nanoelectronics, a semiconductor research center at SUNY-Albany known as International SEMATECH, a consortium of the 12 major computer chip manufacturers in the world;
- Buffalo Center of Excellence in Bioinformatics which includes the Life Sciences Complex used for super-computing, pharmaceutical research and workforce development; and
- Long Island Center of Excellence in Wireless Internet and Information Technology which, in tandem with several other high-tech research projects such as the Bioinformatics Research Center at Cold Spring Harbor Laboratory, will create thousands of new high-skilled and high-wage jobs across Long Island.

The State University's 30 locally sponsored community colleges serve as an essential source of skilled employees and play a critical role in the State's efforts to attract and retain businesses seeking an able workforce. Through their policy of open admissions, the community colleges also ensure access to post-secondary education. SUNY has recently established a three-year strategic plan to strengthen the University's 30 community colleges. The goals of the strategic plan are to achieve greater efficiency by coordinating and facilitating system-wide activities, achieving broader recognition and promotion of the SUNY community colleges, developing the role of SUNY community colleges in workforce and economic development, expanding a common framework for joint program development and delivery, and ensuring performance effectiveness and measurable outcomes.

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

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	4,846,581,000	5,254,486,000	407,905,000	183,900,000
Aid To Localities	368,575,000	362,400,000	(6,175,000)	0
Capital Projects	895,000,000	1,787,000,000	892,000,000	2,366,779,000
Total	6,110,156,000	7,403,886,000	1,293,730,000	2,550,679,000

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	1,501,080,000	1,576,484,000	75,404,000
Special Revenue Funds - Federal	216,550,000	200,550,000	(16,000,000)
Special Revenue Funds - Other	3,119,951,000	3,466,452,000	346,501,000
Internal Service Funds	9,000,000	11,000,000	2,000,000
Total	4,846,581,000	5,254,486,000	407,905,000

### Adjustments:

Recommended Deficiency	
State University of New York	
Special Revenue Funds - Other	(6,000,000)
Transfer(s) From	
General State Charges	
General Fund	(481,000,000)
Appropriated 2003-04	4,359,581,000

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
All State University Colleges and Schools			
General Fund	883,250,000	889,776,000	6,526,000
Special Revenue Funds - Federal	216,550,000	200,550,000	(16,000,000)
Special Revenue Funds - Other	3,119,951,000	3,466,452,000	346,501,000
Internal Service Funds	9,000,000	11,000,000	2,000,000
Employee Fringe Benefits			
General Fund	617,830,000	686,708,000	68,878,000
Total	<u>4,846,581,000</u>	<u>5,254,486,000</u>	<u>407,905,000</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	368,575,000	362,400,000	(6,175,000)
Total	<u>368,575,000</u>	<u>362,400,000</u>	<u>(6,175,000)</u>

Adjustments:

Recommended Deficiency			
State University of New York			
General Fund	(2,900,000)		
Appropriated 2003-04	<u>365,675,000</u>		

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Community Colleges			
General Fund	364,712,000	358,730,000	(5,982,000)
County Cooperative Extension Program -			
Cornell University			
General Fund	3,863,000	3,670,000	(193,000)
Total	<u>368,575,000</u>	<u>362,400,000</u>	<u>(6,175,000)</u>

# STATE UNIVERSITY

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	25,000,000	25,000,000	45,242,000
Capital Projects Fund - Advances	350,000,000	1,612,000,000	1,262,000,000	1,041,138,000
State University Capital Projects Fund				
State University Capital Projects Fund	0	150,000,000	150,000,000	117,198,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	335,000,000	0	(335,000,000)	677,089,000
Subtotal	<u>685,000,000</u>	<u>1,787,000,000</u>	<u>1,102,000,000</u>	<u>1,880,667,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	35,000,000	0	(35,000,000)	49,006,000
Capital Projects Fund - Advances	175,000,000	0	(175,000,000)	417,440,000
New Facilities				
Capital Projects Fund - Advances	0	0	0	19,666,000
Subtotal	<u>210,000,000</u>	<u>0</u>	<u>(210,000,000)</u>	<u>486,112,000</u>
<b>Total</b>	<u><u>895,000,000</u></u>	<u><u>1,787,000,000</u></u>	<u><u>892,000,000</u></u>	<u><u>2,366,779,000</u></u>

# **STATE UNIVERSITY CONSTRUCTION FUND**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

The agency's workforce for 2004-05 is maintained at 113 positions. The Fund's positions are supported entirely from proceeds of revenue bonds issued to finance the construction and reconstruction of academic facilities.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommendation of more than \$12.2 million from proceeds of State University Educational Facilities Revenue bonds will enable the Fund to oversee existing SUNY facility projects and to administer the new \$1.8 billion Multi-Year Capital Investment Program that is being recommended for SUNY in the Executive Budget.

## **PROGRAM HIGHLIGHTS**

The 2004-05 Executive Budget contains a new Five-Year Capital Investment Program. As of March 31, 2003, the Fund has completed more than 4,700 academic, dormitory and dining hall capital projects with a replacement value exceeding \$13.6 billion. During the 2002-03 fiscal year, the Fund initiated the design of 75 projects having a total value of \$32.9 million and began construction of 23 projects having an estimated cost of \$71.9 million. These figures exclude projects administered by the individual campuses.

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

- Preparation and development of the State University's Master Capital Construction Plan, as well as master plans for individual campuses;
- Preparation of the State University's annual capital budget request and facility program;
- Development and maintenance of online interactive data processing systems on space and property inventories, real property, State building codes and other related plant management functions; and
- Management and administration of University-wide programs including minor rehabilitation, energy conservation and telecommunications.

# STATE UNIVERSITY CONSTRUCTION

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	11,003,000	12,225,000	1,222,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	11,003,000	12,225,000	1,222,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
Special Revenue Funds - Other	113	113	0
Total	113	113	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	11,003,000	12,225,000	1,222,000
Total	11,003,000	12,225,000	1,222,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
Special Revenue Funds - Other	11,003,000	12,225,000	1,222,000
Total	11,003,000	12,225,000	1,222,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	12,225,000	1,222,000	7,550,000	50,000
Total	12,225,000	1,222,000	7,550,000	50,000

Program	Nonpersonal Service	
	Amount	Change
Administration	4,675,000	1,172,000
Total	4,675,000	1,172,000

# **OFFICE OF WELFARE INSPECTOR GENERAL**

## **MISSION**

The Office of Welfare Inspector General was established in 1992 to prevent, investigate, and prosecute public assistance fraud. The Agency acts on allegations that welfare recipients are dishonestly receiving benefits for which they are not eligible, or that Medicaid, day care or other providers or administrators of services are accepting payments fraudulently.

In carrying out its responsibilities, the Office works closely with the Office of Temporary and Disability Assistance, local social services districts, the Office of Children and Family Services, the Department of Health and the Department of Law.

## **ORGANIZATION AND STAFFING**

The Office is headed by the Welfare Inspector General who is appointed for a five-year term by the Governor with the advice and consent of the Senate. In addition to the Inspector General, personnel include a Deputy Inspector General, a Chief Investigator, staff attorney, fraud investigators and administrative support staff. The Welfare Inspector General's statewide operations are administered from New York City, and a field office in Albany.

The Office will have 10 full-time equivalent positions for 2004-05, which is consistent with 2003-04 staffing levels.

## **BUDGET HIGHLIGHTS**

The 2004-05 General Fund support for the Office of Welfare Inspector General is \$713,000. Approximately 65 percent of the Office's operations are supported by the General Fund and the remaining 35 percent are supported by funds the Agency receives from the Federal government for fraud investigations related to welfare, Food Stamps and Medicaid.

## **PROGRAM HIGHLIGHTS**

The Office of Welfare Inspector General is pursuing an aggressive anti-fraud campaign supported, in part, by provisions of the State Welfare Reform Act of 1997 which provided more effective tools to combat welfare fraud.

The Office annually receives hundreds of complaints about alleged welfare fraud originating from citizens, government agencies, or the Office's own related investigations. Fraud investigations generate savings for the State, local and Federal governments by uncovering unreported income or inappropriate claiming practices by those who provide day care, employment, health care or other services to welfare recipients. The Office of Welfare Inspector General completes hundreds of new investigations each year which substantiate allegations of some form of fraudulent activity by a member of a household receiving welfare.

In addition to these investigations of individual welfare recipients, the Office completes investigations to uncover patterns of abuse within the welfare system including investigations of internal corruption within social services districts and welfare contractors. The Office works with the Department of Law to strengthen welfare fraud prosecution and also acts directly through its prosecutions unit. In addition to fraud investigations, the Office's activities include making recommendations to the Department of Family Assistance and county and New York City social services offices so that welfare programs and services are more effectively administered throughout the State.



# WELFARE INSPECTOR GENERAL

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,083,000	1,083,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,083,000	1,083,000	0	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Welfare Inspector General, Office of the General Fund	10	10	0
Total	10	10	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	713,000	713,000	0
Special Revenue Funds - Other	370,000	370,000	0
Total	1,083,000	1,083,000	0

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

Program	Available 2003-04	Recommended 2004-05	Change
Welfare Inspector General, Office of the General Fund	713,000	713,000	0
Special Revenue Funds - Other	370,000	370,000	0
Total	1,083,000	1,083,000	0

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the Total	732,000	(38,000)	732,000	(38,000)
	732,000	(38,000)	732,000	(38,000)

# WELFARE INSPECTOR GENERAL

STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
 SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
 APPROPRIATIONS AND CHANGES  
 2004-05 RECOMMENDED  
 (dollars)

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Welfare Inspector General, Office of the	351,000	38,000	31,000	0
Total	<u>351,000</u>	<u>38,000</u>	<u>31,000</u>	<u>0</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Welfare Inspector General, Office of the	14,000	0	304,000	38,000
Total	<u>14,000</u>	<u>0</u>	<u>304,000</u>	<u>38,000</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Welfare Inspector General, Office of the	2,000	0
Total	<u>2,000</u>	<u>0</u>



***HEALTH AND  
MENTAL HYGIENE***



# **OFFICE OF ADVOCATE FOR PERSONS WITH DISABILITIES**

## **MISSION**

The primary mission of the Office of Advocate for Persons with Disabilities (APD) is to promote the inclusion of persons with disabilities in all aspects of community life. The Agency ensures that persons with disabilities are afforded the opportunity to exercise the full range of rights and responsibilities accorded to all residents of New York State. In addition, APD plays an active role in developing innovative opportunities and supports that respond to the needs of New Yorkers with disabilities.

## **ORGANIZATION AND STAFFING**

Headed by the State Advocate who is appointed by the Governor, the Agency is headquartered in Albany. APD will have a workforce of 15 positions for 2004-05. Approximately 80 percent of these positions are funded with State tax dollars, while 20 percent are financed by Federal grants and other funding sources.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 All Funds Executive Budget recommendation of more than \$4.2 million expands APD's ability to disseminate comprehensive information on services and programs available to persons with disabilities and to collaborate with other agencies, businesses and organizations to increase the effectiveness of public and private sector services. In order to increase employment opportunities for individuals with disabilities, APD will utilize \$2.6 million in new Federal funds to create a revolving loan fund to assist individuals with disabilities to purchase equipment that will enable them to telework from home or other remote locations.

Additionally, the 2004-05 Executive Budget proposes that the Commission on Quality of Care for the Mentally Disabled now provide administrative support (human resources, payroll, and procurement services) to APD, resulting in administrative efficiencies and permitting APD to focus on its core mission of supporting the needs of individuals with disabilities.

## **PROGRAM HIGHLIGHTS**

APD operates a statewide clearinghouse through which individuals can access information and obtain referrals to a variety of disability-related services. Key components of the system are a statewide telephone hotline (800-522-4369) and a website ([www.advoc4disabled.state.ny.us](http://www.advoc4disabled.state.ny.us)). It is anticipated that more than 155,000 individuals will utilize these services in 2004-05.

The Agency's federally funded Technology-Related Assistance for Individuals with Disabilities (TRAID) Project supports a statewide system that helps New Yorkers with disabilities access technology devices and services to strengthen their ability to participate in the mainstream workplace and community. This program is coordinated through an Interagency Partnership on Assistive Technology and 12 Regional TRAIID Centers at 15 sites. During 2003, the Regional TRAIID Centers provided awareness training, device demonstrations, information, education and referrals to over 22,000 persons with disabilities. TRAIID activities will be complemented by APD's new \$2.6 million Federal grant to assist consumers with disabilities to purchase technology that will enable them to work from home.

APD's Disability and Business Technical Assistance Center grant funding will continue to be used to provide comprehensive education, public awareness, and technical assistance programs which promote increased voluntary compliance with the Americans with Disabilities

## ADVOCATE FOR PERSONS WITH DISABILITIES

Act (ADA). Training activities for 2004-05 will continue to focus on accessibility requirements for local code enforcement personnel, architects, and engineers, in addition to customizing technical assistance for individuals, employers, and State agencies.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,593,000	4,275,000	2,682,000	920,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>1,593,000</u>	<u>4,275,000</u>	<u>2,682,000</u>	<u>920,000</u>

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Advocate for the Disabled			
General Fund	13	12	(1)
Special Revenue Funds - Federal	2	2	0
Special Revenue Funds - Other	1	1	0
Total	<u>16</u>	<u>15</u>	<u>(1)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	951,000	829,000	(122,000)
Special Revenue Funds - Federal	460,000	3,060,000	2,600,000
Special Revenue Funds - Other	157,000	361,000	204,000
Enterprise Funds	25,000	25,000	0
Total	<u>1,593,000</u>	<u>4,275,000</u>	<u>2,682,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Advocate for the Disabled			
General Fund	951,000	829,000	(122,000)
Special Revenue Funds - Federal	460,000	3,060,000	2,600,000
Special Revenue Funds - Other	157,000	361,000	204,000
Enterprise Funds	25,000	25,000	0
Total	<u>1,593,000</u>	<u>4,275,000</u>	<u>2,682,000</u>

# ADVOCATE FOR PERSONS WITH DISABILITIES

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Advocate for the Disabled	720,000	(122,000)	720,000	(122,000)
Total	720,000	(122,000)	720,000	(122,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Advocate for the Disabled	109,000	0	15,000	0
Total	109,000	0	15,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Advocate for the Disabled	20,000	0	72,000	0
Total	20,000	0	72,000	0

Program	Equipment	
	Amount	Change
Advocate for the Disabled	2,000	0
Total	2,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Advocate for the Disabled	3,446,000	2,804,000	2,600,000	2,600,000
Total	3,446,000	2,804,000	2,600,000	2,600,000

Program	Maintenance Undistributed	
	Amount	Change
Advocate for the Disabled	846,000	204,000
Total	846,000	204,000





# **STATE OFFICE FOR THE AGING**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

The State Office for the Aging is headed by a Director and is composed of three divisions: Executive, Finance and Administration and Local Program Operations. The Office will have a workforce of 135 positions during 2004-05, 129 funded within the agency, and an additional six funded by other State agencies. Approximately 36 percent of Office operations are funded by the General Fund and the remaining 64 percent are financed by Federal grants.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommends nearly \$184 million in State and Federal funds for the operations of the Office and support for community-based services for the elderly. Given the unprecedented fiscal challenges facing New York, the Budget achieves cost efficiencies by initiating a host agency relationship through which the Department of Health will assume responsibility for the agency's human resource activities.

Within the aging system, State support is used to match the Older Americans Act and other Federal funding and establish a service-delivery network that attracts a variety of other public and private contributions. When combined, this results in total network spending of over \$360 million, excluding the value of volunteer labor, which has been estimated at upwards of \$35 million.

## **PROGRAM HIGHLIGHTS**

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

## **STATEWIDE COMMUNITY-BASED ASSISTANCE**

The Community Services for the Elderly (CSE) program currently serves over 86,000 elderly statewide and supports a locally coordinated continuum of support services designed to assist the elderly, their families and informal caregivers. The goal of the program is to maximize independence and reduce unnecessary reliance on institutional care. Services available to seniors under this program include case management, nutrition/meals, housekeeping/chore services, personal care, home health aide services, adult day services, transportation, minor renovations or the purchase of equipment for congregate facilities and other individualized support services. CSE affords Area Agencies on Aging maximum flexibility in selecting which services to offer and/or expand. Strongly linked to local planning efforts, CSE provides a comprehensive array of services that will allow the State to continue to meet the changing needs of our growing elderly population.

## **AGING**

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The Expanded In-home Services for the Elderly Program (EISEP) provides non-medical in-home services, case management, respite and ancillary services to the frail elderly, most of whom are low income but not eligible for Medicaid. Recipients are required to cost-share, based on their annual income level, for received EISEP program services. More than 34,000 persons are served under this program.

### **NUTRITION SERVICES**

Through a combination of State tax dollars and Federal grants, the State annually provides over \$23.9 million congregate and home-delivered meals as well as other nutritional services to non-institutionalized frail elderly clients. These seniors are at risk of malnutrition because they are no longer able to obtain an adequate diet without assistance. The Office receives over \$40 million from Federal grants in support of congregate and home-delivered meals and another \$16 million to support the purchase of food. The State counterpart to these Federal programs, the Supplemental Nutrition Assistance Program (SNAP), provides another \$17 million.

### **ASSISTANCE TO CAREGIVERS**

Family members and other informal caregivers provide an estimated 80 percent of long-term care for older New Yorkers; sustaining this cost-effective, individualized support system for seniors is a key objective of the aging service system. The State Office for the Aging's 17 Caregiver Resource Centers assist caregivers through training programs, support groups, counseling and linkages to other community services. The \$11.6 million Federal Caregivers Program provides respite, training and counseling for caregivers, as well as other services that support an elderly person's ability to maximize their independence.

### **VOLUNTEER ADVOCACY**

The Long-Term Care Ombudsman Program (LTCOP) supports the statewide advocacy of more than 1,000 trained volunteers on the behalf of the approximately 150,000 residents of New York State's nursing homes and adult care facilities. Under this program, the State Office for the Aging and community agencies receive, investigate and resolve a wide range of concerns and complaints regarding conditions and treatment in long-term care facilities, with the goal of ensuring the quality of life for residents.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	12,891,000	12,841,000	(50,000)	7,242,000
Aid To Localities	170,762,945	170,974,300	211,355	106,189,300
Capital Projects	0	0	0	0
Total	183,653,945	183,815,300	161,355	113,431,300

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration and Grants Management			
General Fund	33	29	(4)
Special Revenue Funds - Federal	97	105	8
Special Revenue Funds - Other	1	1	0
Total	<u>131</u>	<u>135</u>	<u>4</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	2,291,000	2,241,000	(50,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	250,000	250,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>12,891,000</u>	<u>12,841,000</u>	<u>(50,000)</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration and Grants Management			
General Fund	2,291,000	2,241,000	(50,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	250,000	250,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>12,891,000</u>	<u>12,841,000</u>	<u>(50,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	1,923,000	(50,000)	1,909,500	(50,000)
Total	<u>1,923,000</u>	<u>(50,000)</u>	<u>1,909,500</u>	<u>(50,000)</u>

<b>Program</b>	<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	13,500	0
Total	<u>13,500</u>	<u>0</u>

# AGING

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	318,000	0	33,000	0
Total	318,000	0	33,000	0

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	60,000	0	218,000	0
Total	60,000	0	218,000	0

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	7,000	0
Total	7,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	10,600,000	0	7,700,000	0
Total	10,600,000	0	7,700,000	0

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Grants Management	2,550,000	0	350,000	0
Total	2,550,000	0	350,000	0

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	64,662,945	63,874,300	(788,645)
Special Revenue Funds - Federal	105,100,000	106,100,000	1,000,000
Special Revenue Funds - Other	1,000,000	1,000,000	0
Total	170,762,945	170,974,300	211,355

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Community Services			
General Fund	64,662,945	63,874,300	(788,645)
Special Revenue Funds - Federal	105,100,000	106,100,000	1,000,000
Special Revenue Funds - Other	1,000,000	1,000,000	0
Total	170,762,945	170,974,300	211,355

# ***DEVELOPMENTAL DISABILITIES PLANNING COUNCIL***

## ***MISSION***

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

## ***ORGANIZATION AND STAFFING***

Located in Albany, the Council comprises 32 members, who have been appointed by the Governor to three-year staggered terms. Federal law requires that at least 60 percent of the Council's membership be persons with developmental disabilities, parents or guardians of children with developmental disabilities and immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves. Other required members represent State agencies, educational and training providers and local, public and private services agencies.

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

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

Federal funds fully support all Council operations, including State staff and contracts with non-profit agencies to develop new services and service delivery methods. The contracts are monitored by the Council to ensure that Federal funds provided to the State are used to augment — rather than duplicate or replace — existing services for people with developmental disabilities.

The 2004-05 recommendation of \$4.5 million in Federal funds represents the same level of funding as in 2003-04. This funding is sufficient to support the Council's role in coordinating information about persons with developmental disabilities and the services available to them, and in overseeing grant funds.

## ***PROGRAM HIGHLIGHTS***

Through its Council membership of State agency heads, including the Commissioner of the Office of Mental Retardation and Developmental Disabilities, the Council employs an interagency approach to advocate improved and enhanced services, supports and assistance for persons with developmental disabilities. Its activities include conducting quarterly meetings, preparing white papers on issues affecting the disabled, providing training and technical assistance and developing a three-year State Plan. The Council works in association with persons with developmental disabilities, parents, service providers, advocacy groups and local and State government agencies to advocate for an enhanced system of community services, individualized supports and assistance that facilitates self-determination, independence, community inclusion and productivity.

# DEVELOPMENTAL DISABILITIES PLANNING

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	4,550,000	4,560,000	10,000	7,639,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,550,000</u>	<u>4,560,000</u>	<u>10,000</u>	<u>7,639,000</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	18	18	0
Total	<u>18</u>	<u>18</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	0	10,000	10,000
Total	<u>4,550,000</u>	<u>4,560,000</u>	<u>10,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	0	10,000	10,000
Total	<u>4,550,000</u>	<u>4,560,000</u>	<u>10,000</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total Amount	Change	Personal Service Amount	Change
Developmental Disabilities Planning	4,560,000	10,000	990,000	16,000
Total	<u>4,560,000</u>	<u>10,000</u>	<u>990,000</u>	<u>16,000</u>

Program	Nonpersonal Service Amount	Change	Maintenance Undistributed Amount	Change
Developmental Disabilities Planning	860,000	102,000	2,710,000	(108,000)
Total	<u>860,000</u>	<u>102,000</u>	<u>2,710,000</u>	<u>(108,000)</u>

# ***DEPARTMENT OF HEALTH***

## ***MISSION***

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

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

The Department of Health is also the principal State agency that interacts with the Federal and local governments, health care providers and program participants for the State's Medicaid program.

## ***ORGANIZATION AND STAFFING***

Under the direction of the Commissioner, who is appointed by the Governor, the Department of Health meets its responsibilities through the Office of Medicaid Management, the Office of Managed Care, the centers located in the Office of Public Health, and the Office of Health Systems Management. These entities provide policy and management direction to the Department's system of regional offices. Department staff located in regional offices conduct health facility surveillance, monitor public health, provide direct services and oversee county health department activities.

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

In 2004-05, the Department of Health will have a workforce of approximately 5,900 positions, with 28 percent of those positions employed in the Department's health care facilities.

- Approximately 17 percent of these positions are paid exclusively by the General Fund;
- 13 percent are directly supported by fees;
- 56 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 14 percent are directly funded by Federal grants.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

### ***MEDICAID***

Without any new cost controlling measures, total Medicaid spending in New York would grow to approximately \$44 billion in 2004-05. The 2004-05 Medicaid Budget reflects a



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continued commitment to an effective and affordable delivery system that promotes high quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's neediest residents.

Medicaid costs, which have been controlled in recent years, are now increasing at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2004-05 Executive Budget proposes that the State assume responsibility for the financing of the local government share of long term care costs over a ten-year period. Additionally, the Budget recommends a series of actions to control Medicaid cost increases to keep the program affordable for State and local taxpayers while ensuring continued access to needed health care services for recipients.

### ***Pharmacy***

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach over \$1 billion in 2004-05.

The 2004-05 Executive Budget recommends several measures to control these costs. These include: implementing a "forge-proof" prescription program to reduce illegal marketing of drugs; establishing a preferred drug program; reducing pharmacy reimbursement from Average Wholesale Price (AWP) less 12 percent to AWP less 15 percent for name brand prescriptions and to AWP less 30 percent for generic drugs; increasing Medicaid co-payments for generics (\$0.50 to \$1.00) and brand name drugs (\$2.00 to \$3.00) and requiring individuals in managed care to make co-payments.

### ***Acute Care***

The Health Care Reform Act (HCRA), originally enacted in 1996, serves as the statutory basis governing hospital financing. Under HCRA, most non-Medicaid payors negotiate rates with hospitals, encouraging competition in the health care industry. Medicaid rates are established consistent with governing HCRA statutes.

The 2004-05 Executive Budget recommendation for HCRA maximizes the use of available revenues, reduces costs where feasible and advances new targeted funding for important initiatives. These changes will ensure that hospitals and clinics will continue to receive adequate funding and that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to exceed \$2.4 billion in 2004-05, which reflects a Budget recommendation to re-establish a 0.7 percent assessment on hospital revenues.

### ***Long Term Care***

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$4.3 billion in 2004-05.

The 2004-05 Executive Budget recommends that the State assume the local government share of long term care costs over a ten-year period, contingent upon enactment of measures to control long term care costs. These savings measures include: re-establishing the reimbursable nursing home assessment at 6.0 percent; refinancing capital debt for AIDS nursing facilities; closing eligibility loopholes that allow individuals to not contribute to the costs of their care; re-establishing a 0.7 percent home care assessment; and increasing home care target savings for counties. In addition, the Budget recommends updating the labor component of the nursing home rate in order to improve recruitment and retention of needed workers. That update is contingent on the elimination of supplemental payments for hospital based nursing homes and facilities with more than 300 beds.

While progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997, which included the rapidly growing Managed Long Term Care program, new reforms are necessary to meet the future needs of the elderly and disabled. Accordingly, the Budget proposes legislation to authorize the Commissioner of

Health to conduct technology demonstration projects that promote the delivery of cost effective and quality services through alternative approaches. The Budget also advances measures to promote more attractive and flexible long term care insurance options.

### ***Managed Care***

The 2004-05 Executive Budget reflects the continued mandatory enrollment of Medicaid recipients in managed care. Federal approval of New York's 1115 Managed Care waiver in July 1997 set the stage for mandatory enrollment to commence in October 1997. To date, New York City and 24 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Genesee, Greene, Herkimer, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Rockland, Saratoga, Suffolk, Wayne and Westchester — are operating mandatory managed care programs. The remainder of the State will continue to phase in managed care, subject to Federal approval, during 2004-05.

Managed care enrollment is projected to reach approximately 1.9 million by the end of 2003-04 and 2.0 million by the end of 2004-05. When fully implemented, approximately three-quarters of all Medicaid recipients eligible for managed care are expected to be enrolled. The managed care program has facilitated an increased use of primary care, lower emergency room use, and fewer inpatient days for the Medicaid population.

The State's Medicaid managed care program — currently authorized through March 2006 — ensures that the neediest people receive high quality, accessible health care. Special Needs Plans, which began operation in May 2003, provide comprehensive services to individuals infected with HIV/AIDS. Medicaid managed care also incorporates a comprehensive set of consumer protections to ensure that all recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans.

### ***Medicaid Administration***

The Department of Health is responsible for overall management of the Medicaid program, including the State's interaction with Federal and local governments, health care providers and Medicaid recipients. Counties will continue their role in making Medicaid eligibility determinations and contracting with providers of Medicaid services. Payments to health care providers also continue to be made through the State's computerized Medicaid Management Information System (MMIS) that is operated by a private agency with oversight by State personnel. The Department has obtained management and development services for a Replacement Medicaid System (RMS) that will replace both MMIS and the Electronic Medicaid Eligibility Verification System (EMEVS) with an integrated claims processing system. RMS will provide updated technologies and bring New York State into compliance with new Federal reporting requirements. In addition, the new system will substantially enhance front-end detection of Medicaid fraud.

### ***CHILD HEALTH PLUS***

New York's Child Health Plus program continues to set a national standard for children's health insurance coverage for children up to age 19. The Child Health Plus program was significantly expanded with passage of legislation under Governor Pataki's leadership in both 1996 and 1998, resulting in a dramatic increase in enrollment to over 445,000 children. Under Governor Pataki, the program has expanded to include comprehensive health benefits and increased eligibility to 250 percent of the Federal Poverty Level (FPL). When eligible Federal funds are combined with State HCRA moneys, the Child Health Plus program will provide comprehensive coverage to virtually all eligible children in the State. The 2004-05 Budget recommends transferring children ages 6-19 with incomes between 100 to 133 percent FPL from Medicaid to Child Health Plus and reducing funding for facilitated enrollment.

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### **FAMILY HEALTH PLUS**

As authorized by HCRA 2000, the Family Health Plus program offers access to comprehensive health coverage for eligible low-income adults who do not have insurance through their employers, yet have incomes that do not qualify them for other publicly financed health programs. Under Family Health Plus, health coverage was expanded on October 1, 2001 to include families with incomes up to 133 percent of the gross Federal Poverty Level (FPL) and on October 1, 2002 up to 150 percent of the FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. The Executive Budget recommends imposing the Medicaid asset/resource test; requiring a 12-month waiting period for those who had group health coverage previously; prohibiting coverage for individuals employed by a large business or governmental entity; requiring co-payments; eliminating dental and vision services; and eliminating facilitated enrollment funding.

### **OTHER PUBLIC HEALTH PROGRAMS**

Excluding Medicaid program costs, General Fund appropriations finance 27 percent of the Department of Health's budget in 2004-05. Other revenue sources, including: 1) reimbursement for patient care provided at the Department's health care facilities; 2) regulatory fees and audit recoveries; 3) management fees for hospital and nursing home construction projects financed through bond proceeds; and 4) registration, testing and certification fees for various public health services, support 43 percent of the Department of Health's budget, including the Professional Medical Conduct Program, clinical and environmental laboratory certification activities, and health care facilities' operating costs. The remaining 30 percent is provided by Federal grants and Fiduciary and Enterprise funds.

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

This overall recommendation ensures that public health priorities are preserved. As such, the 2004-05 Budget:

- Recommends a \$21 million bond financed appropriation for the State share of a \$60 million project to re-build the Veterans Nursing Home at Oxford. DOH will seek Federal funds to finance the balance of the project's costs. Oxford is the oldest of the State's four Veterans homes and the proposed 252-bed home will replace the existing 25-year old facility.
- Includes \$78 million for the Roswell Park Cancer Institute Corporation;
- Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of more than \$3 billion, a year-to-year increase of \$449 million, including \$103.4 million for the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection;
- Provides \$704.5 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 325,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program by \$60 million in 2004-05. These proposals reduce pharmacy reimbursement from Average Wholesale Price (AWP) less 12 percent to AWP less 15 percent for brand name drugs, and to AWP less 30 percent for generic drugs, implement a Preferred Drug Program; and provide an incentive for low-income EPIC enrollees to participate in the new Medicare Discount Drug Program. EPIC fees will be waived for those individuals — reducing their costs and producing savings for EPIC. Together these cost saving measures achieve much needed fiscal relief while continuing to meet the State's obligation to provide adequate health care to its most vulnerable citizens. Even after these savings are considered, New York will still spend considerably more on prescription drug services for seniors than any other state in the nation.

- Includes \$221.6 million for the General Public Health Works program to reimburse of counties and New York City for providing public health services such as childhood immunizations, primary health care, and control of communicable diseases such as tuberculosis and sexually transmitted diseases in 2004. Legislation accompanying the budget will adjust the reimbursement system for this program to reduce the State share for “optional services” from 30 percent to 20 percent. Core services and public health emergency reimbursements will be unchanged and counties will be given the flexibility to allocate the optional services reduction within that category;
- Includes \$41.5 million, funded largely from HCRA, for an anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping and strict enforcement of laws regulating the sale and use of tobacco products;
- Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$28.8 million. New York continues to be one of only 13 states to augment Federal nutrition funds;
- Includes \$10 million, including \$6 million from HCRA, to implement a series of initiatives recommended by the Adult Homes Work Group to improve the quality of life and safety for adult home residents in New York. This includes \$2 million for grants to adult home operators for quality of life enhancements, including technical upgrades, wellness programs and other improvements. The Department, working with the Office of Mental Health, the Commission on Quality of Care for the Mentally Disabled and the State Office for the Aging, has undertaken a statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities; and
- Provides \$277 million for the State share of Early Intervention (EI) costs and dramatically restructures this program serving infants and toddlers under the age of three who have developmental delays. The budget advances measures to improve insurance reimbursement for EI medical services provided to insured children and require parents earning above 250 percent of the Federal Poverty Level to pay monthly fees ranging from \$25 to \$215. Several additional statutory measures are proposed to promote cost effectiveness, including: a modified rate structure which establishes a single reimbursement rate for in-home services and a capitated rate for service coordination; independent program eligibility evaluations; a two-tier prior approval process for services exceeding five per week, a new fee to support an enhanced provider certification program; and tools for counties to better manage EI, including the authority to set rates.

## **PROGRAM HIGHLIGHTS**

### **MEDICAID**

Originally established in 1965 by the Federal government as a health insurance program for the poor, New York’s Medicaid program costs will total \$42.1 billion in 2003-04, and provide coverage to approximately 3.7 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State’s 2003-04 General Fund Medicaid spending being held to nearly 1994-95 levels. In addition to the federally mandated services — inpatient and outpatient hospital care, nursing facility care, physician services, home health care, family planning, and laboratory and x-ray services — New York also provides almost all federally permissible optional services.

Historically, the Federal government has paid for 50 percent of the State’s Medicaid program. However, Federal legislation was enacted in May 2003 providing States with a 2.95 percent increase in Federal Medicaid Assistance Percentage for 15 months — from April 1,

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2003 through June 30, 2004. During this period, the State will pay about 33 percent of the total costs and counties will pay about 14 percent. The Federal government matches, on an unlimited basis, each State and local dollar expended on Medicaid.

### **ACCESS TO HIGH QUALITY HEALTH CARE**

The Department develops and implements programs to ensure that residents of New York have access to high quality health care. Over the last several years, significant legislation has been enacted that significantly enhances the availability of appropriate care to all New Yorkers including the following:

- The landmark Health Care Reform Act (HCRA) of 1996 deregulated inpatient hospital reimbursement and introduced a market-based system which allows commercial insurers, managed care entities and self-insured plans to establish rates of payment directly through negotiations with hospitals and without State intervention. HCRA 2000, enacted in 1999, re-affirmed the State's commitment to ensuring that the hospital system adapts to the changing health care environment. In addition, HCRA 2000 provided the necessary resources to expand the Child Health Plus program and initiated comprehensive new programs to expand access to health care for the uninsured, including Family Health Plus and Healthy New York;
- HCRA 2002 provided the necessary resources for a multi-year investment to attract, train and retain a high quality health care workforce in New York State and expanded Medicaid eligibility to working disabled individuals and to cover the cost of treatment for low income women diagnosed with breast or cervical cancer through the Center for Disease Control's National Screening Program;
- In 2003, HCRA was extended for two years, through June 2005. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of additional Empire Conversion proceeds and Federal World Trade Center Funds, to maintain the financial stability of HCRA through the extension period.
- Pioneering consumer managed care legislation enacted in 1996 — the Managed Care Bill of Rights — ensured that consumers are appropriately informed about managed care choices and benefits, and guaranteed that providers can discuss all appropriate health care options; and
- Enhanced consumer protections were added in External Review legislation enacted in 1998, which provide health plan enrollees the opportunity to request an external appeal when coverage of health care services is denied on the grounds that the service is not medically necessary or that it is experimental or investigational.

The 2004-05 Executive Budget further modifies HCRA to maintain affordability while also making targeted investments to promote the use of long-term care insurance and the expanded use of technologies in the management and delivery of health care services. These changes also maximize Federal reimbursement for Graduate Medical Education costs previously financed through HCRA, and dedicate a portion of the proceeds from any not-for-profit insurer to for profit status to HCRA. Furthermore, the Budget also proposes to reduce costs where feasible and eliminate certain HCRA programs which, when combined with the additional revenues, will ensure financing of HCRA programs through June 2005.

### **PUBLIC HEALTH**

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

The Wadsworth Center for Laboratories and Research assists the Department in accomplishing its public health mission. Screening programs conducted by the Center annually report nearly three million test results to providers. These programs encompass such public health concerns as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, Lyme disease, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 800 environmental laboratories and more than 1,800 clinical laboratories and blood banks to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Center for Community Health continue to play key roles in managing the State's preparation for response to bio-terrorism.

**A COMMITMENT TO AIDS RESEARCH AND PREVENTION**

The Department develops and funds HIV prevention and health care programs, educates the public and health care providers, formulates policy and directs regional and statewide HIV/AIDS planning. New York remains a leader in combating this complex epidemic by responding to changes in incidence with even greater attention to population-based programming, long-term care and policies designed to reduce discrimination and guarantee basic medical care and treatment for the uninsured. New York State will spend \$3 billion to combat HIV/AIDS next year.

**HEALTH SYSTEMS MANAGEMENT**

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

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	4,550,460,600	4,646,664,000	96,203,400	9,056,076,300
Aid To Localities	35,967,505,500	36,612,241,600	644,736,100	25,121,068,100
Capital Projects	76,600,000	97,600,000	21,000,000	238,087,000
Total	40,594,566,100	41,356,505,600	761,939,500	34,415,231,400

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration and Executive Direction			
General Fund	100	88	(12)
Special Revenue Funds - Federal	64	58	(6)
Special Revenue Funds - Other	257	249	(8)
AIDS Institute			
General Fund	151	151	0
Special Revenue Funds - Other	13	13	0
Child Health Insurance			
Special Revenue Funds - Other	38	37	(1)
Community Health			
Special Revenue Funds - Federal	556	566	10
Special Revenue Funds - Other	80	78	(2)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	23	22	(1)
Environmental Health			
General Fund	104	99	(5)
Special Revenue Funds - Federal	113	113	0
Special Revenue Funds - Other	73	71	(2)
Capital Projects Funds - Other	72	70	(2)
Health Care Financing			
General Fund	59	56	(3)
Special Revenue Funds - Other	59	57	(2)
Health Care Standards and Surveillance			
General Fund	545	543	(2)
Special Revenue Funds - Other	254	248	(6)
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	387	374	(13)
Special Revenue Funds - Federal	87	81	(6)
Special Revenue Funds - Other	181	176	(5)
Managed Care			
General Fund	160	152	(8)
Medicaid Audit and Fraud Prevention			
General Fund	233	233	0
Special Revenue Funds - Federal	221	246	25
Special Revenue Funds - Other	32	32	0
Office of Medicaid Management			
General Fund	345	338	(7)
Special Revenue Funds - Federal	24	22	(2)
Special Revenue Funds - Other	2	2	0
Total	5,919	5,861	(58)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	165,891,600	170,066,000	4,174,400
Special Revenue Funds - Federal	3,961,720,000	4,049,572,000	87,852,000
Special Revenue Funds - Other	422,839,000	427,016,000	4,177,000
Enterprise Funds	10,000	10,000	0
Total	4,550,460,600	4,646,664,000	96,203,400

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration and Executive Direction			
General Fund	19,600,000	18,908,000	(692,000)
Special Revenue Funds - Federal	9,066,000	10,370,000	1,304,000
Special Revenue Funds - Other	30,655,000	31,973,000	1,318,000
AIDS Institute			
General Fund	15,707,000	14,771,000	(936,000)
Child Health Insurance			
Special Revenue Funds - Federal	45,478,000	53,000,000	7,522,000
Special Revenue Funds - Other	11,892,000	11,126,000	(766,000)
Community Health			
Special Revenue Funds - Federal	107,733,000	118,124,000	10,391,000
Special Revenue Funds - Other	6,829,000	6,729,000	(100,000)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	14,550,000	12,007,000	(2,543,000)
Environmental Health			
General Fund	9,037,000	8,641,000	(396,000)
Special Revenue Funds - Federal	26,084,000	27,629,000	1,545,000
Special Revenue Funds - Other	16,176,000	16,079,000	(97,000)
Health Care Financing			
General Fund	4,933,000	4,386,000	(547,000)
Special Revenue Funds - Other	7,158,000	7,275,000	117,000
Health Care Standards and Surveillance			
General Fund	43,362,000	49,962,000	6,600,000
Special Revenue Funds - Other	54,002,000	56,455,000	2,453,000
Institution Management			
Special Revenue Funds - Other	125,035,000	132,426,000	7,391,000
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	30,026,000	31,092,000	1,066,000
Special Revenue Funds - Federal	10,158,000	11,448,000	1,290,000
Special Revenue Funds - Other	32,120,000	31,924,000	(196,000)
Maintenance Undistributed			
General Fund	(102,362,000)	(108,962,000)	(6,600,000)
Special Revenue Funds - Other	102,362,000	108,962,000	6,600,000
Managed Care			
General Fund	14,189,000	13,854,000	(335,000)
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Audit and Fraud Prevention			
General Fund	18,781,600	19,096,000	314,400
Special Revenue Funds - Federal	47,478,000	59,883,000	12,405,000
Special Revenue Funds - Other	14,500,000	4,500,000	(10,000,000)
Office of Medicaid Management			
General Fund	44,161,000	44,283,000	122,000
Special Revenue Funds - Federal	3,620,000,000	3,673,395,000	53,395,000
Special Revenue Funds - Other	7,500,000	7,500,000	0
Medicaid Management Information System			
General Fund	68,457,000	74,035,000	5,578,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,550,460,600</u>	<u>4,646,664,000</u>	<u>96,203,400</u>



# HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	7,408,000	(692,000)	7,180,000	(692,000)
AIDS Institute	8,890,000	(936,000)	8,890,000	(936,000)
Environmental Health	6,704,000	(396,000)	6,505,000	(396,000)
Health Care Financing	3,604,000	(547,000)	3,569,000	(547,000)
Health Care Standards and Surveillance	34,355,000	0	33,985,000	0
Laboratories and Research	21,441,000	1,066,000	21,120,000	1,066,000
Managed Care	9,523,000	(335,000)	9,523,000	(335,000)
Medicaid Audit and Fraud Prevention	14,260,000	(115,800)	14,260,000	(115,800)
Office of Medicaid Management	20,229,000	(765,500)	20,229,000	(545,500)
Total	<u>126,414,000</u>	<u>(2,721,300)</u>	<u>125,261,000</u>	<u>(2,501,300)</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	125,000	0	103,000	0
AIDS Institute	0	0	0	0
Environmental Health	187,000	0	12,000	0
Health Care Financing	0	0	35,000	0
Health Care Standards and Surveillance	120,000	0	250,000	0
Laboratories and Research	64,000	0	257,000	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	0	0	0
Office of Medicaid Management	0	(70,000)	0	(150,000)
Total	<u>496,000</u>	<u>(70,000)</u>	<u>657,000</u>	<u>(150,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	11,500,000	0	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Environmental Health	1,937,000	0	159,000	0
Health Care Financing	782,000	0	12,000	0
Health Care Standards and Surveillance	15,607,000	6,600,000	279,500	0
Laboratories and Research	9,651,000	0	3,210,000	0
Managed Care	4,331,000	0	34,000	0
Medicaid Audit and Fraud Prevention	4,836,000	430,200	0	(85,300)
Office of Medicaid Management	24,054,000	887,500	0	(305,000)
Medicaid Management Information System	74,035,000	5,578,000	0	0
Total	152,614,000	13,495,700	5,768,381	(390,300)

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	262,000	0	10,293,000	0
AIDS Institute	311,700	0	3,556,900	0
Environmental Health	415,000	0	1,223,000	0
Health Care Financing	38,300	0	722,000	0
Health Care Standards and Surveillance	1,247,300	0	7,287,700	0
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Audit and Fraud Prevention	0	(180,000)	3,687,000	1,121,848
Office of Medicaid Management	0	(256,000)	4,000,000	1,708,500
Medicaid Management Information System	0	0	74,035,000	5,578,000
Total	2,350,300	(436,000)	115,161,600	8,408,348

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	205,000	0	0	0
AIDS Institute	228,519	0	450,000	0
Environmental Health	140,000	0	0	0
Health Care Financing	9,700	0	0	0
Health Care Standards and Surveillance	192,500	0	6,600,000	6,600,000
Laboratories and Research	305,000	0	0	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	(426,348)	1,149,000	0
Office of Medicaid Management	0	(260,000)	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	1,080,719	(686,348)	28,253,000	6,600,000

# HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	42,343,000	2,622,000	16,419,000	115,000
Child Health Insurance	64,126,000	6,756,000	2,285,000	41,000
Community Health	124,853,000	10,291,000	0	0
Elderly Pharmaceutical Insurance Coverage	12,007,000	(2,543,000)	1,292,000	(324,000)
Environmental Health	43,708,000	1,448,000	4,801,200	(121,800)
Health Care Financing	7,275,000	117,000	4,135,000	2,000
Health Care Standards and Surveillance	56,455,000	2,453,000	15,944,000	(1,799,000)
Institution Management	111,176,000	4,609,000	0	0
Laboratories and Research	43,372,000	1,094,000	8,883,000	(120,000)
Managed Care	60,000	0	0	0
Medicaid Audit and Fraud Prevention	64,383,000	2,405,000	0	0
Office of Medicaid Management	3,680,895,000	53,395,000	0	0
Medicaid Management Information System	95,723,000	0	0	0
<b>Total</b>	<b>4,346,376,000</b>	<b>82,647,000</b>	<b>53,759,200</b>	<b>(2,206,800)</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	12,710,000	512,000	13,214,000	1,995,000
Child Health Insurance	8,841,000	(807,000)	53,000,000	7,522,000
Community Health	0	(100,000)	124,853,000	10,391,000
Elderly Pharmaceutical Insurance Coverage	10,590,000	(2,244,000)	125,000	25,000
Environmental Health	9,877,800	174,800	29,029,000	1,395,000
Health Care Financing	3,140,000	115,000	0	0
Health Care Standards and Surveillance	22,416,000	3,452,000	18,095,000	800,000
Institution Management	0	0	111,176,000	4,609,000
Laboratories and Research	11,941,000	(76,000)	22,548,000	1,290,000
Managed Care	0	0	60,000	0
Medicaid Audit and Fraud Prevention	0	(10,000,000)	64,383,000	12,405,000
Office of Medicaid Management	0	0	3,680,895,000	53,395,000
Medicaid Management Information System	0	0	95,723,000	0
<b>Total</b>	<b>79,515,800</b>	<b>(8,973,200)</b>	<b>4,213,101,000</b>	<b>93,827,000</b>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	6,736,928,500	7,040,779,600	303,851,100
Special Revenue Funds - Federal	23,704,913,000	23,801,398,000	96,485,000
Special Revenue Funds - Other	4,295,664,000	4,294,064,000	(1,600,000)
Fiduciary Funds	1,230,000,000	1,476,000,000	246,000,000
<b>Total</b>	<b>35,967,505,500</b>	<b>36,612,241,600</b>	<b>644,736,100</b>

Adjustments:	
Prior Year Deficiency	
Health, Department of	
General Fund	100,000,000
Special Revenue Funds - Other	34,000,000
Recommended Deficiency	
Health, Department of	
Special Revenue Funds - Other	(40,000,000)
Appropriated 2003-04	<u>36,061,505,500</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration and Executive Direction			
General Fund	869,000	602,000	(267,000)
AIDS Institute			
General Fund	5,575,500	787,600	(4,787,900)
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	949,000,000	1,000,000,000	51,000,000
Special Revenue Funds - Other	496,400,000	435,000,000	(61,400,000)
Community Health			
General Fund	533,866,000	582,699,000	48,833,000
Special Revenue Funds - Federal	640,454,000	641,639,000	1,185,000
Special Revenue Funds - Other	52,823,000	60,323,000	7,500,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	620,400,000	704,500,000	84,100,000
Environmental Health			
Special Revenue Funds - Federal	2,788,000	3,206,000	418,000
Special Revenue Funds - Other	6,200,000	6,200,000	0
Health Care Standards and Surveillance			
General Fund	13,806,000	13,731,000	(75,000)
Special Revenue Funds - Federal	0	650,000	650,000
Special Revenue Funds - Other	4,000,000	6,000,000	2,000,000
Laboratories and Research			
General Fund	1,071,000	931,000	(140,000)
Special Revenue Funds - Federal	2,784,000	3,201,000	417,000
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Office of Medicaid Management			
General Fund	7,558,000	8,458,000	900,000
Medical Assistance			
General Fund	6,068,121,000	6,325,009,000	256,888,000
Special Revenue Funds - Federal	21,628,087,000	21,670,902,000	42,815,000
Special Revenue Funds - Other	3,020,300,000	2,986,500,000	(33,800,000)
Fiduciary Funds	1,230,000,000	1,476,000,000	246,000,000
Medical Assistance Administration			
General Fund	113,350,000	115,850,000	2,500,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>35,967,505,500</u>	<u>36,612,241,600</u>	<u>644,736,100</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Design and Construction Supervision				
Capital Projects Fund	0	0	0	452,000
Capital Projects Fund - Advances	0	21,000,000	21,000,000	0
Rehabilitation and Improvements				
Capital Projects Fund	0	0	0	531,000
Laboratories and Research				
Capital Projects Fund	4,000,000	4,000,000	0	11,716,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	27,651,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	20,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	65,000,000	0	147,737,000
Safe Drinking Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	30,000,000
Total	<u>76,600,000</u>	<u>97,600,000</u>	<u>21,000,000</u>	<u>238,087,000</u>



# ***INSURANCE DEPARTMENT***

## ***MISSION***

The Insurance Department, which was established in 1860, is charged with regulating the insurance industry and with balancing the interests of insurance consumers, companies and producers. Specific statutory responsibilities include: approving the formation, consolidation or merger of insurance organizations and all new insurance products, monitoring the financial stability of insurers, overseeing the testing and licensing of agents, adjusters, consultants and insurance intermediaries and disciplining licensees who violate the Insurance Law or regulations.

## ***ORGANIZATION AND STAFFING***

The Insurance Department is headed by a Superintendent who is appointed by the Governor. The Department maintains offices in Albany and New York City and local offices in Mineola, Rochester, Syracuse, Oneonta and Buffalo. The Department's activities are carried out through three programs: Administration, Regulation and Consumer Services, with a 2004-05 workforce of 908 positions.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Insurance Department is funded by assessments on New York State based insurance carriers and by agent examination fees. These monies fully support the operations of the Department as well as insurance-related operations in other agencies.

The Executive Budget recommends \$162.2 million in assessment revenue to fund the Department's current activities including a new Insurance Disaster Preparedness Unit to help New York and the insurance industry respond to potential natural, financial and terrorist disasters. The industry assessments will provide \$19.1 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations, and \$31.1 million to the Department of Health for costs associated with disease prevention, health screenings for newborns to reduce future medical needs, and the implementation of a new "forge-proof" prescription program.

The Executive Budget also includes \$4.9 million for implementation of Executive Order 109 that appointed the Attorney General as a Special Prosecutor to combat no-fault auto insurance fraud.

## ***PROGRAM HIGHLIGHTS***

The Department ensures that insurance companies meet statutory requirements regarding their finances and corporate conduct by monitoring the financial condition of companies and conducting periodic field examinations of insurers. It strives for the fair treatment of policyholders, claimants and the public through the regulation of company claim payments and sales practices, responses to consumer complaints, and the timely review of insurance company denials of coverage.

The Department promotes high standards of ethical conduct and technical knowledge through oversight of testing, pre-licensing and continuing education of insurers and agents. It maintains a registry of all licensees, collects fees and imposes fines related to the revocation of licenses and irregular activities.

The September 11 attacks on the World Trade Center demonstrated the important role New York's insurance industry has in maintaining economic stability during times of tragedy. To ensure that the industry's ability to perform that role is strengthened, the Department established an Insurance Disaster Preparedness Unit to coordinate industry efforts to prevent

## **INSURANCE**

and respond to natural, financial and terrorist disasters. Through this unit, the Department will work with industry representatives to develop disaster preparedness and business continuity plans, fight money laundering activities and enhance fraud detection capabilities.

Reflecting the dynamic and changing environment confronting the insurance industry, the Department has streamlined its regulatory and licensing process. In fact, since 1994 the Department has reformed or rescinded over half its regulations and eased the process by which companies are licensed and new insurance products approved. The Department continues to work closely with the Banking Department to assist Holocaust victims and their families to identify and recover assets from foreign financial institutions.

The Department also oversees and coordinates the State's Healthy New York Program that provides qualified small businesses and low-income families and individuals with access to affordable health insurance.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	147,398,000	162,155,100	14,757,100	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>147,398,000</b>	<b>162,155,100</b>	<b>14,757,100</b>	<b>0</b>

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

#### **Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
Special Revenue Funds - Other	127	127	0
Consumer Services			
Special Revenue Funds - Other	161	161	0
Regulation			
Special Revenue Funds - Other	620	620	0
<b>Total</b>	<b>908</b>	<b>908</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	147,398,000	162,155,100	14,757,100
<b>Total</b>	<b>147,398,000</b>	<b>162,155,100</b>	<b>14,757,100</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	11,874,900	12,491,800	616,900
Consumer Services			
Special Revenue Funds - Other	10,820,800	11,285,300	464,500
Regulation			
Special Revenue Funds - Other	124,702,300	138,378,000	13,675,700
Total	<u>147,398,000</u>	<u>162,155,100</u>	<u>14,757,100</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	12,491,800	616,900	7,837,600	122,200
Consumer Services	11,285,300	464,500	7,383,600	100
Regulation	138,378,000	13,675,700	43,620,000	2,166,700
Total	<u>162,155,100</u>	<u>14,757,100</u>	<u>58,841,200</u>	<u>2,289,000</u>
<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	4,654,200	494,700	0	0
Consumer Services	3,901,700	464,400	0	0
Regulation	38,830,200	4,970,200	55,927,800	6,538,800
Total	<u>47,386,100</u>	<u>5,929,300</u>	<u>55,927,800</u>	<u>6,538,800</u>





# DEPARTMENT OF MENTAL HYGIENE

The Department of Mental Hygiene operates through three independent agencies — the Office of Mental Health, the Office of Mental Retardation and Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services. All three agencies provide services directly to their clients through State-operated facilities, and receive reimbursement for these services, primarily Medicaid. However, these patient revenues are pledged first to the payment of debt service on outstanding Mental Hygiene bonds.

This appropriation from the Patient Income Account may be distributed to any of the three agencies in order to access additional revenues made available through a decreased set-aside for debt service resulting from planned debt management actions.

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	(300,000,000)	(200,000,000)	100,000,000
Special Revenue Funds - Other	300,000,000	200,000,000	(100,000,000)
Total	<u>0</u>	<u>0</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Mental Hygiene			
General Fund	(300,000,000)	(200,000,000)	100,000,000
Special Revenue Funds - Other	300,000,000	200,000,000	(100,000,000)
Total	<u>0</u>	<u>0</u>	<u>0</u>



# **OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES**

## **MISSION**

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for licensing and evaluating service providers, and for implementing and advocating policies and programs for the prevention, early intervention and treatment of alcoholism and substance abuse. In conjunction with local governments, providers and communities, the Office works to ensure that a full range of necessary and cost-effective prevention and treatment services is available statewide.

## **ORGANIZATION AND STAFFING**

The Office of Alcoholism and Substance Abuse Services is headed by a Commissioner, responsible for the development and management of the State's policy on chemical dependence. The Agency exercises these responsibilities directly as a provider of treatment services through a statewide system of 13 Addiction Treatment Centers (ATCs), through the regulation and oversight of prevention and chemical dependence treatment services, and as a conduit for Federal and State financial assistance. The Agency also furthers other State policy goals in areas that include criminal justice, health care and public assistance by coordinating chemical dependence resources and strategies in collaboration with other State agencies.

In 2004-05, OASAS will have a workforce of 958, of which 57 percent provide an array of clinical treatment services through the ATCs.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommends \$511.4 million in State and other resources for OASAS to continue agency and community operations. This funding is supplemented by Federal and State resources budgeted in other State agencies, and by the contributions of local governments, voluntary agencies and other sources. Overall, the recommended budget is sufficient to ensure the full operation of the 13 State-operated ATCs, as well as the maintenance of health and safety standards in voluntary facilities.

The consolidation of the inpatient treatment system in 2003 represented the completion of a multi-year effort to fully consolidate the separate alcoholism and substance abuse systems into a single chemical dependence system. System consolidation will result in increased accessibility to treatment services, as well as administrative efficiencies for providers.

The State also established fees for Medicaid reimbursement of community-based detoxification services during 2003-04, allowing OASAS to initiate statewide implementation of this important initiative. This community-based alternative to hospital-based detoxification will not only reduce State Medicaid expenses, but also improve service coordination and access to needed treatment. To complement the community detoxification initiative, beginning in 2004-05, OASAS will enhance funding to localities to promote targeted case management/utilization review services for those patients who relapse through the chemical dependence treatment system. Research shows that these activities reduce recidivism, improve treatment outcomes and result in State and local government savings.

In addition, as part of the 2004-05 Budget Recommendations, OASAS will continue to:

- Implement a new residential treatment model for adolescents;
- Maximize non-General Fund revenue sources to minimize State taxpayer support, including a statutory revision that re-establishes Medicaid reimbursement parity for methadone treatment services provided by freestanding clinics with those delivered in hospitals;

## **ALCOHOLISM AND SUBSTANCE ABUSE SERVICES**

- Implement structural and procedural changes to maximize the use of existing resources; and
- Achieve efficiencies in local programs by reducing funding to those provider agencies whose performance is not meeting established standards, as determined through OASAS' annual performance measurement, review and evaluation processes.

### **PROGRAM HIGHLIGHTS**

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

In 2004-05, OASAS will assume administration of the State's \$1.3 million Compulsive Gambling Education and Treatment Program from the Office of Mental Health, thereby consolidating programs dedicated to the treatment and prevention of addictive disorders within a single State agency. The 2004-05 Executive Budget further strengthens this program by providing an additional \$2 million in funding over two years. Overall, individuals will benefit from OASAS' experience and expertise in the treatment and prevention of addictions, as research shows that problem gambling results in the same psychological and physical effects as chemical dependence. Further, this initiative will also maximize coordination of patient care for problem gamblers since approximately 50 percent of them also suffer from chemical dependencies.

Approximately 263,000 patients are served annually in New York State's licensed chemical dependence treatment and rehabilitation system, which consists of approximately 1,300 community-based agencies. OASAS also provides funding to approximately 300 prevention providers who utilize science-based, outcome-oriented programs focusing on such risk factors as family conflict, permissive attitudes towards substance abuse, and lack of commitment to school, which research shows are predictive of adolescent problem behaviors like substance abuse, delinquency, teen pregnancy, school drop-out and violence. While reducing these risk factors, Prevention programs also focus on nurturing healthy beliefs and clear standards within community and family, since combining both activities is crucial to reducing the prevalence of problem behaviors like substance abuse.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	76,525,000	76,582,000	57,000	3,132,000
Aid To Localities	394,377,000	397,951,000	3,574,000	163,169,000
Capital Projects	36,835,000	36,904,000	69,000	127,156,000
Total	507,737,000	511,437,000	3,700,000	293,457,000

# ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
	Executive Direction		
General Fund	315	322	7
Special Revenue Funds - Federal	59	59	0
Special Revenue Funds - Other	12	12	0
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	531	531	0
Special Revenue Funds - Federal	16	16	0
Prevention and Program Support			
Special Revenue Funds - Federal	10	10	0
Total	951	958	7

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
	General Fund	48,670,000	46,783,000
Special Revenue Funds - Federal	6,379,000	6,367,000	(12,000)
Special Revenue Funds - Other	21,476,000	23,432,000	1,956,000
Total	76,525,000	76,582,000	57,000

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

Program	Available 2003-04	Recommended 2004-05	Change
	Executive Direction		
General Fund	22,461,000	21,678,000	(783,000)
Special Revenue Funds - Federal	5,179,000	5,167,000	(12,000)
Special Revenue Funds - Other	9,226,000	9,832,000	606,000
Institutional Services			
General Fund	26,209,000	25,105,000	(1,104,000)
Special Revenue Funds - Federal	1,200,000	1,200,000	0
Special Revenue Funds - Other	12,250,000	13,600,000	1,350,000
Total	76,525,000	76,582,000	57,000

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	20,720,000	23,000	20,540,000	23,000
Institutional Services	29,632,000	0	28,771,000	0
Total	50,352,000	23,000	49,311,000	23,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	112,000	0	68,000	0
Institutional Services	454,000	0	407,000	0
Total	566,000	0	475,000	0

# ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	9,458,000	(246,000)	552,000	12,000
Institutional Services	9,073,000	246,000	3,138,000	71,000
Total	18,531,000	0	3,690,000	83,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	656,000	15,000	8,225,000	(274,000)
Institutional Services	257,000	6,000	5,318,000	161,000
Total	913,000	21,000	13,543,000	(113,000)

Program	Equipment	
	Amount	Change
Executive Direction	25,000	1,000
Institutional Services	360,000	8,000
Total	385,000	9,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,499,000	34,000	2,799,000	46,000
Institutional Services	1,200,000	0	865,000	0
Total	7,699,000	34,000	3,664,000	46,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	1,981,000	(46,000)	1,719,000	34,000
Institutional Services	335,000	0	0	0
Total	2,316,000	(46,000)	1,719,000	34,000

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	244,793,000	244,200,000	(593,000)
Special Revenue Funds - Federal	143,084,000	147,211,000	4,127,000
Special Revenue Funds - Other	6,500,000	6,540,000	40,000
Total	394,377,000	397,951,000	3,574,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Community Treatment Services Program			
General Fund	195,839,000	196,800,000	961,000
Special Revenue Funds - Federal	98,890,000	102,750,000	3,860,000
Prevention and Program Support			
General Fund	48,954,000	47,400,000	(1,554,000)
Special Revenue Funds - Federal	44,194,000	44,461,000	267,000
Special Revenue Funds - Other	6,500,000	6,540,000	40,000
Total	394,377,000	397,951,000	3,574,000

# **ALCOHOLISM AND SUBSTANCE ABUSE SERVICES**

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Design and Construction Supervision				
Capital Projects Fund	1,500,000	1,500,000	0	2,087,000
Mental Hygiene Capital Improvement Fund	500,000	500,000	0	500,000
Administration				
Capital Projects Fund	1,025,000	1,094,000	69,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	5,310,000	5,310,000	0	15,358,000
Mental Hygiene Capital Improvement Fund	26,250,000	26,250,000	0	94,909,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	2,132,000
Mental Hygiene Capital Improvement Fund	1,000,000	1,000,000	0	12,170,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>36,835,000</u>	<u>36,904,000</u>	<u>69,000</u>	<u>127,156,000</u>





# **OFFICE OF MENTAL HEALTH**

## **MISSION**

The Office of Mental Health's (OMH) mission is to promote hope and recovery for people with psychiatric disabilities. It is responsible for planning and operating an integrated system of mental health care that serves adults with serious and persistent mental illness and children with serious emotional disturbances.

## **ORGANIZATION AND STAFFING**

The Office of Mental Health is headed by a Commissioner who is appointed by the Governor. New York's public mental health system consists of programs that are operated by the Office of Mental Health, as well as community programs certified and funded by the State, but operated by local governments, not-for-profit and proprietary providers. OMH regulates and licenses approximately 2,500 programs across the State. The combined system serves both adults who have serious and persistent mental illness and children with serious emotional disturbances who have experienced substantial problems in functioning.

OMH currently operates 28 facilities across the State, including 17 Adult Psychiatric Centers and six Children's Psychiatric Centers. In addition, OMH operates three Forensic Psychiatric Centers that serve individuals with histories in the criminal justice system and two Research Institutes. OMH will have a workforce of 16,816 for 2004-05, most of whom work directly with patients. The remainder comprises supervisors of direct care and clinical workers, administrative support and management personnel.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget provides funds totaling \$2.13 billion for the Office of Mental Health from General Fund, Federal and third-party resources, a decrease of \$62 million, compared to 2003-04.

Budget recommendations for the Office of Mental Health will strengthen community mental health care and accountability and provide the highest quality inpatient care for people requiring such services.

Over the past nine years, the Office of Mental Health has strengthened community services while achieving greater efficiencies in the operation of its inpatient programs. The Agency has closed four psychiatric centers as well as unneeded State-operated inpatient beds at other facilities; consolidated adult inpatient care at three campuses onto one campus on Long Island; and fundamentally restructured State-operated outpatient services. Simultaneously, it has significantly expanded community housing, case management and other community services and supports for individuals with mental illness. As a result, approximately two-thirds of every dollar devoted to mental health services is now spent on community mental health care.

The recommended Budget for 2004-05 will continue this focus on community care by closing unnecessary institutional capacity and providing full funding for a number of multi-year initiatives to expand community-based services now underway. These include the Enhanced Community Services Program; Kendra's Law, with its assisted outpatient treatment and psychiatric medication grant programs; and the New York/New York II agreement and other housing development.

In addition, a total of \$7 million in new appropriations is provided to significantly expand mental health treatment capacity and clinical staffing for prisoners with serious and persistent mental illness. This funding will support a range of new and expanded treatment services based upon a statewide review of the forensic program. The Office of Mental Health will continue to work in partnership with the Department of Correctional Services to establish a

## ***MENTAL HEALTH***

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new Behavioral Health Unit program model; almost triple the number of beds for the Special Treatment Program; expand bed capacity for the Intermediate Care Program; and improve access to clinical staff for mental health services.

Since 1994-95, the Office of Mental Health has also aggressively streamlined its administrative functions at all levels of the organization — Central Office, Field Offices, facility cabinets, clinical management and outpatient services. This effort has enabled it to eliminate over 700 administrative positions with a recurring annual savings of more than \$38 million. OMH has also redesigned local programs for greater efficiency, maximization of Federal Medicaid reimbursement and more effective service delivery. To achieve necessary savings in 2004-05, OMH will:

- Reduce spending on unnecessary inpatient capacity;
- Institute tighter controls on staffing by eliminating funded vacancies that are no longer essential;
- Limit non-personal services expenses through contract reviews and renewals and strict controls on travel, equipment and other purchases;
- Achieve local funding efficiencies through the elimination of duplicative and unnecessary spending and reimbursement mechanisms, including the Alternative Rate Methodology for certain hospitals; and
- Continue to implement initiatives to maximize Federal Medicaid reimbursement.

The 2004-05 Executive Budget also saves \$7.7 million by reducing Local Assistance contracts for less critical spending activities. While the severe fiscal restraints facing New York require efficiencies in all areas of government, this action will exclude reductions to core services for persons with serious and persistent mental illnesses including case management, residential programs and licensed outpatient programs.

## ***COMMUNITY REINVESTMENT***

The Executive Budget for 2004-05 recommends that the Middletown Psychiatric Center be closed on April 1, 2005 and that necessary inpatient capacity be consolidated at the Rockland Psychiatric Center. This measure will achieve significant operating efficiencies and capital construction savings while focusing on continued investment in community-based mental health services. One half of the facility closure savings achieved through elimination of unnecessary administrative, support and overhead costs will be reinvested to expand State-operated community services in Middletown's catchment area.

Importantly, the Governor continues to advance long-range proposals to reduce spending on costly and unnecessary institutional care and shift resources into comprehensive State and voluntary operated community-based residential and support services. Toward this end, the Governor will propose legislation to establish a bipartisan Blue Ribbon Commission for the Closure of State Psychiatric Centers. The Commission — comprising gubernatorial and legislative representatives — will provide facility closure recommendations based upon the overall OMH-projected need for inpatient beds. In addition, this legislation will extend the Community Mental Health Support and Workforce Reinvestment Act through 2010 to ensure that the Governor's new policy of reinvesting one-half of any facility closure savings for State-operated community services is continued for closures recommended by the Commission.

The 2004-05 Budget continues support for adult and children's community-based services that have been initiated under the Community Mental Health Reinvestment Act and incorporates this funding into the adult and children's programs. Community Reinvestment was designed in the early 1990's as a way to redirect resources from State-operated facilities into community-based services. These resources support community mental health services that are determined through a local planning process and encompass a wide variety of new and expanded programs for children and adults, including outpatient clinics, community support programs and residential beds.

Resources derived from Community Reinvestment have been supplemented over the years through the Governor's Enhanced Community Services Program, New York/New York II, Kendra's Law and other initiatives. Among the highest priorities is to expand community housing and strengthen the State's extensive system of community-based services by supporting its basic infrastructure and workforce.

The Governor's Budget also provides for \$9.6 million in full annual reinvestment funding for adults and children under the Community Mental Health Support and Workforce Reinvestment program. Part of this new funding will be used to support the opening of 600 supported housing beds for priority populations such as individuals leaving State facilities and adult homes, and for the homeless mentally ill. In addition, the Budget reaffirms the Governor's commitment to provide services to children in appropriate settings. Accordingly, all of the savings associated with children's inpatient bed closures will be reinvested into an array of evidence-based services for children. As a result, as many as four times the number of children now served in institutional settings will be served while living at home with their families.

### **ADULT HOMES INITIATIVE**

The Governor's Budget includes resources to implement a series of recommendations made by the Adult Homes Workgroup comprising mental health advocates and adult home providers. The 2004-05 Executive Budget includes \$10 million budgeted in the Department of Health to support initiatives to improve the quality of life and safety for adult home residents in New York. The Department of Health, in partnership with the Office of Mental Health, the Commission on Quality of Care for the Mentally Disabled and the State Office for the Aging, will continue the statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities, including the creation of a quality of life fund for residents. These initiatives build on the Governor's reforms to strengthen the oversight and surveillance of adult homes.

### **ASSISTED OUTPATIENT TREATMENT**

The 2004-05 Budget includes appropriations of \$32 million for the Assisted Outpatient Treatment program ("Kendra's Law") enacted in 1999-2000. The program provides court ordered assisted outpatient treatment for certain people with mental illness who, based on their treatment history and present circumstances, are unlikely to manage safely in the community without supervision. The appropriations support case management and other services aimed at keeping clients in a treatment program and on any required psychiatric medication. The appropriations also cover psychiatric medication to individuals being discharged from State psychiatric centers, community hospitals, prisons and jails while their Medicaid eligibility is being determined.

### **ENHANCED COMMUNITY SERVICES**

Appropriations of \$86.4 million are provided for the Enhanced Community Services Program proposed by Governor Pataki in 2000-01. The program is supported by Health Care Reform Act (HCRA) revenues and, when combined with other funding sources, provides \$125 million for a wide variety of services, which strengthen the community mental health service system for children and adults. The program has significantly expanded case management, housing, family support, family-based treatment and other services. Moreover, the Enhanced Community Services Program has fostered more effective systems for managing resources to best serve the clients by establishing new Single Points of Entry at the local level. This improves the assignment of case management and housing opportunities to the most needy clients.

## ***MENTAL HEALTH***

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### ***COMMUNITY HOUSING***

The 2004-05 Budget provides operational and capital funding for local programs to maintain the existing residential system and continue the development of community beds previously authorized through New York/New York II and other housing initiatives. The Governor's Budget continues the development of 2,000 additional community residential beds, with a \$65 million capital reappropriation to support the State's contribution towards the first phase of 1,000 beds. When fully operational, these 2,000 beds will require approximately \$50 million in additional ongoing support. Including this new commitment to expand residential capacity, the Budget supports 26,700 beds currently operating and 1,300 new community beds from prior-year initiatives that are expected to open by the end of 2004-05, as well as another 3,100 in other stages of planning and development.

The Governor's Budget also redirects savings from maximizing Federal Medicaid reimbursement to provide more than \$9 million in funding increases for the continued operation of 8,600 community residential beds for adults and children. This new funding will enable community residential programs to address appropriately the rehabilitative and support needs of priority populations.

### ***CAPITAL PROJECTS***

OMH's Capital Budget includes new appropriations of \$138.5 million for preservation and maintenance of inpatient and community facilities. Capital spending from new appropriations and re-appropriations will support facility projects that will increase health and safety, preserve and maintain the physical plant consistent with the Office of Mental Health's facility maintenance program and comply with accreditation standards. Capital spending is also provided for local programs to maintain the existing residential system and to continue development of community beds previously authorized.

### ***PROGRAM HIGHLIGHTS***

New York State will continue to rank number one in the nation in total spending and per capita spending on State and local programs for the mentally ill.

- State-operated facilities provide inpatient, outpatient and community support programs throughout the State that serve adults, children and forensic populations. State-operated psychiatric centers provide inpatient services to approximately 7,300 adults and children who are admitted annually, while over 34,000 individuals are served through various outpatient and support programs.
- While inpatients vary greatly in age, level of disability and length of hospitalization, a range of treatment and rehabilitative services is offered as patients progress from admission to discharge. In addition, OMH provides specialized services for physically disabled, aggressive and assaultive, and multi-diagnosed patients, as well as patients who have criminal histories.
- The Office operates an array of community-based programs located throughout the State. These programs, staffed with State employees, provide supportive services to enable individuals with mental illness to avoid long-term inpatient stays. State-operated community-based services currently include community residential facilities and residential care centers for adults and children, outpatient programs, intensive case management positions and a variety of supportive employment, work-for-pay, crisis and other community support programs.
- OMH operates two research units supported by State tax dollars and Federal and other grants, which include the OMH New York Psychiatric Institute in Manhattan and the OMH Nathan S. Kline Institute, located on the grounds of Rockland Psychiatric Center. These facilities conduct research in children and adult clinical treatment, basic biomedical and neurological sciences and health services for the mentally ill.

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- OMH also funds a wide range of community services provided by local governments and private organizations. These include emergency services such as Comprehensive Psychiatric Emergency Programs; outpatient services such as mental health clinics, day treatment programs, personalized recovery oriented services and community support programs such as Intensive and Supportive Case Management, residential programs and consumer-run self-help and self-operated programs. Overall, State Aid and Medicaid (budgeted largely in the Department of Health) will provide about \$2 billion for not-for-profit and county-operated community mental health programs through a network of approximately 2,500 programs serving over 600,000 persons a year.

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

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,129,351,000	1,130,776,000	1,425,000	1,272,000
Aid To Localities	848,498,000	861,775,000	13,277,000	37,760,000
Capital Projects	215,482,000	138,494,000	(76,988,000)	551,370,000
Total	<u>2,193,331,000</u>	<u>2,131,045,000</u>	<u>(62,286,000)</u>	<u>590,402,000</u>

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration and Finance			
General Fund	534	534	0
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,415	11,275	(140)
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	1,970	1,965	(5)
Forensic Services			
General Fund	1,877	1,943	66
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	497	467	(30)
Special Revenue Funds - Other	27	27	0
Total	<u>16,816</u>	<u>16,707</u>	<u>(109)</u>

# MENTAL HEALTH

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	520,940,000	606,415,000	85,475,000
Special Revenue Funds - Federal	1,272,000	1,272,000	0
Special Revenue Funds - Other	596,551,000	512,325,000	(84,226,000)
Enterprise Funds	8,284,000	8,349,000	65,000
Internal Service Funds	2,304,000	2,415,000	111,000
<b>Total</b>	<b>1,129,351,000</b>	<b>1,130,776,000</b>	<b>1,425,000</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration and Finance			
General Fund	53,307,000	56,069,000	2,762,000
Special Revenue Funds - Federal	1,272,000	1,272,000	0
Special Revenue Funds - Other	1,870,000	1,870,000	0
Enterprise Funds	8,284,000	8,349,000	65,000
Internal Service Funds	2,304,000	2,415,000	111,000
Adult Services			
General Fund	743,906,200	752,410,000	8,503,800
Special Revenue Funds - Other	15,025,000	0	(15,025,000)
Children and Youth Services			
General Fund	120,172,300	119,297,000	(875,300)
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	115,515,500	123,304,000	7,788,500
Maintenance Undistributed			
General Fund	(573,531,000)	(504,330,000)	69,201,000
Special Revenue Funds - Other	573,531,000	504,330,000	(69,201,000)
Research			
General Fund	41,970,000	40,065,000	(1,905,000)
Special Revenue Funds - Other	6,125,000	6,125,000	0
<b>Total</b>	<b>1,129,351,000</b>	<b>1,130,776,000</b>	<b>1,425,000</b>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	35,157,000	262,000	33,819,000	252,000
Adult Services	611,816,000	5,564,725	568,938,000	7,229,800
Children and Youth Services	106,456,000	(875,300)	98,456,000	(935,300)
Forensic Services	112,851,000	7,788,500	104,682,000	7,727,500
Research	34,922,000	(1,905,000)	34,359,000	(1,909,000)
<b>Total</b>	<b>901,202,000</b>	<b>10,834,925</b>	<b>840,254,000</b>	<b>12,365,000</b>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	1,025,000	8,000	313,000	2,000
Adult Services	15,227,000	113,465	27,651,000	(1,778,540)
Children and Youth Services	3,350,000	25,000	4,650,000	35,000
Forensic Services	3,212,000	24,000	4,957,000	37,000
Research	53,000	0	510,000	4,000
<b>Total</b>	<b>22,867,000</b>	<b>170,465</b>	<b>38,081,000</b>	<b>(1,700,540)</b>

# MENTAL HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	20,912,000	2,500,000	822,000	18,412
Adult Services	140,594,000	2,939,075	69,002,000	1,253,888
Children and Youth Services	12,841,000	0	6,265,000	0
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	10,453,000	0	6,364,000	0
Research	5,143,000	0	2,912,000	0
Total	209,543,000	5,439,075	85,365,000	1,272,300

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,289,000	28,634	17,001,000	2,412,448
Adult Services	2,775,000	(101,541)	63,225,000	1,877,317
Children and Youth Services	509,000	0	5,526,000	0
Enhanced Community Services	0	0	0	0
Forensic Services	622,000	0	3,268,000	0
Research	75,000	0	2,091,000	0
Total	5,270,000	(72,907)	91,111,000	4,289,765

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	1,800,000	40,506	0	0
Adult Services	2,427,000	(90,589)	3,165,000	0
Children and Youth Services	541,000	0	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	199,000	0	0	0
Research	65,000	0	0	0
Total	5,032,000	(50,083)	22,765,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	13,906,000	176,000	4,328,000	0
Adult Services	0	(15,025,000)	0	(15,025,000)
Research	6,125,000	0	1,915,000	0
Total	20,031,000	(14,849,000)	6,243,000	(15,025,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,278,000	176,000	1,300,000	0
Adult Services	0	0	0	0
Research	4,210,000	0	0	0
Total	12,488,000	176,000	1,300,000	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	730,859,000	746,111,000	15,252,000
Special Revenue Funds - Federal	40,129,000	41,129,000	1,000,000
Special Revenue Funds - Other	77,510,000	74,535,000	(2,975,000)
Total	848,498,000	861,775,000	13,277,000



# MENTAL HEALTH

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

Program	Available 2003-04	Recommended 2004-05	Change
Adult Services			
General Fund	588,292,000	594,556,000	6,264,000
Special Revenue Funds - Federal	32,294,000	33,294,000	1,000,000
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	142,567,000	146,755,000	4,188,000
Special Revenue Funds - Federal	7,835,000	7,835,000	0
Enhanced Community Services			
Special Revenue Funds - Other	66,800,000	66,800,000	0
Community Support and Workforce Reinvestment			
General Fund	0	4,800,000	4,800,000
Special Revenue Funds - Other	2,975,000	0	(2,975,000)
Total	848,498,000	861,775,000	13,277,000

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	3,500,000
Mental Hygiene Capital Improvement Fund	8,000,000	8,000,000	0	7,150,000
Executive Direction				
Capital Projects Fund	0	0	0	3,325,000
Mental Hygiene Capital Improvement Fund	3,300,000	3,300,000	0	4,619,000
Community Mental Health Facilities				
Capital Projects Fund	7,000,000	6,000,000	(1,000,000)	27,384,000
Mental Hygiene Capital Improvement Fund	70,482,000	5,494,000	(64,988,000)	164,652,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	32,000,000	34,000,000	2,000,000	45,348,000
Mental Hygiene Capital Improvement Fund	91,700,000	78,700,000	(13,000,000)	287,392,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	215,482,000	138,494,000	(76,988,000)	551,370,000

# **OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

## **MISSION**

The Office of Mental Retardation and Developmental Disabilities (OMRDD) serves and supports individuals and families of individuals with developmental disabilities. OMRDD works with local governments and non-profit providers to oversee a comprehensive system for delivery of services to people who have developmental disabilities. Both institutional and community-based services are delivered through a network of community programs operated by non-profit providers, State Developmental Centers and numerous State-operated programs based in the community.

## **ORGANIZATION AND STAFFING**

Under the direction of a Commissioner appointed by the Governor, OMRDD currently operates through district offices, called Developmental Disabilities Services Offices (DDSO). Its Central Office oversees and supports operations of the district offices.

OMRDD will have a workforce of 22,637 for 2004-05, most of whom work directly with consumers of services. The remainder comprises supervisors of direct care workers, clinicians, administrative support and management personnel.

By the end of 2004-05, OMRDD will operate some 500 developmental center beds, along with 1,189 special unit beds. From 1995 to the end of the 2004-05 fiscal year, the State will have moved nearly 3,700 people from institutional care into more appropriate community settings.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

Total funding of more than \$2.9 billion supports a comprehensive system of care serving more than 125,000 persons with disabilities and their families, reflecting the Governor's ongoing commitment to serving the needs of persons with developmental disabilities. The Executive Budget recommendations for 2004-05 preserve essential direct care and maintain the quality of services for consumers in both non-profit and OMRDD-operated programs, despite the need to implement cost-savings measures in the face of the State's fiscal difficulties. Under these recommendations:

- OMRDD's Central Coordination and Support Program will receive \$60.5 million to provide policy direction and technical support to the entire service system;
- OMRDD's Community Services Program will receive more than \$2.3 billion to fund hundreds of State-operated residential and day programs and such ancillary services as clinics and transportation networks, as well as to support local governments and a network of more than 600 non-profit agencies;
- OMRDD's Institutional Services Program will receive total funding of nearly \$410 million to support residential care and habilitative services for people in developmental centers and special treatment units;
- OMRDD's Research in Mental Retardation Program will receive nearly \$15.7 million in State funds to conduct basic and clinical research into the causes, treatment and prevention of mental retardation and related developmental disabilities; and
- OMRDD's new capital appropriations will total \$89.1 million for the maintenance of existing institutions, community residential and day program sites, as well as the development and renovation of residential and day programming sites and other expanded bed capacity.

## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

The 2004-05 Executive Budget fully funds the Governor's nationally acclaimed initiative known as New York State-Creating Alternatives in Residential Environments and Services (NYS-CARES), thereby maintaining his commitment to serve those developmentally disabled New Yorkers on waiting lists for residential services. Over 8,500 persons have already left the waiting list for homes in the community, far exceeding the original NYS-CARES goal established in 1998. During this time, OMRDD has continually worked with families to review the waiting list and verify their needs. OMRDD has also instituted a survey designed by consumers, families and other stakeholders, which is used to evaluate consumer satisfaction and the success of residential placements under NYS-CARES, and to identify areas in need of improvement. As a result of this collaboration and the success of the original initiative, the Governor introduced NYS-CARES II in 2003-04 designed to develop additional services to meet families' articulated needs, including: an additional 1,900 new out-of-home residential opportunities beyond the almost 4,900 new beds committed to in 1998; another 600 new opportunities for in-home services; 370 new opportunities for day services; and additional funding for family support services to help individuals stay with their families as long as possible. By the end of the decade, OMRDD will have developed a total of 6,800 new residential beds under NYS-CARES which, when coupled with the more than 37,000 funded community beds already in the system, will provide ample placement opportunities to individuals on the residential waiting list.

The 2004-05 Executive Budget also supports the Governor's New York State – Options for People Through Services (NYS-OPTS) initiative. NYS-OPTS represents a system of services that will afford individuals with developmental disabilities with the greatest flexibility and array of choices about their own care in a manner that maximizes available funds and efficiently manages operations. Predicated upon an organized health care delivery system model, the NYS-OPTS program is focused on system and fiscal reform of the primarily Medicaid-funded system. NYS-OPTS and its guiding principles of partnership, inclusion, flexibility of services and customer satisfaction have been developed by major system stakeholders including: people currently receiving services, family members, advocates, providers, State staff and local government representatives.

The effort to place individuals residing in the developmental centers into more appropriate community settings will also continue in 2004-05. An additional 100 individuals will leave institutions for care in their own communities, and new admissions will be limited to emergency situations involving persons with special needs and those entering special treatment units. Projections are that by the end of 2004-05, there will be only 500 people statewide living in developmental centers. OMRDD remains committed to deinstitutionalization for all consumers who can be appropriately cared for in community settings.

The 2004-05 Executive Budget supports additional residential services for at-risk children who have significant service needs. In addition, the Budget funds 20 new Multiply Disabled Unit openings for Office of Mental Health patients who are dually diagnosed with both developmental disabilities and mental illness, but whose primary diagnosis is mental retardation/developmental disability. All of these individuals will transfer from the Office of Mental Health's auspice to OMRDD, where they will receive more appropriate care.

OMRDD continues to improve the efficiency and cost-effectiveness of its operations and the network of non-profit providers it supports. In 2004-05 the agency will undertake efforts to:

- Emphasize use of less costly services, when appropriate;
- Continue to aggressively pursue non-General Fund financial support for all programs;
- Maximize use of existing service capacity;
- Utilize internal controls on billing procedures;
- Continue to diligently review eligibility for services;
- Streamline and update, as appropriate, non-profit provider funding to realize \$31.5 million in efficiencies, while at the same time continuing long standing reimbursement practices designed to stabilize the non-profit workforce;
- Continue strict controls on hiring in non-patient-care positions in both the DDSOs and Central Office;

## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

- Provide more efficient employee and provider training;
- Limit non-personal service expenditures, especially non-essential categories such as travel and new equipment purchases; and
- Further reduce overtime expenditures.

Infrastructure throughout the State and not-for-profit systems will be maintained through new capital appropriations of \$89.1 million and reappropriations of \$191.4 million. Capital appropriations for institutional projects will focus on the need to reinvest resources into preserving and maintaining long-term facilities, mostly for a core population of consumers who have severe behavioral treatment needs and/or have been involved with the criminal justice system.

Capital projects in the community reflect a continued investment to maintain both State and voluntary not-for-profit community-based sites, and to develop State-operated residential placements for adults in developmental centers and on the NYS-CARES waiting list. While minimal bonded appropriations are required to address funding needs for small providers that cannot obtain alternative financing, the vast majority of voluntary not-for-profit capital development needs for NYS-CARES and other program expansion initiatives will continue to be met primarily through the use of non-State revenue such as Federal Housing and Urban Development (HUD) grants and private financing.

In total, these recommendations — through the combination of new and currently operating programs — will support an estimated 6,900 new service opportunities in the community during 2004-05. This reflects 1,800 people newly-placed in residential settings and 5,100 new service opportunities in non-residential programs. Community placements will be targeted for people in developmental centers and for mandated populations, as well as people on community waiting lists. Services to individuals and families have also been preserved within family support services.

### ***PROGRAM HIGHLIGHTS***

OMRDD serves more than 125,000 New Yorkers with developmental disabilities, which include mental retardation, epilepsy, cerebral palsy, neurological impairments and autism. In recent years, New York has made great strides in improving its methods of delivering services to this vulnerable population, moving more people from institutions to the community than any other state in the nation. In addition, New York continues to place greater emphasis on consumer choice and satisfaction.

Under a 1991 Federal Medicaid waiver, consumers have the opportunity to receive individualized services in less restrictive settings. With the aid of trained service coordinators, consumers choose the services they need and receive them in appropriate settings. New York commits more resources to its Home and Community Based Services (HCBS) Waiver program than any state in the nation, investing almost three times as much as the next highest state offering services under a waiver. The HCBS Waiver also promotes smaller, more natural home environments. Home size has continued to decrease, thereby supporting individualized, quality services. In 1994-95, 49 percent of the homes in the community were six beds or less. Today, 62 percent of the homes in the community are six beds or less; nearly two-thirds of these are four beds or less.

Maintaining a statewide system of services, delivered through both the State and non-profit providers, OMRDD:

- Provides approximately 37,000 persons with certified residential services;
- Provides almost 63,000 persons with community day services; and
- Assists in the care of approximately 60,000 persons with developmental disabilities who are living in their own homes.

An overview of these services is provided below.

## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

### **RESIDENTIAL SERVICES**

Residential services are offered through a continuum of programs in both community and institutional settings. The alternative that provides the most intensive services in a community setting is the Intermediate Care Facility for the Developmentally Disabled (ICF/DD). These facilities — some 7,200 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring 24-hour care. A typical community ICF has 10 to 12 beds.

The most common residential placement for persons under the waiver is in Individual Residential Alternatives (IRAs) — homes, typically for four to eight consumers, operated by either the State or not-for-profit providers in the community. This budget supports more than 22,000 IRA beds and accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve more than 5,700 people.

In addition to these community-based programs, OMRDD operates ten campuses across the State. Some 1,700 people will be served in these settings by the end of 2004-05, of which more than 70 percent will be receiving specialized services. OMRDD remains committed to providing community residential opportunities for all those in State institutions who can receive appropriate care in the community. Currently, New York serves more persons in community residential settings than any other state, with the exception of California.

### **DAY SERVICES**

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

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

### **SUPPORT FOR CONSUMERS LIVING IN THEIR OWN HOMES**

OMRDD services also support families and individuals in their own homes. The Family Support Services program assists families in caring for approximately 50,000 persons with developmental disabilities, enabling these individuals to remain at home. Services offered include respite, crisis intervention, case management, recreation, information and referral and home care.

The Individualized Support Services program provides services to nearly 1,500 disabled individuals who live independently. In addition, more than 8,500 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

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

# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,213,418,000	1,266,096,000	52,678,000	80,000
Aid To Localities	1,397,845,000	1,546,841,000	148,996,000	442,000
Capital Projects	90,081,000	89,136,000	(945,000)	191,440,000
Total	<u>2,701,344,000</u>	<u>2,902,073,000</u>	<u>200,729,000</u>	<u>191,962,000</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Central Coordination and Support			
General Fund	785	785	0
Community Services			
General Fund	16,165	16,165	0
Institutional Services			
General Fund	5,284	5,506	222
Enterprise Funds	1	1	0
Research in Mental Retardation			
General Fund	217	180	(37)
Total	<u>22,452</u>	<u>22,637</u>	<u>185</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	168,341,000	144,312,000	(24,029,000)
Special Revenue Funds - Federal	80,000	230,000	150,000
Special Revenue Funds - Other	1,042,497,000	1,119,054,000	76,557,000
Enterprise Funds	2,350,000	2,350,000	0
Internal Service Funds	150,000	150,000	0
Total	<u>1,213,418,000</u>	<u>1,266,096,000</u>	<u>52,678,000</u>

# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

Program	Available 2003-04	Recommended 2004-05	Change
Central Coordination and Support			
General Fund	58,593,000	60,153,000	1,560,000
Special Revenue Funds - Federal	80,000	230,000	150,000
Internal Service Funds	150,000	150,000	0
Community Services			
General Fund	760,041,000	779,901,000	19,860,000
Institutional Services			
General Fund	374,329,000	407,137,000	32,808,000
Special Revenue Funds - Other	504,000	504,000	0
Enterprise Funds	2,350,000	2,350,000	0
Maintenance Undistributed			
General Fund	(1,041,943,000)	(1,118,500,000)	(76,557,000)
Special Revenue Funds - Other	1,041,943,000	1,118,500,000	76,557,000
Research in Mental Retardation			
General Fund	17,321,000	15,621,000	(1,700,000)
Special Revenue Funds - Other	50,000	50,000	0
Total	<u>1,213,418,000</u>	<u>1,266,096,000</u>	<u>52,678,000</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	42,383,000	(734,000)	40,100,000	(734,000)
Community Services	668,518,000	13,375,000	650,872,000	13,373,521
Institutional Services	242,790,000	21,893,000	232,861,000	20,000,000
Research in Mental Retardation	13,705,000	(1,700,000)	13,275,000	(1,700,000)
Total	<u>967,396,000</u>	<u>32,834,000</u>	<u>937,108,000</u>	<u>30,939,521</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Coordination and Support	2,030,000	0	253,000	0
Community Services	5,177,000	632	12,469,000	847
Institutional Services	1,934,000	893,000	7,995,000	1,000,000
Research in Mental Retardation	260,000	0	170,000	0
Total	<u>9,401,000</u>	<u>893,632</u>	<u>20,887,000</u>	<u>1,000,847</u>

# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	17,770,000	2,294,000	497,000	200
Community Services	111,383,000	6,485,000	40,475,000	2,500,000
Institutional Services	164,347,000	10,915,000	25,316,000	2,000,000
Research in Mental Retardation	1,916,000	0	719,000	0
Total	295,416,000	19,694,000	67,007,000	4,500,200

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,121,000	(100)	14,693,000	1,998,500
Community Services	6,662,000	601,000	50,771,000	2,500,000
Institutional Services	1,723,000	527,000	29,719,000	2,000,000
Research in Mental Retardation	57,000	0	871,000	0
Total	9,563,000	1,127,900	96,054,000	6,498,500

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,459,000	295,400	0	0
Community Services	5,887,000	601,000	7,588,000	283,000
Institutional Services	3,011,000	700,000	104,578,000	5,688,000
Research in Mental Retardation	269,000	0	0	0
Total	10,626,000	1,596,400	112,166,000	5,971,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	380,000	150,000	0	0
Institutional Services	2,854,000	0	274,000	0
Research in Mental Retardation	50,000	0	0	0
Total	3,284,000	150,000	274,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	380,000	150,000
Institutional Services	2,580,000	0	0	0
Research in Mental Retardation	50,000	0	0	0
Total	2,630,000	0	380,000	150,000

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	664,145,000	709,146,000	45,001,000
Special Revenue Funds - Other	733,700,000	837,695,000	103,995,000
Total	1,397,845,000	1,546,841,000	148,996,000



# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

Program	Available 2003-04	Recommended 2004-05	Change
Community Services			
General Fund	664,145,000	709,146,000	45,001,000
Special Revenue Funds - Other	733,700,000	837,695,000	103,995,000
Total	<u>1,397,845,000</u>	<u>1,546,841,000</u>	<u>148,996,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	0
Mental Hygiene Capital Improvement Fund	3,000,000	3,000,000	0	0
Voluntary-Operated Community Facilities				
Capital Projects Fund	14,815,000	15,083,000	268,000	3,375,000
Mental Hygiene Capital Improvement Fund	6,926,000	5,002,000	(1,924,000)	19,515,000
State-Operated Community Services Program				
Capital Projects Fund	13,886,000	13,973,000	87,000	5,300,000
Mental Hygiene Capital Improvement Fund	5,000,000	5,000,000	0	16,650,000
Institutional Services Program				
Capital Projects Fund	17,450,000	17,808,000	358,000	38,600,000
Mental Hygiene Capital Improvement Fund	26,004,000	26,270,000	266,000	107,000,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	1,000,000
Total	<u>90,081,000</u>	<u>89,136,000</u>	<u>(945,000)</u>	<u>191,440,000</u>

# ***COMMISSION ON QUALITY OF CARE FOR THE MENTALLY DISABLED***

## ***MISSION***

The Commission on Quality of Care for the Mentally Disabled provides oversight of the Department of Mental Hygiene that collectively spends more than \$5 billion annually. The Commission:

- monitors conditions of care for people with mental disabilities in State institutions, licensed residential facilities, and outpatient programs;
- reports to the Governor and Legislature on how the laws and policies established to protect the rights of people with mental disabilities are being implemented; and
- makes recommendations to improve quality of care.

## ***ORGANIZATION AND STAFFING***

The Commission consists of a full-time chairman and two unsalaried members, each appointed by the Governor and confirmed by the Senate to serve staggered five-year terms. During 2004-05, the agency will have a workforce of 90 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Commission's State Operations appropriation is supported by the General Fund (20 percent), Federal grants (58 percent) and other funding, primarily receipts from the Medicaid program related to program oversight activities (22 percent).

The Aid to Localities appropriations support:

- private, non-profit service provider agencies that provide advocacy services to residents of adult homes and adult care facilities; and
- non-profit Community Dispute Resolution Centers, which provide support services for the Surrogate Decision Making Committee program.

The Executive Budget recommendation of \$14.7 million fully supports existing program and service levels. In addition, the 2004-05 Executive Budget assumes that the Commission will now provide administrative support (human resources, payroll and procurement services) to the Office of Advocate for Persons with Disabilities (APD), resulting in administrative streamlining and operational savings in APD.

## ***PROGRAM HIGHLIGHTS***

### ***OVERSIGHT OF SERVICE DELIVERY***

The Commission provides independent oversight and review of State- and voluntary-operated programs serving individuals with mental illness, developmental disabilities, and alcohol and substance abuse problems. Most importantly, it investigates complaints including allegations of patient abuse or mistreatment in facilities operated or licensed by these agencies.

### ***PROTECTION AND ADVOCACY***

Using State staff and contracts with non-profit agencies, Federal funding provides statewide protection and advocacy services for individuals with disabilities through the following programs: Protection and Advocacy for the Developmentally Disabled; Client Assistance; Protection and Advocacy for Individuals with Mental Illness; Protection and

## **QUALITY OF CARE FOR THE MENTALLY DISABLED**

Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; Protection and Advocacy for Assistive Technology; Protection and Advocacy for Traumatic Brain Injury; and Protection and Advocacy Help America Vote Act. These programs assist the Commission in strengthening the non-profit contract network by providing individuals with severe disabilities with protection and advocacy services under Federal law.

### **ADULT HOMES**

The Commission contracts with local non-profit organizations to provide advocacy services to residents of adult homes who have received services through the mental hygiene system. These services, now fully funded in CQC, rather than in part through a suballocation from the Department of Health, focus on protecting and promoting residents' rights. The Commission's dedicated team continues to work collaboratively with the Department of Health and the Office of Mental Health to conduct programmatic and fiscal investigations into the quality of care provided to individuals living in adult homes. The Commission's efforts have been expanded to assist in the implementation of the new State initiatives already underway to improve the quality of life and safety of adult home residents. This includes the reallocation of existing CQC staff to create an Adult Homes Death Investigations Team.

### **SURROGATE DECISION MAKING COMMITTEE**

The Surrogate Decision Making Committee (SDMC) program reviews recommendations for medical services on behalf of individuals receiving mental hygiene residential services who have neither a legal guardian nor the ability to make decisions for themselves. Volunteer teams comprised of medical, legal and health care professionals and advocates work via local dispute resolution centers located throughout the State to represent these individuals.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	12,053,000	14,110,000	2,057,000	10,033,000
Aid To Localities	513,000	588,000	75,000	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>12,566,000</b>	<b>14,698,000</b>	<b>2,132,000</b>	<b>10,033,000</b>

# QUALITY OF CARE FOR THE MENTALLY DISABLED

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs	2004-05 Estimated FTEs	FTE Change
	03/31/04	03/31/05	
Administration			
General Fund	34	34	0
Special Revenue Funds - Other	30	30	0
Client Assistance			
Special Revenue Funds - Federal	2	2	0
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	1	1	0
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	9	9	0
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	3	3	0
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	11	11	0
Total	90	90	0

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	2,758,000	2,810,000	52,000
Special Revenue Funds - Federal	6,414,000	8,259,000	1,845,000
Special Revenue Funds - Other	2,861,000	3,021,000	160,000
Enterprise Funds	20,000	20,000	0
Total	12,053,000	14,110,000	2,057,000

# QUALITY OF CARE FOR THE MENTALLY DISABLED

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	2,758,000	2,810,000	52,000
Special Revenue Funds - Federal	400,000	300,000	(100,000)
Special Revenue Funds - Other	2,861,000	3,021,000	160,000
Enterprise Funds	20,000	20,000	0
Client Assistance			
Special Revenue Funds - Federal	727,000	1,000,000	273,000
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	446,000	403,000	(43,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	1,947,000	2,646,000	699,000
Protection and Advocacy Help America Vote Act			
Special Revenue Funds - Federal	0	37,000	37,000
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	1,080,000	1,480,000	400,000
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,719,000	2,049,000	330,000
Protection and Advocacy for Persons with Traumatic Brain Injury			
Special Revenue Funds - Federal	0	85,000	85,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	95,000	259,000	164,000
Total	<u>12,053,000</u>	<u>14,110,000</u>	<u>2,057,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,123,000	18,000	2,123,000	18,000
Total	<u>2,123,000</u>	<u>18,000</u>	<u>2,123,000</u>	<u>18,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	687,000	34,000	40,000	0
Total	<u>687,000</u>	<u>34,000</u>	<u>40,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	137,000	0	485,000	34,000
Total	<u>137,000</u>	<u>0</u>	<u>485,000</u>	<u>34,000</u>

Program	Equipment	
	Amount	Change
Administration	25,000	0
Total	<u>25,000</u>	<u>0</u>

# QUALITY OF CARE FOR THE MENTALLY DISABLED

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	3,341,000	60,000	1,808,000	48,000
Client Assistance	1,000,000	273,000	119,000	1,000
Protection and Advocacy for Beneficiaries of Social Security	403,000	(43,000)	56,000	2,000
Protection and Advocacy for the Developmentally Disabled	2,646,000	699,000	420,000	(46,000)
Protection and Advocacy Help America Vote Act	37,000	37,000	0	0
Protection and Advocacy for Individual Rights	1,480,000	400,000	154,000	2,000
Protection and Advocacy for the Mentally Ill	2,049,000	330,000	553,000	(29,000)
Protection and Advocacy for Persons with Traumatic Brain Injury	85,000	85,000	0	0
Technology Related Protection and Advocacy	259,000	164,000	0	0
Total	<u>11,300,000</u>	<u>2,005,000</u>	<u>3,110,000</u>	<u>(22,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,233,000	112,000	300,000	(100,000)
Client Assistance	881,000	272,000	0	0
Protection and Advocacy for Beneficiaries of Social Security	347,000	(45,000)	0	0
Protection and Advocacy for the Developmentally Disabled	2,226,000	745,000	0	0
Protection and Advocacy Help America Vote Act	37,000	37,000	0	0
Protection and Advocacy for Individual Rights	1,326,000	398,000	0	0
Protection and Advocacy for the Mentally Ill	1,496,000	359,000	0	0
Protection and Advocacy for Persons with Traumatic Brain Injury	85,000	85,000	0	0
Technology Related Protection and Advocacy	0	(95,000)	259,000	259,000
Total	<u>7,631,000</u>	<u>1,868,000</u>	<u>559,000</u>	<u>159,000</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	95,000	170,000	75,000
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>513,000</u>	<u>588,000</u>	<u>75,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Adult Homes			
General Fund	95,000	170,000	75,000
Surrogate Decision Making			
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>513,000</u>	<u>588,000</u>	<u>75,000</u>



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





# **ADIRONDACK PARK AGENCY**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

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

APA’s responsibilities are carried out by the following divisions: Planning, which handles local and regional land use policy issues; Counsel’s Office, which provides legal advice to all Agency functions and oversees jurisdictional determinations and enforcement functions; Regulatory, which performs the Agency’s permitting function; Interpretive, which operates the Visitor Centers; Resource Analysis, which conducts scientific research of the ecology of the Adirondacks; Economic Services, which assists project sponsors in the review process; and Local Government Services, which provides technical expertise and assistance to communities. For 2004-05, the APA will have a workforce of 59 positions.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Agency’s 2004-05 operating costs will be funded with State tax dollars and Federal grant moneys. The Executive Budget recommends funding of \$4.2 million in General Fund support for the Agency’s operations. This overall recommendation will support the Agency’s core regulatory functions and the operation of the Visitor Interpretive Centers at Newcomb and Paul Smith’s.

In addition, the Executive Budget recommends General Fund support of \$50,000 for the Adirondack Park Local Government Review Board. The Board advises and assists the APA in carrying out its responsibilities and monitors the implementation of the Adirondack Park Land Use and Development Plan.

## **PROGRAM HIGHLIGHTS**

Since 1995-96, the Agency has worked to achieve a balance between strong environmental protection and sustainable economic development opportunities for the residents of the Adirondack Park. The Agency’s priorities for the future include continued updating of the Agency’s rules and regulations, facilitating the development of land use plans by local governments, providing local governments with technical expertise and training,

# ADIRONDACK PARK

working toward completing Unit Management Plans for the State lands of the Adirondack Park and improving resource data base information to better protect the resources of the Adirondack Park.

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	5,077,000	4,177,000	(900,000)	1,902,000
Aid To Localities	50,000	50,000	0	0
Capital Projects	0	0	0	0
Total	5,127,000	4,227,000	(900,000)	1,902,000

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	59	59	0
Total	59	59	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	4,177,000	4,177,000	0
Special Revenue Funds - Federal	900,000	0	(900,000)
Total	5,077,000	4,177,000	(900,000)

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	4,177,000	4,177,000	0
Special Revenue Funds - Federal	900,000	0	(900,000)
Total	5,077,000	4,177,000	(900,000)

# ADIRONDACK PARK

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	3,675,000	0	3,531,800	0
Total	<u>3,675,000</u>	<u>0</u>	<u>3,531,800</u>	<u>0</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	139,500	0	3,700	0
Total	<u>139,500</u>	<u>0</u>	<u>3,700</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	502,000	0	110,000	0
Total	<u>502,000</u>	<u>0</u>	<u>110,000</u>	<u>0</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	60,000	0	292,000	0
Total	<u>60,000</u>	<u>0</u>	<u>292,000</u>	<u>0</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	40,000	0
Total	<u>40,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(900,000)	0	(900,000)
Total	<u>0</u>	<u>(900,000)</u>	<u>0</u>	<u>(900,000)</u>

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

<b>Fund Type</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2003-04</b>	<b>2004-05</b>	
General Fund	50,000	50,000	0
Total	<u>50,000</u>	<u>50,000</u>	<u>0</u>

# ADIRONDACK PARK

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	50,000	50,000	0
Total	<u>50,000</u>	<u>50,000</u>	<u>0</u>

# **DEPARTMENT OF AGRICULTURE AND MARKETS**

## **MISSION**

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York food and agricultural industry for the benefit of producers and consumers. Over the next year, the Department will continue to carry out its major responsibilities for encouraging the growth and economic health of the State's agricultural and food industry and conducting various inspections and testing programs to enforce laws on food safety, animal and plant health, and accuracy of labeling. The Department will also continue to act to preserve agricultural resources, improve soil and water quality and operate the annual State Fair in concert with the Industrial Exhibit Authority.

## **ORGANIZATION AND STAFFING**

The Department will have a workforce of 524 positions for fiscal year 2004-05. The Agency is headquartered in Albany and maintains four regional offices located in Buffalo, Syracuse, Rochester and Brooklyn. Approximately 23 percent of the Department of Agriculture and Markets' operating programs are funded by tax dollars in the General Fund and the remaining 77 percent are financed by fees and Federal grants.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends funding of more than \$144 million for the Department of Agriculture and Markets in 2004-05. The cost of operating the Department will be supported from a combination of funding sources:

- Tax dollars from the General Fund will provide \$25.4 million in 2004-05, or 23 percent of the Department's operating expenses;
- Fee revenues will produce \$58.9 million and support 54 percent of the Department's operating costs. These revenues include fees from activities such as licensing food processing operators, certifying weighing and measuring devices and operation of the State Fair; and
- Federal funding of \$24.9 million finances the remaining 23 percent of the Department's operations.

Continued funding of \$1.2 million will support the Department's efforts in the New York City region to locate and eradicate the Asian Longhorned Beetle, a pest which is deadly to hardwood trees. Recommendations also continue approximately \$4.2 million for 14 migrant child care centers. In addition, the Department will receive a suballocation from the Office of Children and Family Services' Federal funding to continue these child care activities.

Recommendations include \$1 million for capital projects to maintain, repair and rehabilitate the State Fair's 28 major buildings and other structures. The Executive Budget also recommends \$2 million for a capital special revenue fund to continue support for development of private partnerships at the State Fair. Funding from the Environmental Protection Fund is also provided for Soil and Water Conservation Districts, non-point source pollution control and farmland protection programs.

The Executive Budget recommends \$12.6 million from the General Fund for local assistance to continue programs which provide valuable services to the State's agricultural community. Included in these funds is \$1.2 million in continued resources to support agricultural economic development and farmland viability program activities. In addition, continued Federal appropriation authority will allow the Department to apply for Federal grants to fund Federal nutrition programs for senior citizens, animal health initiatives and food safety programs, including essential funding for the State Food Laboratory.

## **AGRICULTURE AND MARKETS**

### **PROGRAM HIGHLIGHTS**

The Agricultural Business Services program promotes the agricultural economy of the State and fosters the responsible use of resources to preserve agricultural land and the environment. These purposes are carried out through six divisions which:

- Inspect and test livestock, poultry and plants to control and eradicate diseases which can both cause severe economic losses for farmers and present a public health hazard;
- Oversee the activities of county soil and water conservation districts, direct the agricultural non-point source pollution control and farmland preservation grant programs, establish agricultural districts, administer agricultural product market orders and the Federal Farmers Market Nutrition Program for low-income families and collect and disseminate statistical agricultural information; and
- Exercise a variety of statutorily required activities involving the pricing and marketing of milk and milk products, and the licensing and bonding of milk and farm products dealers.

The Consumer Food Services program ensures that wholesome food products are sold to the consumer and that the industry and the public are protected from fraud, adulteration or malpractice in the production, processing, transportation and retailing of food and gasoline, and in the use of measuring devices. In carrying out these purposes, the program:

- Licenses and inspects over 28,000 businesses that produce, process, manufacture, or distribute food products, enforces labeling laws governing food represented as kosher and grades farm products;
- Inspects and tests dairy products to enforce laws pertaining to milk and milk product sanitation and guards against harmful or misrepresented food; and
- Certifies and calibrates weighing and measuring devices and oversees the testing of motor fuels under the Motor Fuel Quality and Clean Air programs.

### **STATE FAIR**

The Department and the Industrial Exhibit Authority together direct the New York State Fair and Fairgrounds, located in Syracuse. The Fairgrounds, a 365-acre complex, has 28 major exhibit buildings and 96 other structures. It is used for the annual 12-day State Fair, and its facilities are rented year-round for various shows and activities. The operating costs of the Fair and Fairgrounds are fully funded from admission, rental and concession fees. General Fund capital funding of \$1 million is included in the Budget to support costs of maintaining the Fair's facilities. In addition, a capital special revenue fund appropriation of \$2 million is recommended to allow the Fair to expand private partnerships and make capital improvements at the Fairgrounds.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	107,630,000	109,214,000	1,584,000	65,419,000
Aid To Localities	32,802,000	32,162,000	(640,000)	74,260,000
Capital Projects	2,600,000	3,000,000	400,000	2,400,000
Total	143,032,000	144,376,000	1,344,000	142,079,000

# AGRICULTURE AND MARKETS

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

Full-Time Equivalent Positions (FTE)			
Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	34	34	0
Agricultural Business Services			
General Fund	175	177	2
Special Revenue Funds - Federal	3	3	0
Special Revenue Funds - Other	48	48	0
Fiduciary Funds	7	7	0
Consumer Food Services			
General Fund	162	143	(19)
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	90	90	0
Total	541	524	(17)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	26,993,000	25,410,000	(1,583,000)
Special Revenue Funds - Federal	22,432,000	24,932,000	2,500,000
Special Revenue Funds - Other	36,735,000	37,070,000	335,000
Enterprise Funds	19,793,000	20,105,000	312,000
Fiduciary Funds	1,677,000	1,697,000	20,000
Total	107,630,000	109,214,000	1,584,000

Adjustments:	
Transfer(s) From	
Environmental Conservation, Department of General Fund	(2,028,000)
Appropriated 2003-04	105,602,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	4,391,000	4,434,000	43,000
Agricultural Business Services			
General Fund	13,648,000	12,970,000	(678,000)
Special Revenue Funds - Federal	16,812,000	18,812,000	2,000,000
Special Revenue Funds - Other	23,126,000	23,154,000	28,000
Fiduciary Funds	1,677,000	1,697,000	20,000
Consumer Food Services			
General Fund	8,954,000	8,006,000	(948,000)
Special Revenue Funds - Federal	5,620,000	6,120,000	500,000
Special Revenue Funds - Other	13,609,000	13,916,000	307,000
State Fair			
Enterprise Funds	19,793,000	20,105,000	312,000
Total	107,630,000	109,214,000	1,584,000



# AGRICULTURE AND MARKETS

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,332,000	43,000	2,332,000	157,000
Agricultural Business Services	8,838,000	(605,000)	8,540,000	(378,000)
Consumer Food Services	7,370,000	(818,000)	6,991,000	(818,000)
Total	18,540,000	(1,380,000)	17,863,000	(1,039,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	(104,000)	0	(10,000)
Agricultural Business Services	173,000	(227,000)	125,000	0
Consumer Food Services	115,000	0	264,000	0
Total	288,000	(331,000)	389,000	(10,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	2,102,000	0	0	(29,000)
Agricultural Business Services	4,132,000	(73,000)	273,000	0
Consumer Food Services	636,000	(130,000)	91,000	0
Total	6,870,000	(203,000)	364,000	(29,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	0	(33,000)	2,102,000	62,000
Agricultural Business Services	545,000	0	2,823,000	(73,000)
Consumer Food Services	148,000	(130,000)	166,000	0
Total	693,000	(163,000)	5,091,000	(11,000)

Program	Equipment	
	Amount	Change
Administration	0	0
Agricultural Business Services	491,000	0
Consumer Food Services	231,000	0
Total	722,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Agricultural Business Services	43,663,000	2,048,000	3,608,000	170,000
Consumer Food Services	20,036,000	807,000	6,639,000	80,000
State Fair	20,105,000	312,000	5,557,000	0
Total	83,804,000	3,167,000	15,804,000	250,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Agricultural Business Services	40,055,000	2,078,000	0	(200,000)
Consumer Food Services	13,397,000	727,000	0	0
State Fair	14,548,000	312,000	0	0
Total	68,000,000	3,117,000	0	(200,000)

# AGRICULTURE AND MARKETS

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	12,802,000	12,162,000	(640,000)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Total	<u>32,802,000</u>	<u>32,162,000</u>	<u>(640,000)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Agricultural Business Services			
General Fund	12,802,000	12,162,000	(640,000)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Total	<u>32,802,000</u>	<u>32,162,000</u>	<u>(640,000)</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
State Fair				
Capital Projects Fund	600,000	1,000,000	400,000	400,000
Misc. Capital Projects	2,000,000	2,000,000	0	2,000,000
Total	<u>2,600,000</u>	<u>3,000,000</u>	<u>400,000</u>	<u>2,400,000</u>



# ***DEPARTMENT OF ECONOMIC DEVELOPMENT***

## ***MISSION***

Together with the Empire State Development Corporation, the New York State Department of Economic Development:

- Advises the Governor and Legislature on all major economic development issues and decisions;
- Develops State economic development strategies;
- Provides technical and financial assistance to businesses through a network of regional offices; and
- Coordinates the efforts of other State agencies, authorities and organizations, as well as local governments, on actions which affect the State's economy.

## ***ORGANIZATION AND STAFFING***

State economic development programs are administered by the Department of Economic Development working in conjunction with the Empire State Development Corporation. The Department and Corporation are distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. In addition, the Department and Corporation work closely with the New York State Office of Science, Technology and Academic Research (NYSTAR), which was established in 1999 to foster technology-related job creation.

The Department of Economic Development will have a workforce of 219 in 2004-05. The Department's central office is in Albany, with ten regional offices located in Troy, Buffalo, Rochester, Syracuse, Utica, Binghamton, New Windsor, Plattsburgh, Hauppauge and New York City, and satellite offices in Watertown, Westchester/White Plains and Elmira.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

State tax dollars from the General Fund will finance 85.2 percent, or \$36.8 million, of the Department of Economic Development's \$43.2 million Budget in 2004-05. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I ♥ NY" logo, sale of advertising in the "I ♥ NY" Travel Guide and through seminars and programs run by the Department which directly offset the costs of these programs. Also included are Federal dollars used to help defense-dependent industries diversify into new markets, support recycling market development and to help small businesses comply with Clean Air Act mandates.

The 2004-05 Budget provides:

- \$11 million for "I ♥ NY" tourism advertising;
- \$4.8 million for local tourism matching grants;
- \$2.3 million for local administration of Empire Zones;
- \$1 million to attract international trade to New York State, and increase export sales to foreign countries;
- \$600,000 for economic development projects in the Catskill watershed; and
- \$400,000 to support visitor welcome centers in Beekmantown and Binghamton.

## ***ECONOMIC DEVELOPMENT***

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### ***PROGRAM HIGHLIGHTS***

#### ***MARKETING AND ADVERTISING***

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

#### ***INTERNATIONAL***

The International Trade program promotes exports from, and attracts foreign investment to, New York State. Based in New York City, this program manages the Department’s international offices in Montreal, Toronto, London and Tokyo, and contractual presences in several other countries. The program also coordinates State participation in trade shows and missions, compiles and disseminates trade leads and administers grants and seminars designed to encourage increased exporting.

#### ***EMPIRE ZONES***

The Empire Zones program benefits distressed areas suffering from high unemployment. Businesses located in a designated Zone may qualify for tax incentives and other economic development benefits designed to encourage business expansion and job creation. Fifty-two Empire Zones statewide were selected on a competitive basis prior to 2001. Zones are located in the following communities: Albany, Amsterdam, Auburn, Binghamton, Brookhaven, Brooklyn Navy Yard, Buffalo, Dunkirk, East New York, East Harlem, Elmira, Friendship, Fulton, Geneva, Gloversville, Griffiss Air Force Base, Hancock Air Force Base, Hunts Point, Islip, Jamestown, Kingston, Kirkwood, Lackawanna, Lowville/Martinsburg, Moriah/Port Henry, Niagara Falls, North Shore/Staten Island, Norwich, Ogdensburg, Olean/Allegany, Oswego, Plattsburgh, Plattsburgh Air Force Base, Port Morris, Potsdam, Poughkeepsie, Riverhead, Rochester, Rockaway, Rome, Schenectady, South Jamaica, Seneca Army Depot, Stewart Air Force Base, Sunset Park/Red Hook/Southwest Brooklyn, Syracuse, Tioga County, Troy, Utica, Watertown, Watervliet Arsenal and Yonkers. In addition, nine zones were designated in 2001 located in the Town of Tonawanda, Monroe County, Columbia County, Staten Island/West Shore, Sullivan County, Cortland County, the City of Hornell, Warren County and Saratoga County. An additional 11 zones were designated in 2002 in the City of Buffalo, Schuyler County, Mt. Vernon, Franklin County, Otsego County, Madison County, Washington County, Wayne County, Orleans County, Genesee County and Rensselaer County.

#### ***BUSINESS ASSISTANCE PROGRAMS***

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

**SMALL BUSINESS ASSISTANCE**

The Division for Small Business serves as an ombudsman for small business and also offers these enterprises training and technical assistance. In addition, the Department provides State and Federal procurement assistance to small business. The Division also operates the Clean Air Act Ombudsman Unit, which helps small business comply with these environmental regulations.

**LINKED DEPOSIT PROGRAM**

This joint public/private program enables companies to obtain loans from commercial banks at an interest rate that is 2 percent to 3 percent lower than the prevailing rate. The banks are compensated by deposits of State funds earning interest at comparably reduced rates. For 2004-05, up to \$350 million is available for this program.

**RECYCLING MARKET DEVELOPMENT PROGRAM**

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

**MINORITY AND WOMEN'S BUSINESS DEVELOPMENT**

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

**POLICY AND RESEARCH DIVISION**

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

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	30,204,900	35,099,900	4,895,000	5,324,000
Aid To Localities	9,077,000	8,077,000	(1,000,000)	15,730,200
Capital Projects	0	0	0	0
Total	39,281,900	43,176,900	3,895,000	21,054,200

# ***ECONOMIC DEVELOPMENT***

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

<b>Program</b>	<b>Full-Time Equivalent Positions (FTE)</b>		
	<b>2003-04</b>	<b>2004-05</b>	<b>FTE Change</b>
	<b>Estimated FTEs 03/31/04</b>	<b>Estimated FTEs 03/31/05</b>	
Administration			
General Fund	43	43	0
Special Revenue Funds - Other	8	8	0
Clean Air			
Special Revenue Funds - Other	5	5	0
Economic Development			
General Fund	127	127	0
Marketing and Advertising Program			
General Fund	35	35	0
Special Revenue Funds - Other	1	1	0
Total	<u>219</u>	<u>219</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	23,795,000	28,690,000	4,895,000
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	5,409,900	5,409,900	0
Total	<u>30,204,900</u>	<u>35,099,900</u>	<u>4,895,000</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	3,038,000	2,917,000	(121,000)
Special Revenue Funds - Other	1,739,900	1,739,900	0
Clean Air			
Special Revenue Funds - Other	500,000	500,000	0
Economic Development			
General Fund	12,779,000	12,285,000	(494,000)
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	1,170,000	1,170,000	0
Marketing and Advertising Program			
General Fund	7,978,000	13,488,000	5,510,000
Special Revenue Funds - Other	2,000,000	2,000,000	0
Total	<u>30,204,900</u>	<u>35,099,900</u>	<u>4,895,000</u>

## ECONOMIC DEVELOPMENT

### STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,110,000	0	2,083,774	0
Economic Development	7,979,000	0	7,950,530	0
Marketing and Advertising Program	1,770,000	0	1,756,682	0
Total	11,859,000	0	11,790,986	0

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	26,226	0
Economic Development	28,470	0
Marketing and Advertising Program	13,318	0
Total	68,014	0

### STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	807,000	(121,000)	68,388	(40,000)
Economic Development	4,306,000	(494,000)	79,963	(50,000)
Marketing and Advertising Program	11,718,000	5,510,000	33,895	(20,000)
Total	16,831,000	4,895,000	182,246	(110,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	32,962	(8,000)	692,282	(70,000)
Economic Development	222,239	(62,000)	2,911,646	(352,000)
Marketing and Advertising Program	52,959	(15,000)	615,420	(70,000)
Total	308,160	(85,000)	4,219,348	(492,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	13,368	(3,000)	0	0
Economic Development	92,152	(30,000)	1,000,000	0
Marketing and Advertising Program	726	0	11,015,000	5,615,000
Total	106,246	(33,000)	12,015,000	5,615,000

### STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,739,900	0	487,100	0
Clean Air	500,000	0	195,000	0
Economic Development	2,170,000	0	0	0
Marketing and Advertising Program	2,000,000	0	70,000	0
Total	6,409,900	0	752,100	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,252,800	0	0	0
Clean Air	305,000	0	0	0
Economic Development	2,100,000	0	70,000	0
Marketing and Advertising Program	1,930,000	0	0	0
Total	5,587,800	0	70,000	0



# **ECONOMIC DEVELOPMENT**

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	9,077,000	8,077,000	(1,000,000)
Total	<u>9,077,000</u>	<u>8,077,000</u>	<u>(1,000,000)</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Economic Development			
General Fund	2,900,000	2,900,000	0
Marketing and Advertising Program			
General Fund	6,177,000	5,177,000	(1,000,000)
Total	<u>9,077,000</u>	<u>8,077,000</u>	<u>(1,000,000)</u>

# ***EMPIRE STATE DEVELOPMENT CORPORATION***

## ***MISSION***

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

## ***ECONOMIC AND REAL ESTATE DEVELOPMENT***

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

## ***STATE FACILITY FINANCING***

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

## ***HOUSING PORTFOLIO MAINTENANCE***

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

## ***PRIVATIZATION INITIATIVES***

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

## ***ORGANIZATION AND STAFFING***

State economic development programs are administered by the Empire State Development Corporation working in conjunction with the Department of Economic Development. The Corporation and Department are distinct entities, but both are headed by the Commissioner of Economic Development and share senior managers. In addition, the Corporation and Department work closely with the New York State Office of Science, Technology and Academic Research (NYSTAR), which was established in 1999 to foster technology-related job creation. The Corporation will have a workforce of 255 in 2004-05. From the Corporation's central office in New York City, a Chief Operating Officer is responsible for day-to-day operations. The Corporation and Department of Economic Development share 10 regional offices and 3 satellite offices.

## ***EMPIRE STATE DEVELOPMENT***

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### ***OVERSIGHT***

The Corporation is governed by a 9 member Board of Directors comprising 2 ex-officio members and 7 members appointed by the Governor with the consent of the Senate. The Chair of the Empire State Development Corporation Board is selected by the Governor and also serves as the Commissioner of Economic Development. Board members serve without compensation.

### ***SUBSIDIARIES***

The Corporation's Board of Directors is authorized to create subsidiaries to manage specific projects or economic development activities. Subsidiaries have been established to: (1) oversee revitalization of Lower Manhattan in the wake of September 11; (2) formulate policies and initiatives to promote economic growth in Harlem; (3) redevelop Times Square, including the condemnation and acquisition of blighted properties and recruitment of prospective tenants; (4) plan and oversee a mixed-use development on 74.5 acres on the East River in Queens County; (5) redevelop the U.S. Postal Service facility, known as the Farley Building, in connection with the New York City Amtrak Train Station Redevelopment project; and (6) promote economic development and tourism and leverage private investment in Niagara Falls.

### ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

- In 2004-05, the Empire State Development Corporation's activities will be funded through a combination of State General Fund appropriations and corporate revenues generated by Corporation-owned residential and non-residential properties and by its financing programs. The Corporation's operating budget will be entirely supported by corporate funds;
- The Executive Budget will provide \$78.4 million in support for economic development initiatives, including: the JOBS NOW program for large-scale projects which will create new jobs; the Empire State Economic Development Fund for projects that create or retain jobs; the Urban and Community Development and Minority - and Women-Owned Business Development and Lending programs; the retention of professional football in western New York; and military base retention and redevelopment initiatives;
- The Executive Budget will also include \$250 million for priority high-technology and economic development initiatives, and a new \$10 million Power for Jobs rebate program to extend the value of low-cost power through March 31, 2005 to businesses whose benefits would expire in the 2004-05 State fiscal year;
- Billions of dollars in development assistance, as well as substantial tax incentives, will remain available from the Federal government for redevelopment of Lower Manhattan and New York City in the wake of September 11;
- In conjunction with the Dormitory Authority, the Corporation will continue to finance and administer the \$1.2 billion Centers of Excellence/Empire Opportunity Fund/Gen\*NY\*sis/RESTORE Program; and
- \$10 million in Port Authority of New York and New Jersey Regional Development funds will be available to support projects in the Upper Manhattan/South Bronx Empowerment Zone.

### ***PROGRAM HIGHLIGHTS***

The Empire State Development Corporation administers economic development programs which:

## EMPIRE STATE DEVELOPMENT

- Provide low-cost loans and grants to businesses to help cover the cost of machinery and equipment purchases, factory improvements, training and business incubator development;
- Provide financial assistance for projects ranging from development of or improvements to commercial or retail facilities, tourism destinations, child care facilities, and commercial centers;
- Assist minority- and women-owned businesses, including programs administered in cooperation with local development organizations and community-based financial institutions;
- Provide funding for the economic development initiatives in distressed urban communities; and
- Provide funding for military base retention and redevelopment efforts.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	0	0	0	0
Aid To Localities	75,362,100	88,362,100	13,000,000	171,397,100
Capital Projects	0	250,000,000	250,000,000	490,050,000
Total	<u>75,362,100</u>	<u>338,362,100</u>	<u>263,000,000</u>	<u>661,447,100</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	75,362,100	78,362,100	3,000,000
Special Revenue Funds - Other	0	10,000,000	10,000,000
Total	<u>75,362,100</u>	<u>88,362,100</u>	<u>13,000,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Economic Development			
General Fund	75,358,000	78,358,000	3,000,000
Special Revenue Funds - Other	0	10,000,000	10,000,000
Payments to Municipalities			
General Fund	4,100	4,100	0
Total	<u>75,362,100</u>	<u>88,362,100</u>	<u>13,000,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Regional Development				
Capital Projects Fund - Authority Bonds	0	0	0	425,000,000
Economic Development				
Capital Projects Fund - Authority Bonds	0	250,000,000	250,000,000	65,050,000
Total	<u>0</u>	<u>250,000,000</u>	<u>250,000,000</u>	<u>490,050,000</u>



# **ENERGY RESEARCH AND DEVELOPMENT AUTHORITY**

## **MISSION**

The New York State Energy Research and Development Authority (NYSERDA) was established in 1975 to develop and implement new energy technologies, focusing on renewable energy sources and energy conservation.

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

The Authority also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park (STEP) in Saratoga County. Currently, NYSERDA has three clean-energy technology companies located at STEP, the Building Performance Institute (BPI), Advanced Energy Conversion and Starfire Systems. NYSERDA is continuing to work toward bringing other clean-energy technology companies to STEP.

## **ORGANIZATION AND STAFFING**

The Energy Research and Development Authority is headed by a 13-member board, consisting of 9 members nominated by the Governor with the consent of the Senate and 4 ex-officio members, which include the commissioners of the departments of Transportation and Environmental Conservation, and the chairs of the Public Service Commission and the Power Authority of the State of New York. All board members serve without compensation.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Energy Research and Development Authority is partially funded by assessments on State public utility gross intrastate operating receipts. The 2004-05 Budget recommends approximately \$14.7 million in appropriations for the Authority's energy, research and development programs and \$11.35 million for ongoing work at West Valley.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	14,656,000	14,656,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	13,367,000	11,467,000	(1,900,000)	0
Total	28,023,000	26,123,000	(1,900,000)	0

# ENERGY RESEARCH AND DEVELOPMENT

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>14,656,000</u>	<u>0</u>

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Research, Development and Demonstration			
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>14,656,000</u>	<u>0</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Research, Development and Demonstration	14,656,000	0	14,656,000	0
Total	<u>14,656,000</u>	<u>0</u>	<u>14,656,000</u>	<u>0</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations 2004-05</u>
Western New York Nuclear Service Center Program				
Capital Projects Fund - Authority Bonds	13,250,000	11,350,000	(1,900,000)	0
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	117,000	117,000	0	0
Total	<u>13,367,000</u>	<u>11,467,000</u>	<u>(1,900,000)</u>	<u>0</u>

# **DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

## **MISSION**

The Department of Environmental Conservation is responsible for conserving, improving and protecting the State's natural resources and environment. The Department also works to control water, land and air pollution in order to enhance the health, safety and welfare of all New Yorkers. In addition, the Department plays a major role in the continued implementation of the \$1.75 billion Clean Water/Clean Air Bond Act, which was overwhelmingly approved by the voters in 1996.

## **ORGANIZATION AND STAFFING**

The Department is headed by a Commissioner appointed by the Governor. The Department's Central Office is in Albany, with regional offices in Avon, Buffalo, Long Island City, New Paltz, Ray Brook, Schenectady, Stony Brook, Syracuse, and Watertown. These regional offices are the operational arms of the Department. Staff in the regional offices review and issue environmental permits for activities regulated by the Department such as the operation of landfills and sewage treatment plants. In addition, these offices ensure compliance with State and Federal environmental statutes, consistent with policy and management direction from program divisions in the Central Office.

The Department will have a workforce of 3,345 positions in fiscal year 2004-05. Approximately 33.5 percent of these positions are paid by State tax dollars; 51 percent are supported by State fees and other revenues and the remaining 15.5 percent are financed by Federal grants.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommends funding of more than \$973 million for the Department of Environmental Conservation, including \$99.7 million in General Fund support. This recommendation will support the Department's core mission and ensure funding for ongoing priority projects.

General Fund appropriations will finance 24 percent of the Department of Environmental Conservation's operations in 2004-05. Fees and license revenues will support 56 percent, including the major permitting functions, the hazardous substances bulk storage and oil spill programs, and the hazardous waste remedial and enforcement programs. Federal funds will support the remaining 20 percent of the Department's Budget.

The Environmental Protection Fund (EPF) will provide dedicated resources of \$125 million to support environmental programs, including open space protection, farmland preservation, recycling programs, non-point source pollution control projects, municipal park and waterfront revitalization projects and the restoration and preservation of historic barns. The Fund is supported primarily by revenues from the real estate transfer tax (\$112 million) as well as by the sale/lease of State property and by Fund interest earnings. Due to the long lead-time required to complete typical projects financed by this Fund and the constant source of revenue deposited to it, a fund balance tends to accrue in the EPF. A transfer of \$33.6 million was included in the 2003 enacted budget. In 2004-05 an additional \$10 million is available and recommended for transfer to the State's General Fund. This transfer will have no program impact whatsoever on current or future EPF project commitments, based on current and anticipated spending levels.

The voter-approved Clean Water/Clean Air Bond Act authorizes \$1.75 billion for critical environmental programs in the following categories: Safe Drinking Water Program (\$355 million); Clean Water Program (\$790 million); Solid Waste Projects (\$175 million); Air Quality Projects (\$230 million); and Environmental Restoration Projects (\$200 million).



## **ENVIRONMENTAL CONSERVATION**

The Clean Air Fund will continue to provide the resources needed to meet the State's obligations under the Federal Clean Air Act to control stationary and mobile sources of air pollution. The Fund is supported by vehicle emission inspection fees and fees on regulated pollutants emitted by factories, power plants and other stationary source facilities.

General Fund appropriations will support the preservation and maintenance of the State's dams, bridges, regional facilities, maintenance centers and the 20 percent match required for Federal grants provided through the Clean Water State Revolving Fund. Since 1992-93, the cost of the State match has been reimbursed by proceeds from the sale of bonds issued by the Environmental Facilities Corporation. Principal and interest on the bonds are paid from State taxes.

The Budget also recommends increases in fees charged for the regulation of the discharge of stormwater run-off into New York State waters associated with construction activities, and for fees to regulate the discharge of air pollutants. Recommendations also include an increase to \$45 for registration fees for all terrain vehicles (ATVs) to provide funding for trail development and related maintenance and law enforcement activities. These fee increases will offset the Department's increased costs of oversight in these areas and provide General Fund relief.

The 2004-05 Executive Budget provides more than \$973 million to support the Department's critical environmental, resource management and recreation programs, including:

- \$135 million to support the refinanced Superfund program to continue the clean up of inactive hazardous waste sites and to address hazardous substance sites. Recommendations also include \$233.8 million in reappropriated funds from the 1986 Environmental Quality Bond Act to continue work already underway for existing Superfund sites;
- \$125 million in new funding from the EPF to provide resources to address such high priority programs as open space preservation, continued implementation of the Hudson River Estuary Management Plan, stewardship and capital infrastructure projects at State parks and lands, development of the Hudson River Park and the restoration and preservation of historic barns. Other projects funded by the EPF in 2004-05 will include: local solid waste reduction/recycling and marketing of recycled materials; local parks and historic preservation grants; living museums support; local waterfront revitalization projects; environmental justice initiatives; non-point source water pollution control projects; farmland protection; the operation of the Pesticide Sales and Use Database as well as breast cancer/environmental risks studies at Cornell University; the Albany Pine Bush Commission; biodiversity stewardship; Long Island Pine Barrens/South Shore Estuary Reserve planning; DEC Environmental infrastructure projects; funding for Zoos, Botanical Gardens and Aquaria; and urban forestry projects;
- The total 1996 Clean Water/Clean Air Bond Act authorization of \$1.75 billion has been appropriated. However, the Executive Budget includes \$125 million in continued Bond Act disbursements in 2004-05 for Critical Water Quality, Air, Solid Waste, Brownfield and Safe Drinking Water Projects;
- \$14.8 million in new and redirected funds from the 1965 Pure Waters Bond Act and the 1972 Environmental Quality Bond Act to support the Long Island Sound Comprehensive Conservation Management Plan and upstate community wastewater treatment projects and State facility water quality projects.
- \$18 million in new appropriations to support the abatement of illegal waste tire piles and the development of new markets for waste tires under the Waste Tire Management and Recycling Act of 2003;
- \$5.1 million from taxpayer monies to implement the New York City Watershed Agreement. These funds will support State enforcement and monitoring efforts in the Watershed and the provision of technical assistance to participating Watershed communities;

## ***ENVIRONMENTAL CONSERVATION***

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- \$173.4 million in new State and Federal funds for the Clean Water State Revolving Fund low-interest loan program to build and rehabilitate municipal sewage treatment facilities;
- \$10 million for the remediation of Onondaga Lake;
- \$52.4 million to support the programs of the Conservation Fund;
- \$30.6 million in new funding for basic capital infrastructure projects to ensure health, safety and compliance with State and Federal laws and environmental requirements, including \$1.8 million for the State share of Federal flood control feasibility studies; rehabilitation and maintenance of flood control structures, and flood plain mapping.
- \$31.2 million in non-General Fund support for the State's Clean Air programs. New programs were begun in 1997-98 to control pollution from automobiles and to establish new consolidated permits for major stationary sources of air pollution and in 1999-2000, to control air pollution from heavy-duty vehicles; and
- \$420 million to support the operations of the Department, including a workforce of 3,345 positions.

### ***PROGRAM HIGHLIGHTS***

Under both State and Federal law, the Department carries out a wide range of environmental, regulatory, remedial, resource management, outdoor recreation and education programs. These include the protection and management of the State's air, water, mineral and energy resources, as well as the management of both solid and hazardous waste. In this regard, the Department has undertaken expanded responsibilities as part of the State's Homeland Security effort including air and water toxic assessments, hazardous materials monitoring, water infrastructure monitoring and security and other activities to protect public health and safety.

Since 1995-96, the Department has restructured its operations to eliminate redundant management layers and refocused its attention on those activities that present the greatest environmental risk. Additionally, the regulatory process for issuing environmental permits has been streamlined to simplify requirements while still ensuring that environmental standards are maintained and the State's natural resources are protected.

The Department's functions can be divided into the following categories: Natural Resources, Environmental Quality/Remediation and Environmental Enforcement and Regulation.

### ***NATURAL RESOURCES***

In addition to its responsibility to protect the State's fish, wildlife and marine resources and habitats, the Fish, Wildlife and Marine program also manages 200,000 acres of Wildlife Management Area Lands, the operation of 12 fish hatcheries, one game farm and 332 boat launching and fishing access sites. The primary source of funding for this program is sporting license fees (approximately \$40 million annually) deposited to the Conservation Fund.

The Lands and Forests program manages the more than 4 million acres of State land under the Department's jurisdiction, including nearly 3 million acres of State-owned land within the Adirondack and Catskill parks and 290,000 acres of conservation easements. Revenues from the sale of forest products from State lands help offset program costs. The State Forest Ranger force is charged with firefighting, search and rescue and enforcing rules, regulations and laws on State land.

The Mineral Resources program regulates more than 12,000 active oil and gas wells and oversees the mined land reclamation program. This program is focused on returning land used for mining to a productive use and also performs technical and environmental reviews of new and existing mined lands.

The Water program protects and conserves the State's water resources which include 52,337 miles of rivers, 7,849 lakes, 2.4 million acres of fresh water wetlands and 25,000 acres of tidal wetlands.

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The Department also operates 52 campgrounds and 25 day-use areas within the Adirondack and Catskill parks, as well as the Belleayre Mountain Ski Center. These recreational facilities serve approximately 2 million visits annually, generating over \$10 million in revenue and greatly increasing tourist trade to their host communities. Camping and skiing user fees are intended to fully support facility operations.

## **ENVIRONMENTAL QUALITY/REMEDATION**

The 1988 Solid Waste Management Act established the State's policies for the management of solid waste, identifying reduction and recycling as the preferred options. The Act required municipalities to implement source separation programs and to prepare Local Solid Waste Management Plans. Also in 1988, the Department of Environmental Conservation established requirements for the construction and operation of solid waste management facilities, such as landfills. Local governments must meet those requirements before the Department will grant an operating permit.

The 1990 amendments to the Federal Clean Air Act imposed sweeping new mandates on the State. While the cost of complying with the Act is significant, the cost of non-compliance would be equally severe. If the Federal Environmental Protection Agency determines that there is a deficiency in New York's clean air programs, then it must apply sanctions if the deficiency is not corrected within 18 months. Sanctions include the withholding of Federal highway funds and the requirement of a 2-for-1 air pollution emissions offset for new or modified sources of emissions in areas that do not meet Federal air quality standards. The sanction would result in a virtual ban on industrial expansion and would place New York at a severe economic disadvantage with other states.

New York has taken steps to implement a comprehensive stationary source air permit program, a small business assistance program and programs to reduce vehicular emissions and inspect vehicle emission systems — all Federal requirements. In 1997-98, the State began implementing a decentralized vehicle emission testing system mandated by the Federal Clean Air Act. New York's system is more convenient and less costly to motorists than other federally-approved testing systems, while still reducing air pollution. This decentralized and simpler testing program allows motorists to visit their local automotive service stations to have emissions inspections performed. In addition, the Heavy Duty Inspection and Maintenance Program, which is supported by registration fees, inspects on-road heavy duty diesel vehicles for conformance with emission requirements.

In 2003 DEC finalized regulations implementing the most aggressive Acid Rain controls on emissions of sulfur dioxide and nitrogen oxide in the country.

In addition, DEC will initiate or complete other actions to address serious air pollution problems. New York will continue to keep pace with California and adopt additional regulations to further control vehicle emissions as a result of changes in the low emission vehicle program. Equipment used in the reconstruction of lower Manhattan will use low sulfur diesel fuel and will be equipped with emission controls. The retrofit of all MTA buses with diesel emission controls will also be completed. In 2004 DEC will continue to identify those areas of the state that do not meet the new Federal air quality levels for the new 8-hour ozone and PM 2.5 standards, and will begin the process of drafting State Implementation Plans for non-attainment areas.

The 1986 Environmental Quality Bond Act — commonly known as the State Superfund — made \$1.1 billion available for inactive hazardous waste cleanups, allowing the Department to embark on one of the most ambitious remedial programs in the nation. In response to New York's actions, responsible parties have committed more than \$3.4 billion for the investigation and remediation of identified inactive hazardous waste sites. This is in addition to the \$1.1 billion in Bond Act funds committed to investigate and remediate 985 toxic waste sites.

Under Governor Pataki's leadership, comprehensive Superfund refinance and reform legislation was enacted in 2003. This legislation refinances and reforms the State's Superfund Program and creates a new State Brownfields Cleanup Program to encourage private investment and job creation through liability reform, tax incentives, and a predictable

## **ENVIRONMENTAL CONSERVATION**

process for cleaning up and redeveloping brownfields. The legislation also improves the municipal Environmental Restoration Program funded through the 1996 Clean Water/Clean Air Bond Act to encourage even more municipal participation, while providing liability reform for the State Superfund Program and Oil Spill Program. In addition, the legislation establishes a Brownfield Opportunity Area Grant Program to assist municipalities and community-based organizations in strategically planning the redevelopment of brownfields within targeted urban areas.

### **ENVIRONMENTAL ENFORCEMENT AND REGULATION**

An additional responsibility the Department of Environmental Conservation undertakes is to enforce and regulate a myriad of activities undertaken by businesses, local governments and individuals that can have an impact on the environment and the State's natural resources.

The Department carries out this responsibility through a variety of regulatory and permitting processes and through ongoing communication with those subject to environmental laws and regulations to ensure that such requirements are understood. In addition, the Department's Environmental Conservation Officers work closely with other staff to ensure that environmental laws and regulations are enforced.

Over the last six years, the Department has enhanced and improved its overall regulatory and enforcement capabilities, including the coordination of enforcement and inspection programs at each of its regional offices. The Department will continue to review its regulatory practices to streamline procedures and eliminate unnecessary requirements, while still ensuring that strict environmental standards are maintained.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	406,057,800	419,999,900	13,942,100	271,396,100
Aid To Localities	1,618,000	5,770,800	4,152,800	4,406,000
Capital Projects	375,154,000	547,652,000	172,498,000	3,413,074,000
Total	<u>782,829,800</u>	<u>973,422,700</u>	<u>190,592,900</u>	<u>3,688,876,100</u>

# ENVIRONMENTAL CONSERVATION

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

Full-Time Equivalent Positions (FTE)			
Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	113	113	0
Special Revenue Funds - Federal	147	147	0
Special Revenue Funds - Other	20	20	0
Air and Water Quality Management			
General Fund	103	103	0
Special Revenue Funds - Federal	221	205	(16)
Special Revenue Funds - Other	390	390	0
Clean Water/Clean Air Administration Program			
Capital Projects Funds - Other	24	24	0
Environmental Enforcement			
General Fund	213	213	0
Special Revenue Funds - Other	304	308	4
Fish, Wildlife and Marine Resources			
General Fund	59	59	0
Special Revenue Funds - Federal	72	72	0
Special Revenue Funds - Other	258	258	0
Forest and Land Resources			
General Fund	212	212	0
Special Revenue Funds - Federal	11	11	0
Special Revenue Funds - Other	133	133	0
Operations			
General Fund	308	304	(4)
Special Revenue Funds - Other	66	66	0
Rehabilitation and Improvement			
Capital Projects Funds - Other	48	48	0
Solid and Hazardous Waste Management			
General Fund	116	116	0
Special Revenue Funds - Federal	60	60	0
Special Revenue Funds - Other	156	156	0
Capital Projects Funds - Federal	22	22	0
Capital Projects Funds - Other	270	305	35
Total	3,326	3,345	19

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	102,128,000	99,653,900	(2,474,100)
Special Revenue Funds - Federal	86,928,000	83,018,000	(3,910,000)
Special Revenue Funds - Other	216,956,800	237,283,000	20,326,200
Internal Service Funds	45,000	45,000	0
Total	406,057,800	419,999,900	13,942,100

Adjustments:

Transfer(s) To

Agriculture and Markets, Department of General Fund	2,028,000
Parks, Recreation and Historic Preservation, Office of General Fund	56,000
Appropriated 2003-04	408,141,800

# ENVIRONMENTAL CONSERVATION

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	9,517,000	9,589,000	72,000
Special Revenue Funds - Federal	13,350,000	11,128,000	(2,222,000)
Special Revenue Funds - Other	2,551,000	2,721,000	170,000
Internal Service Funds	45,000	45,000	0
Air and Water Quality Management			
General Fund	9,028,000	9,107,000	79,000
Special Revenue Funds - Federal	23,606,000	24,622,000	1,016,000
Special Revenue Funds - Other	73,502,000	76,800,000	3,298,000
Air Resources			
Special Revenue Funds - Federal	8,440,000	8,000,000	(440,000)
Construction Management			
Special Revenue Funds - Federal	5,662,000	4,468,000	(1,194,000)
Environmental Enforcement			
General Fund	20,226,000	19,065,200	(1,160,800)
Special Revenue Funds - Other	32,330,300	35,384,000	3,053,700
Fish, Wildlife and Marine Resources			
General Fund	8,649,000	7,764,700	(884,300)
Special Revenue Funds - Federal	21,800,000	23,000,000	1,200,000
Special Revenue Funds - Other	31,866,000	33,098,000	1,232,000
Forest and Land Resources			
General Fund	16,368,000	16,441,000	73,000
Special Revenue Funds - Federal	6,926,000	5,000,000	(1,926,000)
Special Revenue Funds - Other	22,247,500	23,146,000	898,500
Operations			
General Fund	29,054,000	28,319,000	(735,000)
Special Revenue Funds - Other	13,220,000	14,538,000	1,318,000
Solid and Hazardous Waste Management			
General Fund	9,286,000	9,368,000	82,000
Special Revenue Funds - Federal	7,144,000	6,800,000	(344,000)
Special Revenue Funds - Other	41,240,000	51,596,000	10,356,000
Total	<u>406,057,800</u>	<u>419,999,900</u>	<u>13,942,100</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	7,959,000	72,000	7,376,500	74,500
Air and Water Quality Management	8,028,000	79,000	7,911,600	81,600
Environmental Enforcement	12,818,200	(1,179,800)	10,242,000	(1,040,000)
Fish, Wildlife and Marine Resources	4,902,700	315,700	4,631,400	317,400
Forest and Land Resources	14,963,000	73,000	13,832,000	358,000
Operations	16,098,000	145,000	14,903,000	151,000
Solid and Hazardous Waste Management	9,099,000	82,000	8,886,000	88,000
Total	<u>73,867,900</u>	<u>(413,100)</u>	<u>67,782,500</u>	<u>30,500</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	546,000	0	36,500	(2,500)
Air and Water Quality Management	79,000	0	37,400	(2,600)
Environmental Enforcement	0	0	2,576,200	(139,800)
Fish, Wildlife and Marine Resources	241,000	0	30,300	(1,700)
Forest and Land Resources	130,200	(242,800)	1,000,800	(42,200)
Operations	1,100,000	0	95,000	(6,000)
Solid and Hazardous Waste Management	110,000	0	103,000	(6,000)
Total	<u>2,206,200</u>	<u>(242,800)</u>	<u>3,879,200</u>	<u>(200,800)</u>

# ENVIRONMENTAL CONSERVATION

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,630,000	0	337,000	0
Air and Water Quality Management	1,079,000	0	380,000	0
Environmental Enforcement	6,247,000	19,000	659,000	0
Fish, Wildlife and Marine Resources	2,862,000	(1,200,000)	751,000	0
Forest and Land Resources	1,478,000	0	983,000	0
Operations	12,221,000	(880,000)	1,808,000	0
Solid and Hazardous Waste Management	269,000	0	49,000	0
Total	25,786,000	(2,061,000)	4,967,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	37,000	0	1,238,000	0
Air and Water Quality Management	84,000	0	456,000	0
Environmental Enforcement	37,000	0	443,000	0
Fish, Wildlife and Marine Resources	16,000	0	2,053,000	(1,166,000)
Forest and Land Resources	71,000	0	322,000	0
Operations	1,986,000	408,000	7,758,000	(1,288,000)
Solid and Hazardous Waste Management	20,000	0	198,000	0
Total	2,251,000	408,000	12,468,000	(2,454,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	18,000	0	0	0
Air and Water Quality Management	159,000	0	0	0
Environmental Enforcement	30,000	0	5,078,000	19,000
Fish, Wildlife and Marine Resources	42,000	(34,000)	0	0
Forest and Land Resources	102,000	0	0	0
Operations	669,000	0	0	0
Solid and Hazardous Waste Management	2,000	0	0	0
Total	1,022,000	(34,000)	5,078,000	19,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	13,894,000	(2,052,000)	7,872,000	(1,957,000)
Air and Water Quality Management	101,422,000	4,314,000	33,709,000	(1,184,000)
Air Resources	8,000,000	(440,000)	3,650,000	(770,000)
Construction Management	4,468,000	(1,194,000)	2,400,000	(1,040,000)
Environmental Enforcement	35,384,000	3,053,700	20,052,800	1,443,800
Fish, Wildlife and Marine Resources	56,098,000	2,432,000	23,115,000	436,000
Forest and Land Resources	28,146,000	(1,027,500)	14,935,000	144,000
Operations	14,538,000	1,318,000	2,948,000	29,000
Solid and Hazardous Waste Management	58,396,000	10,012,000	9,010,000	(467,000)
Total	320,346,000	16,416,200	117,691,800	(3,365,200)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	6,022,000	(95,000)	0	0
Air and Water Quality Management	41,003,000	5,498,000	26,710,000	0
Air Resources	4,350,000	330,000	0	0
Construction Management	2,068,000	(154,000)	0	0
Environmental Enforcement	14,831,200	1,609,900	500,000	0
Fish, Wildlife and Marine Resources	29,882,000	2,061,000	3,101,000	(65,000)
Forest and Land Resources	11,911,000	(1,271,500)	1,300,000	100,000
Operations	11,426,000	1,153,000	164,000	136,000
Solid and Hazardous Waste Management	9,803,000	604,000	39,583,000	9,875,000
Total	131,296,200	9,735,400	71,358,000	10,046,000

# ENVIRONMENTAL CONSERVATION

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	1,618,000	5,770,800	4,152,800
Total	<u>1,618,000</u>	<u>5,770,800</u>	<u>4,152,800</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	11,000	13,800	2,800
Air and Water Quality Management			
General Fund	1,157,000	1,157,000	0
Forest and Land Resources			
General Fund	0	4,150,000	4,150,000
Solid and Hazardous Waste Management			
General Fund	450,000	450,000	0
Total	<u>1,618,000</u>	<u>5,770,800</u>	<u>4,152,800</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	0	0	0	14,000
Marine Resources				
Capital Projects Fund	0	0	0	124,000
Federal Capital Projects Fund	3,000,000	3,750,000	750,000	12,211,000
Air Resources - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	0	0	10,299,000
Environmental Quality Bond Act Fund				
Environmental Quality Bond Act Fund - 1986	0	0	0	259,233,000
State Air Quality Projects				
Capital Projects Fund - EQBA (Bondable)	0	0	0	1,112,000
Water Resources - PWBA				
Capital Projects Fund - PWBA (Bondable)	8,168,000	14,467,000	6,299,000	17,948,000
Solid Waste Management				
Capital Projects Fund	845,000	845,000	0	2,385,000
Capital Projects Fund - Advances	0	0	0	1,356,000
Federal Capital Projects Fund	0	10,000,000	10,000,000	36,722,000
Environmental Protection and Enhancements				
Environmental Protection Fund	0	0	0	95,203,000
Environment and Recreation				
Environmental Protection Fund	125,000,000	125,000,000	0	367,380,000
Fish and Wildlife				
Capital Projects Fund	1,300,000	1,300,000	0	2,246,000
Federal Capital Projects Fund	400,000	600,000	200,000	7,989,000
Hudson River Habitat Restor. Fund	0	0	0	351,000
Lands and Forests				
Capital Projects Fund	1,675,000	1,350,000	(325,000)	18,434,000
Federal Capital Projects Fund	2,500,000	1,300,000	(1,200,000)	2,500,000
Forest Preserve Expansion Fund	0	0	0	115,000
Water Resources - EQBA				
Capital Projects Fund - EQBA (Bondable)	991,000	327,000	(664,000)	9,576,000
Air Resources				
Capital Projects Fund	0	0	0	989,000
Clean Air Fund	0	0	0	11,384,000
Administration				
Capital Projects Fund	1,000,000	4,025,000	3,025,000	2,396,000
Federal Capital Projects Fund	0	0	0	175,000
Enterprise Fund	0	0	0	175,000



# **ENVIRONMENTAL CONSERVATION**

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Lands and Forests - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	0	0	640,000
Environmental Quality Protection Bond Fund				
Environmental Quality Protection Bond Fund	0	0	0	42,910,000
Clean Water/Clean Air Bond Fund				
Clean Water - Clean Air Bond Fund	0	0	0	751,735,000
Pure Waters Bond Fund				
Pure Waters Bond Fund	0	0	0	33,752,000
Recreation				
Capital Projects Fund	2,500,000	2,500,000	0	3,957,000
Solid Waste Management - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	0	0	17,614,000
Operations				
Capital Projects Fund	15,264,000	14,740,000	(524,000)	43,280,000
Capital Projects Fund - Authority Bonds	11,000,000	10,729,000	(271,000)	11,000,000
Natural Resource Damages Fund	0	0	0	9,706,000
Financial Security Fund	0	0	0	1,835,000
Water Resources				
Capital Projects Fund	7,045,000	3,334,000	(3,711,000)	53,498,000
Capital Projects Fund - Advances	895,000	0	(895,000)	18,778,000
Capital Projects Fund - Authority Bonds	40,174,000	38,893,000	(1,281,000)	81,895,000
Federal Capital Projects Fund	150,870,000	144,464,000	(6,406,000)	311,205,000
Air Quality - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	64,597,000
Clean Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	414,227,000
Solid Waste - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	52,432,000
Environmental Restoration - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	181,301,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	2,527,000	2,527,000	0	8,317,000
Solid and Hazardous Waste Management - EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	250,583,000
Lands and Forests - EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	6,000
Solid and Hazardous Waste Management				
Capital Projects Fund	0	2,501,000	2,501,000	988,000
Capital Projects Fund - Advances	0	30,000,000	30,000,000	63,501,000
Hazardous Waste Remedial Fund - Oversight and				
Assessmen	0	15,000,000	15,000,000	15,000,000
Hazardous Waste Remedial Fund - Cleanup	0	120,000,000	120,000,000	120,000,000
Total	<u>375,154,000</u>	<u>547,652,000</u>	<u>172,498,000</u>	<u>3,413,074,000</u>

# ***ENVIRONMENTAL FACILITIES CORPORATION***

## ***MISSION***

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

## ***ORGANIZATION AND STAFFING***

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

The Corporation is operated by a President appointed by the Board of Directors and will have a 2004-05 workforce of 105, including 7 staff of the Department of Environmental Conservation who are assigned administratively to the Corporation.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The operations of the Environmental Facilities Corporation are funded by:

- Financing fees and annual fees charged to municipalities that receive Revolving Fund loans and a portion of State and Federal grants made for the Clean Water and Drinking Water programs; and
- User fees paid by businesses, municipalities and industrial clients for the Corporation's technical and financial services.

For fiscal year 2004-05, a total of \$10.2 million is recommended for operations of the Corporation. In addition, State funds are included in the Department of Environmental Conservation and Department of Health's capital budgets for the required match to Federal funding for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs.

## ***PROGRAM HIGHLIGHTS***

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

## ***ENVIRONMENTAL FACILITIES***

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### ***CLEAN WATER STATE REVOLVING FUND PROGRAM***

This program was established in 1989 to help municipalities comply with the Federal Clean Water Act by providing low-interest rate financings to build or upgrade water pollution control facilities. Since 1989, the program has received Federal and State appropriations totaling \$2.5 billion and \$493 million, respectively. The State Revolving Fund has made loans totaling \$9.1 billion to 422 municipalities across the State. Interest rates range from as low as zero percent to no more than two-thirds of the market rate. These low-interest rate financings substantially reduce the cost of water pollution control projects for municipal borrowers, making environmental compliance and protection more attainable.

### ***DRINKING WATER STATE REVOLVING FUND PROGRAM***

In 1996, Congress enacted Federal legislation authorizing the Drinking Water State Revolving Fund program. This program, modeled after the Clean Water State Revolving Fund program, provides reduced interest rate financings to community and private water systems to finance safe drinking water projects. In cases of financial hardship, funds are also available from the Clean Water/Clean Air Bond Act to make grants for the construction of drinking water facilities. The Drinking Water Program has made loans totaling \$929.8 million and grants totaling \$138.7 million to 219 recipients across the State. Federal funding provided for the Drinking Water State Revolving Fund requires a 20 percent State match. Since 1996, the program has been supported by \$439.7 million in Federal awards, requiring a State match of \$87.9 million. The State's share of the Drinking Water State Revolving Fund is provided from the Clean Water/Clean Air Bond Act.

### ***INDUSTRIAL FINANCE PROGRAM***

Since 1976, the Industrial Finance Program has provided more than \$1.25 billion in low-interest rate loans and \$207.6 million in loan refinancing to businesses and State agencies for environmental improvement projects. Projects eligible for loans include solid waste management facilities, hazardous waste management facilities and water supply and wastewater management facilities. Loans under the program are financed from the proceeds of special obligation revenue bonds issued by the Corporation.

### ***TECHNICAL ADVISORY SERVICES***

The Technical Advisory Services Program advises businesses, industrial clients, State agencies and municipalities on pollution prevention, waste management and compliance with environmental laws and regulations. The Corporation also provides fund management and loan and grant servicing to its clients. The Environmental Facilities Corporation addresses such issues as air pollution control and compliance; multi-media waste management; inactive hazardous waste site remediation; water and wastewater management; and solid waste management and landfill closure. This program is funded by fees paid by Corporation clients who contract for these services.

### ***FINANCIAL ASSISTANCE TO BUSINESS***

The 1996 Clean Water/Clean Air Bond Act provides \$60 million to assist businesses in achieving compliance with environmental laws and regulations pertaining to air and water quality. The air and water quality programs are funded at \$30 million each and are used to assist businesses in targeted sectors to procure new capital equipment necessary to achieve environmental compliance. The Environmental Facilities Corporation will work with village, town and city governments to identify businesses in need of assistance.

# ENVIRONMENTAL FACILITIES

## PIPELINE FOR JOBS

The Pipeline For Jobs Program was created in 1999 to provide low-cost loans and financial assistance to municipalities, public utilities, public benefit corporations and businesses. The purpose of the program is to encourage and support water supply and cold water supply improvement projects, which provide an economic development benefit to the State. The recommendation for this program includes \$7.5 million in reappropriations.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	9,732,000	9,942,000	210,000	0
Aid To Localities	0	0	0	0
Capital Projects	292,000	292,000	0	7,500,000
Total	<u>10,024,000</u>	<u>10,234,000</u>	<u>210,000</u>	<u>7,500,000</u>

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
Special Revenue Funds - Other	88	88	0
Clean Water/Clean Air Administration Program			
Capital Projects Funds - Other	4	4	0
Total	<u>92</u>	<u>92</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	9,732,000	9,942,000	210,000
Total	<u>9,732,000</u>	<u>9,942,000</u>	<u>210,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
Special Revenue Funds - Other	9,732,000	9,942,000	210,000
Total	<u>9,732,000</u>	<u>9,942,000</u>	<u>210,000</u>

# ENVIRONMENTAL FACILITIES

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	9,942,000	210,000	6,176,200	48,200
Total	9,942,000	210,000	6,176,200	48,200

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
Administration	3,765,800	161,800
Total	3,765,800	161,800

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

<u>Comprehensive Construction Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations 2004-05</u>
Pipeline for Jobs Program				
Capital Projects Fund - Authority Bonds	0	0	0	7,500,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	292,000	292,000	0	0
Total	292,000	292,000	0	7,500,000

# ***DIVISION OF HOUSING AND COMMUNITY RENEWAL***

## ***MISSION***

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

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

## ***ORGANIZATION AND STAFFING***

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

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

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

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

Executive Budget recommendations for the Division of Housing and Community Renewal total more than \$309 million. The 2004-05 Budget will:

- Provide \$2 million in support of the Governor's Low-Income Housing Tax Credit Program, resulting in nearly \$20 million in new funding for affordable housing over the next ten years;
- Provide over \$74 million in housing capital funds, including \$7 million for the nationally recognized Homes for Working Families Program;
- Provide \$7.9 million to administer the development of low-income housing and over \$16 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio;
- Provide \$7.8 million in administrative funding for the Neighborhood and Rural Preservation Programs; and

## ***HOUSING AND COMMUNITY RENEWAL***

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- Continue the Division's administration of the federally funded Weatherization Assistance Program, providing grants to local not-for-profit groups and governments to assist low-income households in reducing their energy consumption and lowering their fuel bills.

### ***PROGRAM HIGHLIGHTS***

#### ***COMMUNITY DEVELOPMENT***

Community Development staff provide support to the Housing Trust Fund Corporation, a public benefit corporation that provides State-funded loans and grants to for-profit and not-for-profit entities to develop housing for low-income families, tenants with special needs and the low-income elderly.

Community Development staff also administer the allocation of low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the tax liability of investors who finance the acquisition and construction of these projects.

#### ***SMALL CITIES***

The Governor's Office for Small Cities, operated within the New York State Housing Trust Fund, administers approximately \$58 million in annual block grant funds from the U.S. Department of Housing and Urban Development. The Small Cities program supports projects in communities with populations of less than 50,000 or non-urban counties with populations of less than 200,000 for housing rehabilitation, job creation or retention, infrastructure repair or replacement, micro-enterprise programs and homeownership assistance.

#### ***HOUSING OVERSIGHT***

The Housing Program oversees the management of State-assisted housing projects. On a project-by-project basis, Housing Program staff periodically review the financial and physical condition of:

- 220 housing developments constructed between 1957 and 1974 under the State's Mitchell-Lama housing laws and financed with State-guaranteed debt. These projects provide more than 92,000 dwelling units to low- and moderate-income families;
- 74 public housing projects constructed between 1941 and 1973 and financed with State General Obligation bonds that provide more than 20,000 apartments for low-income families; and
- Approximately 1,100 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program is responsible for the administration of over 30,000 HUD Housing Choice vouchers in New York State. These vouchers provide rental assistance to low-income families in 50 local program areas in New York State.

#### ***RENT ADMINISTRATION***

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation under the Division of Housing and Community Renewal in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants. In 1999, the Division's Office of Rent Administration was selected as a Work Force Champion Team for its efforts in making the Rent Administration Program more responsive to its customers.

## **HOUSING AND COMMUNITY RENEWAL**

### **HOUSING CAPITAL PROGRAMS**

There are two primary low- and moderate-income housing construction programs supported by State appropriations: the Housing Trust Fund Program and the Affordable Housing Corporation Program. This Budget includes a \$29 million appropriation and \$117.9 million in reappropriations for the Housing Trust Fund Program, which provides grants to finance construction or rehabilitation of low-income apartment buildings. The Affordable Housing Corporation will receive \$25 million in new funds and \$82 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$25,000 to first-time low- and moderate-income home buyers. At these funding levels, the two programs will be able to construct more than 1,900 new housing units in the upcoming State fiscal year.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$78 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, the Budget recommends the reauthorization of on-going funding from prior years for a number of programs, including: the Permanent Housing for Homeless Families Program, the Housing Project Repair Program and the Federal National Affordable Housing Act Program.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	85,478,000	88,020,000	2,542,000	52,188,000
Aid To Localities	157,065,500	147,654,000	(9,411,500)	175,401,000
Capital Projects	74,200,000	74,200,000	0	368,743,000
Total	<u>316,743,500</u>	<u>309,874,000</u>	<u>(6,869,500)</u>	<u>596,332,000</u>

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

##### Full-Time Equivalent Positions (FTE)

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	74	74	0
Community Development			
General Fund	57	57	0
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	5	5	0
Housing			
General Fund	52	52	0
Special Revenue Funds - Federal	36	36	0
Special Revenue Funds - Other	79	79	0
Housing Information Systems			
General Fund	71	71	0
New Facilities			
Capital Projects Funds - Federal	42	42	0
Rent Administration			
General Fund	81	81	0
Special Revenue Funds - Other	395	395	0
Total	<u>935</u>	<u>935</u>	<u>0</u>



# **HOUSING AND COMMUNITY RENEWAL**

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	27,777,000	27,977,000	200,000
Special Revenue Funds - Federal	8,700,000	8,700,000	0
Special Revenue Funds - Other	49,001,000	51,343,000	2,342,000
Total	<u>85,478,000</u>	<u>88,020,000</u>	<u>2,542,000</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	11,876,000	11,876,000	0
Special Revenue Funds - Other	2,911,000	2,911,000	0
Community Development			
General Fund	3,267,000	3,267,000	0
Special Revenue Funds - Federal	3,155,000	3,155,000	0
Special Revenue Funds - Other	1,488,000	1,488,000	0
Housing			
General Fund	2,673,000	2,673,000	0
Special Revenue Funds - Federal	5,545,000	5,545,000	0
Special Revenue Funds - Other	8,028,000	8,273,000	245,000
Housing Information Systems			
General Fund	6,805,000	7,005,000	200,000
Rent Administration			
General Fund	3,156,000	3,156,000	0
Special Revenue Funds - Other	36,574,000	38,671,000	2,097,000
Total	<u>85,478,000</u>	<u>88,020,000</u>	<u>2,542,000</u>

## **STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	4,458,000	0	4,458,000	0
Community Development	3,098,000	0	3,098,000	0
Housing	2,556,000	0	2,556,000	0
Housing Information Systems	3,969,000	0	3,969,000	0
Rent Administration	27,054,000	0	27,054,000	0
Total	<u>41,135,000</u>	<u>0</u>	<u>41,135,000</u>	<u>0</u>

# HOUSING AND COMMUNITY RENEWAL

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	7,418,000	0	206,000	0
Community Development	169,000	0	30,000	0
Housing	117,000	0	8,300	0
Housing Information Systems	3,036,000	200,000	219,900	0
Rent Administration	14,773,000	2,097,000	0	0
Total	25,513,000	2,297,000	464,200	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	110,000	0	7,092,000	0
Community Development	105,000	0	34,000	0
Housing	41,000	0	67,700	0
Housing Information Systems	26,000	0	2,566,100	200,000
Rent Administration	0	0	0	0
Total	282,000	0	9,759,800	200,000

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Administration	10,000	0	0	0
Community Development	0	0	0	0
Housing	0	0	0	0
Housing Information Systems	224,000	0	0	0
Rent Administration	0	0	10,317,000	1,097,000
Total	234,000	0	10,317,000	1,097,000

Program	Maintenance Undistributed	
	Amount	Change
Administration	0	0
Community Development	0	0
Housing	0	0
Housing Information Systems	0	0
Rent Administration	4,456,000	1,000,000
Total	4,456,000	1,000,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	0	0	0
Community Development	4,643,000	0	2,448,000	0
Housing	13,818,000	245,000	7,752,000	0
Rent Administration	38,671,000	2,097,000	24,448,000	0
Total	60,043,000	2,342,000	34,648,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	2,911,000	0
Community Development	1,195,000	0	1,000,000	0
Housing	4,566,000	245,000	1,500,000	0
Rent Administration	14,223,000	2,097,000	0	0
Total	19,984,000	2,342,000	5,411,000	0

# HOUSING AND COMMUNITY RENEWAL

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	54,615,500	45,204,000	(9,411,500)
Special Revenue Funds - Federal	92,450,000	92,450,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>157,065,500</u>	<u>147,654,000</u>	<u>(9,411,500)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Housing Development Fund Program			
Special Revenue Funds - Other	10,000,000	10,000,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Low Income Weatherization			
Special Revenue Funds - Federal	21,350,000	21,350,000	0
Neighborhood Preservation			
General Fund	10,431,500	5,465,000	(4,966,500)
Periodic Subsidies - Local Areas			
General Fund	19,380,000	17,780,000	(1,600,000)
Rural Preservation			
General Fund	4,700,000	2,355,000	(2,345,000)
Rural Rental Assistance			
General Fund	20,104,000	19,604,000	(500,000)
Small Cities Community Development Block Grant			
Special Revenue Funds - Federal	58,000,000	58,000,000	0
Total	<u>157,065,500</u>	<u>147,654,000</u>	<u>(9,411,500)</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	82,000,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	11,333,000
Low Income Housing Trust Fund				
Housing Program Fund	29,000,000	29,000,000	0	117,924,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	7,789,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	800,000
Housing Program Capital Improvement				
Capital Projects Fund	0	0	0	19,720,000
State Housing Bond Fund				
State Housing Bond Fund	0	0	0	7,344,000
New Facilities				
Capital Projects Fund	0	0	0	1,225,000
Federal Capital Projects Fund	0	0	0	32,620,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	77,988,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	10,000,000
Total	<u>74,200,000</u>	<u>74,200,000</u>	<u>0</u>	<u>368,743,000</u>

# ***HOUSING FINANCE AGENCY***

## ***MISSION***

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

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

## ***ORGANIZATION AND STAFFING***

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

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

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

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

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

From 1995 through 2003, the Housing Finance Agency has provided \$3.1 billion in loans for multi-family rental housing.

## ***PROGRAM HIGHLIGHTS***

Since its inception in 1960, the Agency has provided financing of more than \$5.5 billion for more than 95,000 units of multi-family housing. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2003, the Agency provided \$3.1 billion in mortgage loans that created rental housing for more than 16,000 families. During the Agency's 2002-03 fiscal year, more than 2,700 units were financed with mortgage loans totaling more than \$535 million.



# **STATE OF NEW YORK MORTGAGE AGENCY**

## **MISSION**

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

## **ORGANIZATION AND STAFFING**

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

The State of New York Mortgage Agency has two program divisions. Its Single Family Mortgage Finance Division provides low-interest rate mortgages to low- and moderate-income first-time homebuyers (and for other eligible homebuyers in designated target areas) through the issuance of mortgage revenue bonds. The Agency uses a network of banking institutions to originate mortgages on its behalf. The Mortgage Insurance Division provides insurance on mortgage loans for residential, mixed residential, commercial and community service-related properties throughout the State. This insurance is supported by the Mortgage Insurance Fund, which is funded by a surcharge on the Mortgage Recording Tax.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Agency receives no direct operating support from the State. Statute requires the State to guarantee certain obligations of the Agency. The Executive Budget recommends more than \$289 million in appropriations in 2004-05 to satisfy this requirement, although no cash disbursements are projected to be made from this appropriation. All State of New York Mortgage Agency programs and operations are supported by Agency funds, consisting of mortgage income, application fees, insurance premiums and investment proceeds.

## **PROGRAM HIGHLIGHTS**

Since its inception in 1970, the Agency's Single Family Division has provided more than \$8.5 billion of affordable financing for over 131,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2003, the Agency purchased \$3.5 billion in single-family mortgages — helping more than 39,000 New Yorkers buy their first homes. During the Agency's 2002-03 fiscal year, 2,286 loans were financed for approximately \$205 million in mortgage loan volume.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$2.3 billion. In 2002-03, mortgage insurance provided by the Agency totaled more than \$308 million.

# MORTGAGE AGENCY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	172,009,000	212,694,000	40,685,000	0
Capital Projects	0	0	0	0
Total	248,809,000	289,494,000	40,685,000	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	76,800,000	76,800,000	0
Total	76,800,000	76,800,000	0

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

Program	Available 2003-04	Recommended 2004-05	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues General Fund	61,800,000	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration General Fund	15,000,000	15,000,000	0
Total	76,800,000	76,800,000	0

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total Amount	Change	Maintenance Undistributed Amount	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues	61,800,000	0	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration	15,000,000	0	15,000,000	0
Total	76,800,000	0	76,800,000	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	172,009,000	212,694,000	40,685,000
Total	172,009,000	212,694,000	40,685,000

# MORTGAGE AGENCY

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
SONYMA Mortgage Insurance Fund			
Restoration			
General Fund	<u>172,009,000</u>	<u>212,694,000</u>	<u>40,685,000</u>
Total	<u>172,009,000</u>	<u>212,694,000</u>	<u>40,685,000</u>





# HUDSON RIVER PARK TRUST

## MISSION

The Hudson River Park Trust (HRPT) is a public benefit corporation established in 1998 to design, develop, and maintain the 550-acre Hudson River Park in Manhattan, which will extend five miles along the Hudson River waterfront from Battery Park to 59<sup>th</sup> Street. The Trust is governed by a 13-member board: 5 members appointed by the Governor, 5 by the Mayor of New York City and 3 by the Manhattan Borough President.

## ORGANIZATION AND STAFFING

The Trust is headed by a President and Chief Executive Officer who is appointed by the Board.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

A recommended overall resource level of \$10 million in new appropriations, in concert with \$71.7 million in reappropriations, will fund all Trust capital costs in 2004-05 associated with the planning, design and construction of Park projects. Specifically, 2004-05 Budget recommendations provide \$10 million for Park development from the Environmental Protection Fund within the budget for the Department of Environmental Conservation. All Trust administrative activities, including operating costs, are paid directly from a portion of the commercial lease payments and other revenues generated by businesses and activities conducted on the Park property. These receipts are deposited directly to the Trust.

## PROGRAM HIGHLIGHTS

During 2004-05, the Trust will continue the design and construction of the remaining segments of the Park, develop detailed cost estimates, explore alternative sources of funding and continue to oversee capital projects to build the Park.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	16,000,000	0	(16,000,000)	71,684,000
Total	16,000,000	0	(16,000,000)	71,684,000

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Regional Development				
Capital Projects Fund - Advances	16,000,000	0	(16,000,000)	71,684,000
Total	16,000,000	0	(16,000,000)	71,684,000



# ***DIVISION OF THE LOTTERY***

## ***MISSION***

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

## ***ORGANIZATION AND STAFFING***

The Division of the Lottery is an independent unit of the Department of Taxation and Finance, whose Commissioner appoints the Director of the Lottery. The Division maintains a central office in Schenectady, regional offices in Buffalo, Syracuse, New York City and Long Island, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. Marketing sales representatives are stationed in the regional offices, and recruit and support point-of-sale retailers, which include convenience stores, newsstands, supermarkets, restaurants and bowling centers. The Division of the Lottery will have a workforce of 337 staff in the 2004-05 fiscal year.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

Lottery games have raised in excess of \$23 billion in revenues for education since the Lottery's inception in 1967. In 2004-05, approximately \$2 billion will be available for education. The Division's costs are supported entirely with Lottery revenues. The 2004-05 Executive Budget recommends \$123 million to support Lottery operations. By law, no more than 15 percent of gross Lottery sales may be used for administration. Historically, the Lottery Division's total administrative costs have been below the statutory limit.

## ***PROGRAM HIGHLIGHTS***

Lottery games sold on the Division's on-line computer system include: Mega Millions, Lotto, Pick 10, New York Numbers, Win 4 and Take Five. These games can be played from approximately 15,000 locations across the State and offer players the opportunity to match their "picks" to televised drawings that take place twice daily, daily, or twice weekly, depending on the game. Winning tickets up to \$600 can be validated and redeemed by customers at any location selling Lottery products.

The Lottery Division's Instant games have contributed significantly to the growth of Lottery revenues. The Division will market more than 30 new Instant games during 2004-05, with tickets ranging from \$1 to \$10.

Quick Draw, first introduced in 1995, is an electronic version of Pick 10, with winning numbers drawn by computer every five minutes. Quick Draw is displayed at approximately 3,000 authorized establishments statewide, such as restaurants and bowling centers.

In 2001, legislation was enacted to broaden the Lottery gaming opportunities in New York State, authorizing New York's involvement in a multi-state Lottery game and permitting the installation of Video Lottery Terminals (VLTs) at horse racing facilities across the State. Pursuant to this legislation, the Division of the Lottery entered into an agreement with nine other states to create a new multi-state Lottery game, "Mega Millions". Mega Millions' first drawing occurred on May 17, 2002. The 2004-05 Executive Budget provides funds necessary to market and operate Mega Millions for the coming fiscal year. In addition, Lottery has continued efforts to implement the VLT program at various horse racing facilities across the State. It is anticipated that up to three VLT gaming facilities will be open by March 2004, with additional openings scheduled in 2004-05. The 2004-05 Executive Budget provides the necessary funding for this program's continued operation and implementation.

# LOTTERY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	118,296,000	123,305,000	5,009,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	118,296,000	123,305,000	5,009,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	331	337	6
Total	331	337	6

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	118,296,000	123,305,000	5,009,000
Total	118,296,000	123,305,000	5,009,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration of the Lottery			
Special Revenue Funds - Other	101,096,000	123,305,000	22,209,000
Statewide Gaming			
Special Revenue Funds - Other	17,200,000	0	(17,200,000)
Total	118,296,000	123,305,000	5,009,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	123,305,000	22,209,000	15,381,000	395,700
Statewide Gaming	0	(17,200,000)	0	0
Total	123,305,000	5,009,000	15,381,000	395,700

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration of the Lottery	107,924,000	21,813,300	0	0
Statewide Gaming	0	0	0	(17,200,000)
Total	107,924,000	21,813,300	0	(17,200,000)

# ***METROPOLITAN TRANSPORTATION AUTHORITY***

## ***MISSION***

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

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

The Authority is comprised of three independent entities: The Metropolitan Transportation Authority, MTA New York City Transit and MTA Bridges and Tunnels. The Metropolitan Transportation Authority has five subsidiaries: MTA Staten Island Rapid Transit, MTA Long Island Rail Road, MTA Long Island Bus, MTA Metro North Railroad and MTA Capital Construction. MTA New York City Transit, which operates the New York City subway and bus systems, has one subsidiary, MTA Manhattan and Bronx Surface Transit.

## ***ORGANIZATION AND STAFFING***

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

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The MTA has proposed a restructuring initiative to merge its operating agencies into five distinct companies — MTA Rail Road, MTA Subway, MTA Bus, MTA Capital, and MTA Bridges and Tunnels. This restructuring would streamline the MTA by reducing redundant administrative functions and provide specific transportation missions for each of its subsidiaries. Legislation to authorize this reorganization, enabling the Authority to produce significant operating savings, is expected to be advanced in 2004.

The appropriations mentioned in this narrative represent only a portion of the \$1.5 billion subsidy provided by the State to the Metropolitan Transportation Authority, with the additional aid appropriated in the Department of Transportation's Aid to Localities budget.

## ***PROGRAM HIGHLIGHTS***

### ***MTA NEW YORK CITY TRANSIT AND MTA COMMUTER RAILROADS***

The Metropolitan Transportation Authority provides 24 hour-a-day transit and commuter services in the New York City metropolitan region. Its subway system is the largest in the nation and one of the largest in the world. MTA New York City Transit operates approximately 230 local and express bus routes throughout New York City. Complementing this service are additional bus routes in Nassau County provided by MTA Long Island Bus. MTA Long Island Rail Road and MTA Metro North Railroad, the two largest commuter rail

## **METROPOLITAN TRANSPORTATION**

systems in the nation, provide transportation for travelers entering New York City from outlying suburban areas in New York State and Connecticut. Over 2 billion passengers ride the subways, buses and commuter rail systems each year.

### **MTA BRIDGES AND TUNNELS**

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

### **OTHER SUBSIDIARIES**

In July 2003, the MTA created MTA Capital Construction Company, which has the ability to manage, design and effectuate the system expansion projects of all the MTA agencies. The other subsidiaries — MTA Staten Island Rapid Transit, MTA Long Island Bus, and MTA Manhattan and Bronx Surface Transit — provide regional transportation services. MTA Staten Island Rapid Transit operates transit services on Staten Island. MTA Manhattan and Bronx Surface Transit, in conjunction with MTA New York City Transit, provides bus service within New York City, primarily to passengers traveling within a particular borough or as feeder service to the subway.

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

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	0	0	0	0
Aid To Localities	536,100,000	540,100,000	4,000,000	0
Capital Projects	0	0	0	36,000,000
Total	<u>536,100,000</u>	<u>540,100,000</u>	<u>4,000,000</u>	<u>36,000,000</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	536,100,000	540,100,000	4,000,000
Total	<u>536,100,000</u>	<u>540,100,000</u>	<u>4,000,000</u>

# METROPOLITAN TRANSPORTATION

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Dedicated Tax			
Special Revenue Funds - Other	536,100,000	540,100,000	4,000,000
Total	<u>536,100,000</u>	<u>540,100,000</u>	<u>4,000,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations 2004-05</u>
Mass Transportation and Rail Freight Metropolitan Transportation Authority				
Capital Projects Fund - Advances	0	0	0	36,000,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,000,000</u>





# **DEPARTMENT OF MOTOR VEHICLES**

## **MISSION**

The New York State Department of Motor Vehicles (DMV) promotes traffic safety, provides consumer protection and information services and assists other government agencies achieve their missions. DMV collects fees and generates non-tax revenues to support these objectives.

## **ORGANIZATION AND STAFFING**

Under the direction of the Commissioner, the Department operates from its main office in Albany (Empire State Plaza) and from three regional headquarters in Albany, Long Island and New York City. The Department also operates 31 district and branch offices which issue licenses and registrations. In addition, County Clerk offices act as DMV agents at 96 locations throughout the State.

Approximately 96.3 percent of the Department's positions are supported by dedicated funds and fees, including a portion of traffic violation fines in certain localities. The remaining 3.7 percent are funded with Federal grants (one percent) and State tax dollars (2.7 percent).

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends approximately \$4.7 million in State tax dollars in 2004-05 to support 1.9 percent of the Department's budget. The Dedicated Highway and Bridge Trust Fund will support \$138 million, or 57 percent of DMV's budget. The balance is financed by Federal funds and special revenue funds supported by various fees and fines.

Appropriations for the Department of Motor Vehicles will increase by \$5.3 million, or 2.2 percent, the net result of savings from operations and a new license integrity initiative to improve identification document validity. The Department will achieve operational savings by reducing staff and continuing to utilize technology to serve customers. In 2004-05, the Department will continue to develop its Internet website — which now processes more than one million transactions per year — by expanding the number of services that customers can conduct from the convenience of a personal computer.

In accordance with a plan enacted in the 2003-04 Budget, the Department's transportation safety expenses and revenues will be moved from a special revenue fund to the Highway and Bridge Dedicated Fund in 2004-05. The Dedicated Fund is supported primarily by revenues from motor vehicle fees, highway use and motor fuel taxes and the Petroleum Business Tax.

## **PROGRAM HIGHLIGHTS**

### **CUSTOMER SERVICE**

DMV issues driver's licenses and vehicle registrations, collects more than \$1 billion in revenue for the State and localities, monitors driver training and enforces the directives of local magistrates and departmental referees. State offices are also responsible for conducting road tests and maintaining enforcement sections that issue conditional and restricted use licenses and handle other suspension and revocation activities. The Department of Motor Vehicles served more than 20 million customers last year.

The Department also adjudicates traffic violations at 11 locations in New York City, and several other jurisdictions across the State. This allows local judges and criminal courts to dedicate their activities to criminal matters. This program is funded entirely by fines collected from violators. After State operating expenses are deducted, remaining funds are returned to the jurisdictions where the violations occurred.

## ***MOTOR VEHICLES***

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The Department has greatly enhanced its Internet website to provide customers an alternative means for transacting Department business. In 2004-05, the Department will continue to expand opportunities for customers to utilize this service for transactions that previously required office visits.

Currently via the Internet, customers can renew registrations and drivers licenses; order personalized and custom plates; order duplicate titles, registrations and licenses; and if requested, post insurance proof. Customers can also check the status of their plate or title orders, schedule their road tests and obtain information and instructions from DMV's Right Now Web knowledge base. Businesses can order supplies of inspection stickers and post lien information. In 2004-05, DMV will expand its private sector partnering opportunities in order to provide customers with more convenient alternatives for transacting DMV business, saving extra trips to a DMV office.

## ***VEHICLE AND DRIVER SAFETY***

Governor Pataki's highway safety policies have resulted in reductions in fatalities and serious injuries on our roads. Contributing to this success have been new enforcement and educational efforts by State, local and non-profit agencies, including: a statewide crackdown to stop those who drink and drive or engage in aggressive driving; initiatives to promote proper child safety seat usage; and the statewide Buckle Up NY enforcement campaign, which has increased seatbelt usage to over 85 percent. These efforts have resulted in New York State's roadways being some of the safest in the nation.

DMV vehicle safety activities include: licensing and monitoring safety and emissions inspection stations; registering auto repair shops, dealers, transporters and dismantlers; and certifying vehicle inspectors, junk and salvage businesses and automotive body damage estimators.

Driver safety initiatives include implementation and oversight of educational or rehabilitative programs for motorists convicted of alcohol or drug-related driving offenses, the point insurance reduction program and pre-licensing courses. DMV also licenses and monitors driving schools and instructors.

In 2004-05, DMV will administer a new "Driver Responsibility Program" that will establish increased monetary penalties on those drivers convicted of Driving While Intoxicated (DWI) or Driving While Under the Influence (DUI) of alcohol or substances and those who refuse to take a chemical test. In addition, the Driver Responsibility Program will impose new monetary penalties upon drivers that are found to be repeatedly in violation of the State's vehicle and traffic laws or those that put responsible New York drivers at risk of injury and death.

The Department will also work closely with the Department of Transportation (DOT), the Division of State Police (DSP) and the Division of Criminal Justice Services (DCJS) in a collaborative effort to improve work zone safety on New York highways that will utilize the newest technologies to photo-monitor the work zones and prosecute speeding motorists.

## ***FIELD INVESTIGATION AND AUDIT***

One of the Department's major functions is to issue credentials which establish the identity and license status of drivers, the ownership of vehicles and boats, and the authenticity of auto-related businesses. External investigation activities concern stolen automobiles, odometer fraud, fraudulent identity and motor vehicle documents and complaints regarding unlicensed and suspended drivers.

## ***LICENSE INTEGRITY***

In 2004-05, DMV will initiate a new License Integrity program to enhance the integrity of identification documents for first-time customers seeking to obtain licenses and non-driver IDs. This program includes improved on-site assessment of proofs of identity with subsequent off-site reviews and investigation of suspicious documents. DMV will also undertake a project to reconfirm the validity of the current social security number database.

# MOTOR VEHICLES

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	102,638,000	92,332,800	(10,305,200)	23,745,000
Aid To Localities	13,020,000	13,400,000	380,000	17,458,000
Capital Projects	122,968,000	138,184,000	15,216,000	0
Total	<u>238,626,000</u>	<u>243,916,800</u>	<u>5,290,800</u>	<u>41,203,000</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administrative Adjudication			
Special Revenue Funds - Other	438	442	4
Clean Air			
Special Revenue Funds - Other	177	177	0
Compulsory Insurance			
Special Revenue Funds - Other	212	212	0
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	27	27	0
Transportation Safety			
General Fund	22	77	55
Special Revenue Funds - Other	1	1	0
Transportation Support			
Capital Projects Funds - Other	1,940	1,874	(66)
Total	<u>2,817</u>	<u>2,810</u>	<u>(7)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	0	4,700,300	4,700,300
Special Revenue Funds - Federal	12,800,000	13,000,000	200,000
Special Revenue Funds - Other	85,838,000	69,632,500	(16,205,500)
Internal Service Funds	4,000,000	5,000,000	1,000,000
Total	<u>102,638,000</u>	<u>92,332,800</u>	<u>(10,305,200)</u>

# MOTOR VEHICLES

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	775,000	775,000	0
Internal Service Funds	4,000,000	5,000,000	1,000,000
Administrative Adjudication			
Special Revenue Funds - Other	33,385,000	37,029,200	3,644,200
Clean Air			
Special Revenue Funds - Other	13,469,000	14,239,400	770,400
Compulsory Insurance			
Special Revenue Funds - Other	15,517,000	16,095,000	578,000
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	12,800,000	13,000,000	200,000
Transportation Safety			
General Fund	0	4,700,300	4,700,300
Special Revenue Funds - Other	22,692,000	1,493,900	(21,198,100)
Total	<u>102,638,000</u>	<u>92,332,800</u>	<u>(10,305,200)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Transportation Safety	2,931,000	2,931,000	1,231,000	1,231,000
Total	<u>2,931,000</u>	<u>2,931,000</u>	<u>1,231,000</u>	<u>1,231,000</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Transportation Safety	1,700,000	1,700,000
Total	<u>1,700,000</u>	<u>1,700,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Transportation Safety	1,769,300	1,769,300	250,000	250,000
Total	<u>1,769,300</u>	<u>1,769,300</u>	<u>250,000</u>	<u>250,000</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Transportation Safety	70,100	70,100	400,000	400,000
Total	<u>70,100</u>	<u>70,100</u>	<u>400,000</u>	<u>400,000</u>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Transportation Safety	400,000	400,000	649,200	649,200
Total	<u>400,000</u>	<u>400,000</u>	<u>649,200</u>	<u>649,200</u>

# MOTOR VEHICLES

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	5,775,000	1,000,000	0	0
Administrative Adjudication	37,029,200	3,644,200	18,535,000	140,000
Clean Air	14,239,400	770,400	8,059,200	78,200
Compulsory Insurance	16,095,000	578,000	7,861,700	(49,300)
Governors Traffic Safety Committee	13,000,000	200,000	466,000	0
Transportation Safety	1,493,900	(21,198,100)	101,800	1,800
Total	<u>87,632,500</u>	<u>(15,005,500)</u>	<u>35,023,700</u>	<u>170,700</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	775,000	0	5,000,000	1,000,000
Administrative Adjudication	18,494,200	3,504,200	0	0
Clean Air	6,180,200	692,200	0	0
Compulsory Insurance	8,233,300	627,300	0	0
Governors Traffic Safety Committee	258,000	8,000	12,276,000	192,000
Transportation Safety	1,392,100	(21,199,900)	0	0
Total	<u>35,332,800</u>	<u>(16,368,200)</u>	<u>17,276,000</u>	<u>1,192,000</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	13,020,000	13,400,000	380,000
Total	<u>13,020,000</u>	<u>13,400,000</u>	<u>380,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	13,020,000	13,400,000	380,000
Total	<u>13,020,000</u>	<u>13,400,000</u>	<u>380,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Transportation Support				
Dedicated Highway and Bridge Trust Fund	122,968,000	138,184,000	15,216,000	0
Total	<u>122,968,000</u>	<u>138,184,000</u>	<u>15,216,000</u>	<u>0</u>



# ***OLYMPIC REGIONAL DEVELOPMENT AUTHORITY***

## ***MISSION***

In 1980, Lake Placid and the surrounding areas were host to the Winter Olympic Games. The following year, the Olympic Regional Development Authority was established to create and administer a post-Olympic program for the Lake Placid facilities. These facilities include: the Olympic Ice Center; the Olympic Speedskating Oval; the Whiteface Mountain Ski Area and Veterans' Memorial Highway; the Mt. Van Hoevenberg Complex that includes bobsled and luge runs, cross-country ski trails and a biathlon range; the Olympic Ski Jumping Complex; and the U.S. Olympic Training Center. In 1984, the Olympic Regional Development Authority's responsibility expanded to include the management of the Gore Mountain Ski Center in North Creek, Warren County.

## ***ORGANIZATION AND STAFFING***

The Authority is governed by a ten-member Board of Directors, consisting of the commissioners of Economic Development, Environmental Conservation, Parks, and seven other members appointed by the Governor and confirmed by the Senate. The Governor selects one member as Chair. The Commissioner of Economic Development currently chairs the Authority. Board members serve without compensation.

The Authority has a workforce of 180 and employs up to 1,000 full- and part-time hourly workers, depending on the season.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

In 2004-05, State tax dollars from the General Fund will finance 29.4 percent, or \$7.35 million, of the Authority's \$25 million operating budget. State funding supplements \$16.1 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$755,000 from the Town of North Elba; \$411,000 from the United States Olympic Committee to cover the costs associated with use of Authority facilities; \$200,000 from the Winter Sports Education Trust Fund; and \$200,000 from the Olympic Training Center Account.

## ***PROGRAM HIGHLIGHTS***

### ***OLYMPIC FACILITIES***

The Olympic Regional Development Authority manages one of three primary sites (the others being in California and Colorado) for year-round training of America's Olympic athletes. In 2002-03, the Olympic facilities at Lake Placid received more than 275,000 visitors. The Authority hosts numerous national and international athletic and entertainment events. In 2002-03, World Cup Skeleton and Women's World Cup Bobsled, Junior National Figure Skating Championships, Synchronized Skating Championships, World Cup Freestyle Skiing, Disney on Ice, Bobsled World Championships, Biathlon National Championships and World Team Trials, Junior Olympics Skiing, Empire State Winter Games, and several festivals and shows were held at Authority sites. In addition, the Authority has been the home of the Stars on Ice figure skating rehearsal and preview show since 1992.



# OLYMPIC REGIONAL DEVELOPMENT

## SKI FACILITIES

The Authority also manages the Gore and Whiteface Mountain ski centers, two major downhill ski facilities that received more than 350,000 visitors in the 2002-03 ski season; and over 150,000 visitors for off-season activities such as mountain biking and sightseeing tours.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	7,750,000	7,750,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	7,750,000	7,750,000	0	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	7,400,000	7,350,000	(50,000)
Special Revenue Funds - Other	350,000	400,000	50,000
Total	7,750,000	7,750,000	0

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

Program	Available 2003-04	Recommended 2004-05	Change
Operations			
General Fund	7,400,000	7,350,000	(50,000)
Special Revenue Funds - Other	350,000	400,000	50,000
Total	7,750,000	7,750,000	0

### STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Operations	7,350,000	(50,000)	7,350,000	(50,000)
Total	7,350,000	(50,000)	7,350,000	(50,000)

### STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Operations	400,000	50,000	200,000	0
Total	400,000	50,000	200,000	0

Program	Maintenance Undistributed	
	Amount	Change
Operations	200,000	50,000
Total	200,000	50,000

# **OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION**

## **MISSION**

The Office of Parks, Recreation and Historic Preservation's mission is to provide safe and enjoyable recreational and interpretive opportunities for all New York State residents and visitors and to be responsible stewards of our valuable natural, historic and cultural resources. The Office operates and maintains 168 parks and 35 historic sites, hosts a multitude of cultural and educational programs, and offers diverse recreational opportunities, ranging from secluded campsites to the internationally renowned Niagara Falls State Park. Approximately 60 million people visit the State's parks and historic sites annually.

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

## **ORGANIZATION AND STAFFING**

The Office is headed by a Commissioner, appointed by the Governor. Operations are administered through a network of 11 regional offices: Allegany, Central, Finger Lakes, Genesee, Long Island, New York City, Niagara, Palisades, Saratoga/Capital District, Taconic and Thousand Islands. The central office is located in Albany, and includes executive staff and other administrative support functions.

For fiscal year 2004-05, the Office will have a workforce of 1,557. More than 5,000 temporary and seasonal employees supplement the permanent staff in the peak summer season.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommends more than \$219 million for the Office's programs, including \$96.8 million in General Fund moneys and more than \$75 million in fee revenues. These funds will support operation of all existing park facilities and the development of parklands acquired with funding from the Environmental Protection Fund (EPF) and 1996 Clean Water/Clean Air Bond Act.

These recommendations continue funding for the Empire State Games and Art Park at the 2003-04 level. In addition, \$4.95 million in funding for the Zoos, Botanical Gardens and Aquaria program will be provided from the EPF.

The General Fund continues to be the Office's primary source of support for its operating and local assistance budgets, providing 53.8 percent of its funding. The remaining 46.2 percent is provided by a variety of sources, including:

- User fees at the parks (39.1 percent);
- Federal grants for activities related to the use of recreational vehicles and land and water conservation (5.7 percent); and
- Fiduciary and Enterprise funds, including moneys earmarked for historic sites, arboretums and the Empire State Games (1.4 percent).

Recommendations also increase snowmobile registration fees to \$45 to provide \$2.75 million in additional support for snowmobile trail development and maintenance and additional General Fund revenues.

The primary focus of the Office's capital program is the health and safety of park visitors and the maintenance and rehabilitation of existing facilities. Park facilities include more than 5,000 buildings, 27 golf courses, 53 swimming pools, 76 beaches, 27 marinas, 40 boat

## **PARKS, RECREATION AND HISTORIC PRESERVATION**

launching sites, 18 nature centers, 774 cabins and 8,324 campsites. The Office also maintains hundreds of miles of roads and trails, expansive utility systems, 106 dams and 604 bridges.

For 2004-05, appropriations of \$28.7 million are recommended for capital projects from the State Park Infrastructure Fund, a dedicated fund consisting of revenues generated from day use and camping fees at the parks, as well as concession revenues and other miscellaneous revenues. Budget recommendations also include \$4 million in Federal appropriations for Federal Land and Water Conservation funding and \$5 million in fiduciary appropriations for other potential gifts to improve various parks.

Funding from the State Park Infrastructure Fund will be supplemented with resources for State parks capital projects from the Federal Land and Water Conservation Fund and the EPF. In 2004-05 the EPF will provide almost \$7 million for infrastructure and stewardship projects at State parks and lands operated by the Office and the Department of Environmental Conservation.

### **PROGRAM HIGHLIGHTS**

Since 1995-96, the Office has reorganized functions and consolidated management operations to more effectively provide safe and enjoyable recreational services to the public. These efforts will continue in 2004-05 as the Office achieves efficiencies through the continued streamlining of administrative oversight, redeployment of staff, and consolidation of functions. The Office has also fostered public-private partnerships to enhance park facilities and events, including corporate sponsorships for fireworks displays, playground construction and the Empire State Games. With private sector support and expertise, the Black Course at Bethpage State Park was the first public course ever to host the U.S. Open national golf championship tournament in the summer of 2002, and has been selected to host the tournament again in 2009.

In the 2003 State of the State, the Governor announced the transformation of Gallagher Beach into a new recreational facility for Buffalo and western New York. In 2004-05, the Office will work with the Niagara Frontier Transportation Authority, the current owner of this property, to develop Gallagher Beach into the newest unit of the State Parks system.

The responsibilities of the Office are carried out through five major programs:

- Administration: provides executive direction, fiscal, personnel and audit services, public communications, and management of the Office's capital program;
- Park Operations: operates the State's 168 parks. Seasonal and full-time personnel are assigned to specific facilities in one of the Office's 11 regions. Staff includes Parks Police Officers, security and field operations staff, as well as skilled and semi-skilled maintenance personnel. Day use, golf course, and other user fees directly offset the cost of facility operations;
- Empire State Games: plans and implements the Games for the Physically Challenged, Senior Games, Summer Games and Winter Games;
- Historic Preservation: oversees preservation activities at 35 historic sites, develops a statewide Comprehensive Historic Preservation Plan and maintains the State Register of Historic Places; and
- Natural Heritage Trust: receives and administers funds, including private gifts and bequests, to advance conservation, outdoor recreation and historic preservation purposes. Created under the Public Authorities Law in 1968, the Natural Heritage Trust is a public benefit corporation.

# **PARKS, RECREATION AND HISTORIC PRESERVATION**

## **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	163,745,300	164,896,000	1,150,700	11,601,000
Aid To Localities	19,192,000	15,190,000	(4,002,000)	35,276,000
Capital Projects	43,305,000	38,950,000	(4,355,000)	123,025,000
Total	<u>226,242,300</u>	<u>219,036,000</u>	<u>(7,206,300)</u>	<u>169,902,000</u>

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

### Full-Time Equivalent Positions (FTE)

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	81	81	0
Historic Preservation			
General Fund	137	137	0
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	1	1	0
Park Operations			
General Fund	1,055	1,045	(10)
Special Revenue Funds - Federal	9	9	0
Special Revenue Funds - Other	142	142	0
Capital Projects Funds - Other	120	120	0
Recreation Services			
General Fund	10	10	0
Total	<u>1,567</u>	<u>1,557</u>	<u>(10)</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	93,603,100	94,043,100	440,000
Special Revenue Funds - Federal	3,717,000	3,717,000	0
Special Revenue Funds - Other	63,925,200	64,635,900	710,700
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>163,745,300</u>	<u>164,896,000</u>	<u>1,150,700</u>

Adjustments:

Transfer(s) From	
Environmental Conservation,	
Department of	
General Fund	(56,000)
Appropriated 2003-04	<u>163,689,300</u>

# PARKS, RECREATION AND HISTORIC PRESERVATION

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	6,257,900	6,212,900	(45,000)
Special Revenue Funds - Federal	500,000	500,000	0
Historic Preservation			
General Fund	9,284,100	9,149,100	(135,000)
Special Revenue Funds - Federal	1,447,000	1,447,000	0
Special Revenue Funds - Other	112,000	112,000	0
Park Operations			
General Fund	75,744,500	76,364,500	620,000
Special Revenue Funds - Federal	1,770,000	1,770,000	0
Special Revenue Funds - Other	63,813,200	64,523,900	710,700
Recreation Services			
General Fund	2,316,600	2,316,600	0
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>163,745,300</u>	<u>164,896,000</u>	<u>1,150,700</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,572,800	(45,000)	4,510,900	(45,000)
Historic Preservation	8,146,500	(135,000)	6,327,200	(100,000)
Park Operations	72,712,200	2,111,000	47,092,600	1,600,000
Recreation Services	607,100	0	504,700	0
Total	<u>86,038,600</u>	<u>1,931,000</u>	<u>58,435,400</u>	<u>1,455,000</u>
			Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	23,100	0	38,800	0
Historic Preservation	1,742,300	(30,000)	77,000	(5,000)
Park Operations	23,581,700	411,000	2,037,900	100,000
Recreation Services	80,900	0	21,500	0
Total	<u>25,428,000</u>	<u>381,000</u>	<u>2,175,200</u>	<u>95,000</u>

# PARKS, RECREATION AND HISTORIC PRESERVATION

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,640,100	0	121,800	0
Historic Preservation	1,002,600	0	308,700	0
Park Operations	3,652,300	(1,491,000)	553,300	40,000
Recreation Services	1,709,500	0	250,800	0
Total	8,004,500	(1,491,000)	1,234,600	40,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	95,700	0	1,422,600	0
Historic Preservation	50,900	0	517,100	0
Park Operations	501,100	35,000	2,101,200	250,000
Recreation Services	121,800	0	1,322,300	0
Total	769,500	35,000	5,363,200	250,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	0	0
Historic Preservation	125,900	0	0	0
Park Operations	496,700	40,000	0	(1,856,000)
Recreation Services	14,600	0	0	0
Total	637,200	40,000	0	(1,856,000)

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	500,000	0	150,000	0
Historic Preservation	1,559,000	0	845,400	0
Park Operations	66,293,900	710,700	24,326,600	591,500
Recreation Services	2,500,000	0	0	0
Total	70,852,900	710,700	25,322,000	591,500

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	350,000	0	0	0
Historic Preservation	713,600	0	0	0
Park Operations	40,166,300	669,200	1,801,000	(550,000)
Recreation Services	2,500,000	0	0	0
Total	43,729,900	669,200	1,801,000	(550,000)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	7,152,000	2,800,000	(4,352,000)
Special Revenue Funds - Federal	9,640,000	6,640,000	(3,000,000)
Special Revenue Funds - Other	2,400,000	5,750,000	3,350,000
Total	19,192,000	15,190,000	(4,002,000)

# **PARKS, RECREATION AND HISTORIC PRESERVATION**

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	2,200,000	2,800,000	600,000
Historic Preservation			
Special Revenue Funds - Federal	140,000	140,000	0
Natural Heritage Trust			
General Fund	4,952,000	0	(4,952,000)
Park Operations			
Special Revenue Funds - Federal	6,000,000	4,000,000	(2,000,000)
Special Revenue Funds - Other	2,400,000	5,750,000	3,350,000
Recreation Services			
Special Revenue Funds - Federal	3,500,000	2,500,000	(1,000,000)
Total	<u>19,192,000</u>	<u>15,190,000</u>	<u>(4,002,000)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Parks EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	7,807,000
Natural Heritage Trust				
Capital Projects Fund	0	0	0	300,000
Federal Capital Projects Fund				
Federal Capital Projects Fund	7,500,000	4,000,000	(3,500,000)	13,518,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	0	0	0	672,000
Fiduciary Funds - Misc. Combined Expendable Trust Fund	5,000,000	5,000,000	0	13,752,000
State Parks Infrastructure Fund	29,605,000	28,700,000	(905,000)	81,975,000
Misc. Capital Projects	1,200,000	1,250,000	50,000	3,988,000
Outdoor Recreation Development Bond Fund				
Outdoor Recreation Development Bond Fund	0	0	0	230,000
Parks and Recreation Land Acquisition Bond Fund				
Parks and Recreation Land Acquisition Bond Fund	0	0	0	783,000
Total	<u>43,305,000</u>	<u>38,950,000</u>	<u>(4,355,000)</u>	<u>123,025,000</u>

# ***NEW YORK STATE PUBLIC AUTHORITIES***

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

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

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

## ***BRIDGE, TUNNEL AND HIGHWAY***

Thruway Authority

## ***ECONOMIC DEVELOPMENT***

Empire State Development Corporation  
Job Development Authority

## ***ENERGY AND ENVIRONMENT***

Energy Research and Development Authority  
Environmental Facilities Corporation

## ***HOUSING, AND FINANCE***

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

## ***REGIONAL TRANSPORTATION***

Metropolitan Transportation Authority

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

## ***BRIDGE, TUNNEL AND HIGHWAY AUTHORITIES***

### ***Buffalo and Fort Erie Public Bridge Authority***

The Buffalo and Fort Erie Public Bridge Authority owns and operates the international "Peace Bridge," crossing the Niagara River between Buffalo and Fort Erie, Ontario. All capital improvements and operating expenses are funded by tolls and rentals of property and buildings. No State funds are used to support the Authority.



## ***PUBLIC AUTHORITIES***

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### ***New York State Bridge Authority***

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

### ***Thousand Islands Bridge Authority***

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

## ***ECONOMIC DEVELOPMENT AUTHORITIES***

### ***Battery Park City Authority***

The Battery Park City Authority manages the commercial and residential development of Battery Park City (BPC), a 92-acre landfill on the southwest end of Manhattan, immediately adjacent to the World Trade Center site. The Authority generates revenues from the collection of rents and real estate tax equivalency payments to support its operations.

BPC's proximity to the World Trade Center and the September 11, 2001 attack resulted in the temporary dislocation of its tenants and some damage to its structures. Over the last 27 months, the staff of BPC oversaw an orderly and rapid recovery of the area resulting in residential occupancy rates that now approach 100 percent. Additionally, ongoing new construction at the site is playing a significant role in the redevelopment of Lower Manhattan. In the past year, the Authority has opened the nation's first high-rise residential "green" building, commenced construction on two additional residential buildings and created several new parks and athletic fields.

### ***United Nations Development Corporation***

The United Nations Development Corporation develops and manages commercial and residential facilities for United Nations-related activities in New York City including One, Two and Three United Nations Plaza. The Corporation does not rely on any State support to pay debt service or for its own operations.

## ***ENERGY AND ENVIRONMENTAL AUTHORITIES***

### ***New York Power Authority***

The New York Power Authority finances, builds and operates electric generation and transmission facilities. It currently owns and operates five major generating facilities, five small hydroelectric facilities, 11 small natural gas powered generating plants and a major transmission system. The Authority supplies economical electric power to New York State's municipal electric systems and rural electric cooperatives, private sector businesses and not-for-profit institutions throughout the State, municipalities and public corporations in the New York City metropolitan area and investor-owned utilities for resale to their customers. The Authority receives no State subsidy. It generally finances construction projects through sales of bonds and notes and pays the related debt service with revenues from the generation and transmission of electricity.

***Long Island Power Authority***

The Long Island Power Authority (LIPA) has the broad authority to ensure adequate, dependable and affordable electric service within its service area, including Nassau and Suffolk counties and the Rockaway Peninsula in Queens. LIPA serves approximately 1.1 million residential and commercial electricity customers. No State tax dollars are used to fund the Authority.

***HOUSING AND FINANCE AUTHORITIES***

***Dormitory Authority***

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

***Municipal Assistance Corporation (MAC) for the City of New York***

The Municipal Assistance Corporation for the City of New York was created in 1975 to provide access to the credit markets for the City during a period of fiscal crisis and to help oversee its fiscal affairs. Legislation to be submitted with the Executive Budget will authorize MAC to restructure its existing debt and provide significant savings to New York City.

***Municipal Assistance Corporation for the City of Troy***

The Municipal Assistance Corporation for the City of Troy was created in 1995 to provide the City with access to credit markets and to oversee Troy's fiscal affairs. The Authority is subject to a debt cap of \$75 million. The State is authorized, subject to legislative review and appropriation, to provide moneys as necessary to ensure a 1.5:1 debt service coverage ratio on Authority debt. No such appropriation is required in the 2004-05 State fiscal year. No State moneys are used to finance the Corporation, and failure of the State to appropriate State aid to the City does not constitute an event of default for Corporation obligations.

***Nassau County Interim Finance Authority***

The Nassau County Interim Finance Authority was established in 2000 to restore fiscal stability to Nassau County by overseeing its finances and issuing debt on its behalf. Authority debt service and operating expenses are funded with county sales tax revenues, on which the Authority has first lien.

***Buffalo Fiscal Stability Authority***

The Buffalo Fiscal Stability Authority was established in 2003 to restore fiscal health to the City of Buffalo by overseeing its finances and issuing debt on its behalf. Authority debt service and operating expenses are funded with city sales tax revenues and unrestricted State aid, on which the Authority has first lien.

***Municipal Bond Bank Agency***

The Municipal Bond Bank Agency was established in 1972 to provide low-cost capital financing to towns, villages, cities and counties. In addition, the Agency is authorized to issue special program bonds and tax lien collateralized securities. The Agency is staffed by the Housing Finance Agency. No State tax dollars are used to fund the Agency.

## ***PUBLIC AUTHORITIES***

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### ***Tobacco Settlement Financing Corporation***

The Tobacco Settlement Financing Corporation (TSFC) is a subsidiary of the Municipal Bond Bank Agency, established by statute in June 2003 to securitize amounts to be received by the State of New York under the Master Settlement Agreement (MSA) entered into in 1998 by the State, the other “settling jurisdictions” and certain participating cigarette manufacturers. In June 2003, TSFC issued \$2.3 billion of bonds backed by 50 percent of the anticipated MSA funds. In December 2003, TSFC issued an additional \$2.2 billion of bonds backed by the remaining 50 percent of the anticipated MSA funds.

### ***Project Finance Agency***

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

## ***PORT DEVELOPMENT AUTHORITIES***

### ***Albany Port District Commission***

The Albany Port District Commission develops and operates port facilities in the cities of Albany and Rensselaer. Lease revenues account for the majority of the Port’s annual revenue, with maritime traffic making up the remainder. No State tax dollars are used to fund the Commission.

### ***Ogdensburg Bridge and Port Authority***

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

### ***Port Authority of New York and New Jersey***

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

The Port Authority is continuing to work with the Lower Manhattan Development Corporation, the Federal government and other agencies on the redevelopment of the World Trade Center site and the adjacent portion of lower Manhattan.

***Port of Oswego Authority***

The Port of Oswego Authority operates port facilities in the Oswego Port District, which includes the City of Oswego, the Town of Scriba, and all waters of the Oswego River and Lake Ontario within its boundaries. The Authority operates a port terminal and storage facilities and supports a marine museum and maritime foundation.

**REGIONAL TRANSPORTATION AUTHORITIES**

***Capital District Transportation Authority***

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

***Central New York Regional Transportation Authority***

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

***Niagara Frontier Transportation Authority***

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

***Rochester-Genesee Regional Transportation Authority***

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

# PUBLIC AUTHORITIES

**TABLE 1**  
**FINANCIAL OPERATIONS <sup>a/</sup> OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2003 AND 2004**  
 (thousands of dollars)

Authorities by Function	Fiscal Year Begins	2003				2004			
		Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) <sup>b/</sup>	Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) <sup>b/</sup>
<b>BRIDGE, TUNNEL AND HIGHWAY</b>									
Buffalo and Fort Erie Public Bridge Authority	Jan. 1	24,844	13,709	4,269	6,866	24,211	13,703	4,276	6,232
New York State Bridge Authority	Jan. 1	39,626	21,090	8,190	10,346	40,216	22,742	8,191	9,283
Thousand Islands Bridge Authority	Mar. 1	8,426	5,864	744	1,818	8,511	6,256	744	1,511
Thruway Authority <sup>d/</sup>	Jan. 1	481,218	323,754	101,833	55,631	501,298	343,764	92,513	65,021
<b>ECONOMIC DEVELOPMENT</b>									
Battery Park City Authority	Nov. 1	186,430	29,500	0	156,930	163,195	32,350	4,989	125,856
Development Authority of the North Country	April 1	8,650	5,546	3,104	0	8,847	5,727	3,120	0
Empire State Development Corporation	April 1	483,805	61,825	421,980	0	644,141	59,374	584,767	0
Job Development Authority	April 1	21,121	16,796	4,325	0	31,775	16,503	15,272	0
United Nations Development Corporation	Jan. 1	30,700	15,062	10,353	5,285	31,536	15,807	7,183	8,546
<b>ENERGY AND ENVIRONMENT</b>									
Energy Research and Development Authority	April 1	213,689	198,736	14,953	0	207,222	192,262	14,960	0
Environmental Facilities Corporation	April 1	527,408	14,319	507,966	5,123	550,062	15,476	528,704	5,882
Long Island Power Authority	Jan. 1	2,581,183	2,095,130	466,053	20,000	2,896,303	2,403,916	472,387	20,000
Power Authority	Jan. 1	2,298,700	2,007,100	261,400	30,200	2,148,900	1,834,900	280,200	33,800
<b>HOUSING, HEALTH AND FINANCE</b>									
Dormitory Authority	April 1	2,719,290	88,904	2,630,386	0	3,003,710	95,284	2,908,426	0
Housing Finance Agency	Nov. 1	413,220	17,945	377,475	17,800	390,035	18,875	369,965	1,195
Local Government Assistance Corporation	April 1	335,000	5,000	330,000	0	323,000	8,000	315,000	0
Mortgage Agency	Nov. 1	1,323,758	149,306	1,165,976	8,476	967,552	99,001	859,370	9,181
Municipal Assistance Corporation for the City of New York	July 1	509,664	8,711	500,953	0	509,222	8,708	500,514	0
Municipal Assistance Corporation for the City of Troy	Jan. 1	4,713	28	4,685	0	5,283	25	5,258	0
Nassau County Interim Finance Authority <sup>d/</sup>	Jan. 1	830,588	1,900	61,116	767,572	848,847	1,900	80,536	766,411
Municipal Bond Bank Agency	Nov. 1	9,820	370	8,793	657	13,111	230	12,262	619
Tobacco Settlement Financing Corporation	Nov. 1	485	270	215	0	223,660	570	223,090	0
Project Finance Agency	Nov. 1	35,212	269	34,753	190	34,697	234	34,278	185

## PUBLIC AUTHORITIES

**TABLE 1**  
**FINANCIAL OPERATIONS <sup>a/</sup> OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2003 AND 2004**  
**(thousands of dollars)**

Authorities by Function	Fiscal Year Begins	2003				2004			
		Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) <sup>b/</sup>	Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) <sup>b/</sup>
<b>PORT DEVELOPMENT</b>									
Albany Port District Commission	Jan. 1	3,028	2,044	80	904	3,237	2,242	140	855
Ogdensburg Bridge and Port Authority	April 1	3,063	3,052	229	(218)	3,521	3,531	229	(239)
Port Authority of New York and New Jersey <sup>a/</sup>	Jan. 1	3,546,499	1,984,200	1,189,620	372,679	3,159,555	2,101,855	567,500	490,200
Port of Oswego Authority	April 1	993	983	70	(60)	1,015	966	70	(21)
<b>REGIONAL TRANSPORTATION</b>									
Capital District Transportation Authority	April 1	50,205	47,185	3,020	0	45,490	50,453	0	(4,963)
Central New York Regional Transportation Authority	April 1	36,081	36,561	20	(500)	36,190	37,739	21	(1,570)
Metropolitan Transportation Authority <sup>f/</sup>	Jan. 1	7,989,400	6,967,200	797,200	225,000	8,429,500	7,244,000	1,149,200	36,300
Niagara Frontier Transportation Authority	April 1	126,813	116,771	6,025	4,017	128,137	120,563	6,124	1,450
Rochester-Genesee Regional Transportation Authority	April 1	57,537	55,359	0	2,178	51,331	56,924	0	(5,593)
<b>GRAND TOTAL</b>		<b>24,901,169</b>	<b>14,294,489</b>	<b>8,915,786</b>	<b>1,690,894</b>	<b>25,433,310</b>	<b>14,813,880</b>	<b>9,049,289</b>	<b>1,570,141</b>

<sup>a/</sup> This table is based on authority estimates and may not reflect approval by the Board of Directors. This table covers the Authority fiscal year which includes September 30. Data vary as to cash or accrual accounting.

<sup>b/</sup> The operating surplus may be committed to reserve requirements, repayment of State advances or funding of capital programs or programs operated by other authorities. Deficits are to be financed from existing resources and/or by management actions.

<sup>c/</sup> Excludes debt service for bonds sold to finance State transportation programs.

<sup>d/</sup> Surplus funds of the Authority are remitted immediately to Nassau County as required under the NIFA Act.

<sup>e/</sup> All estimates are preliminary, subject to change, and reflect anticipated insurance recoveries for losses incurred as a result of the September 11, 2001 terrorist attacks on the World Trade Center.

<sup>f/</sup> Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority.

# PUBLIC AUTHORITIES

**TABLE 2**  
**CAPITAL PROGRAMS <sup>a/</sup> OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2003 AND 2004**  
**(thousands of dollars)**

Authorities by Function	2003			2004		
	Capital Program Disbursements	Available Resources	Sale of New Debt <sup>b/</sup>	Capital Program Disbursements	Available Resources	Sale of New Debt <sup>b/</sup>
<b>BRIDGE, TUNNEL AND HIGHWAY</b>						
Buffalo and Fort Erie Public Bridge Authority	6,241	22,435	0	8,309	22,426	0
New York State Bridge Authority	19,947	53,493	0	28,685	43,254	0
Thousand Islands Bridge Authority	1,402	1,402	0	1,938	1,938	0
Thruway Authority	337,885	207,382	130,503	313,036	313,036	0
<b>ECONOMIC DEVELOPMENT</b>						
Battery Park City Authority	20,039	20,039	90,380	38,230	100,000	0
Development Authority of the North Country	5,436	13,836	8,400	15,300	15,300	0
Empire State Development Corporation	228,665	0	228,665	270,000	0	270,000
Job Development Authority	15,000	0	30,000	15,000	15,000	0
United Nations Development Corporation	306	6,202	0	2,921	3,281	0
<b>ENERGY AND ENVIRONMENT</b>						
Energy Research and Development Authority	13,250	13,250	0	11,350	11,350	0
Environmental Facilities Corporation	1,048,230	0	1,048,230	1,087,220	0	1,087,220
Long Island Power Authority	226,000	76,000	150,000	234,000	234,000	0
Power Authority	502,200	366,200	250,500	446,100	384,900	61,200
<b>HOUSING, HEALTH AND FINANCE</b>						
Dormitory Authority	2,124,949	3,940,542	3,245,741	2,909,958	5,061,334	2,779,869
Housing Finance Agency	766,717	311,176	811,508	875,953	356,095	700,000
Local Government Assistance Corporation	0	0	0	0	0	0
Mortgage Agency	200,547	258,294	75,000	534,984	134,984	400,000
Municipal Assistance Corporation for the City of New York	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	0	0	0	0	0	0
Nassau County Interim Finance Authority <sup>c/</sup>	190,330	0	217,981	0	0	0
Municipal Bond Bank Agency	0	0	0	0	0	0
Tobacco Settlement Financing Corporation	0	0	0	0	0	0
Project Finance Agency	0	0	0	0	0	0

**TABLE 2  
CAPITAL PROGRAMS <sup>a/</sup> OF NEW YORK STATE PUBLIC AUTHORITIES  
2003 AND 2004  
(thousands of dollars)**

<b>Authorities by Function</b>	<b>2003</b>			<b>2004</b>		
	<b>Capital Program Disbursements</b>	<b>Available Resources</b>	<b>Sale of New Debt <sup>b/</sup></b>	<b>Capital Program Disbursements</b>	<b>Available Resources</b>	<b>Sale of New Debt <sup>b/</sup></b>
<b>PORT DEVELOPMENT</b>						
Albany Port District Commission	754	0	0	826	0	0
Ogdensburg Bridge and Port Authority	4,385	4,385	0	3,288	1,938	1,350
Port Authority of New York and New Jersey <sup>d/</sup>	1,835,611	1,063,259	1,214,100	1,779,061	946,990	1,632,180
Port of Oswego Authority	186	186	0	150	150	0
<b>REGIONAL TRANSPORTATION</b>						
Capital District Transportation Authority	10,232	10,232	0	11,125	11,125	0
Central New York Regional Transportation Authority	14,141	14,141	0	10,530	10,530	0
Metropolitan Transportation Authority <sup>e/</sup>	4,074,800	0	2,998,400	3,096,000	1,578,600	1,517,400
Niagara Frontier Transportation Authority	66,774	66,774	0	78,740	78,740	0
Rochester-Genesee Regional Transportation Authority	13,559	14,882	0	36,674	36,674	0
<b>GRAND TOTAL</b>	<b>11,727,586</b>	<b>6,464,110</b>	<b>10,499,408</b>	<b>11,809,378</b>	<b>9,361,645</b>	<b>8,449,219</b>

<sup>a/</sup> This table is based on authority estimates and may not reflect approval by the Board of Directors. The table covers the Authority fiscal year which includes September 30. "Available resources" may include anticipated and/or requested State and Federal funds.

<sup>b/</sup> Includes proceeds available for capital program only.

<sup>c/</sup> All capital borrowings are made by the Authority on behalf of Nassau County and all capital bond proceeds are disbursed to Nassau County. The Authority issues debt only at the request of Nassau County. The County's debt plan for 2004 is still in development. The amount of new debt does not include refunding bonds.

<sup>d/</sup> All estimates are preliminary, subject to change, and reflect anticipated insurance recoveries for losses incurred as a result of the September 11, 2001 terrorist attacks on the World Trade Center.

<sup>e/</sup> Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority.



# ***PUBLIC AUTHORITIES***

**TABLE 3  
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES  
AS OF SEPTEMBER 30, 2003  
(thousands of dollars)**

<b>Authorities by Function</b>	<b>All Bonds and Notes</b>				<b>Moral Obligation Bonds</b>		
	<b>Statutory Authorization</b>	<b>Bonds Issued</b>	<b>Bonds Outstanding</b>	<b>Notes Outstanding</b>	<b>Authorized Limit</b>	<b>Bonds Issued</b>	<b>Bonds Outstanding</b>
<b>BRIDGE, TUNNEL AND HIGHWAY</b>							
Buffalo and Fort Erie Public Bridge Authority	165,000	53,370	46,175	1,488	0	0	0
New York State Bridge Authority	100,000	83,522	82,225	0	0	0	0
Thousand Islands Bridge Authority	Unlimited	5,745	4,300	0	0	0	0
Thruway Authority	Unlimited	13,887,862	9,375,529	650,000	0	0	0
<b>ECONOMIC DEVELOPMENT</b>							
Battery Park City Authority <sup>a/</sup>	1,041,000	1,153,265	1,136,140	0	0	0	0
Development Authority of the North Country	Unlimited	48,424	30,619	0	0	0	0
Empire State Development Corporation	Unlimited	6,971,292	5,711,527	13,718	1,295,000	1,070,000	0
Job Development Authority	750,000	741,080	65,980	15,000	0	0	0
United Nations Development Corporation	Unlimited	260,728	132,933	0	75,000	55,200	0
<b>ENERGY AND ENVIRONMENT</b>							
Energy Research and Development Authority	Unlimited	7,454,470	3,708,295	0	0	0	0
Environmental Facilities Corporation	Unlimited	7,799,455	5,544,040	0	0	0	0
Long Island Power Authority	Unlimited	10,692,000	7,111,581	100,000	0	0	0
Power Authority	Unlimited	6,917,450	1,593,240	846,378	0	0	0
<b>HOUSING, HEALTH AND FINANCE</b>							
Dormitory Authority	Unlimited	64,188,099	31,028,000	163,180	926,015	698,660	33,215
Housing Finance Agency <sup>b/</sup>	7,890,000	12,243,871	6,205,762	0	4,518,837	6,524,379	389,581
Local Government Assistance Corporation	4,700,000	6,920,825	4,550,230	0	0	0	0
Mortgage Agency	7,245,000	11,927,004	3,295,161	0	0	0	0
Municipal Assistance Corporation for the City of New York	11,500,000	9,445,000	2,151,320	0	0	9,445,000	0
Municipal Assistance Corporation for the City of Troy <sup>b/</sup>	75,000	69,583	70,319	0	0	0	0
Nassau County Interim Finance Authority	Unlimited	1,176,325	1,123,320	0	0	0	0
Municipal Bond Bank Agency	1,000,000	130,875	91,315	0	0	0	0
Tobacco Settlement Financing Corporation	4,200,000	2,310,705	2,310,705	0	0	0	0
Project Finance Agency	305,000	305,000	76,500	0	0	0	0

## PUBLIC AUTHORITIES

**TABLE 3**  
**DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES**  
**AS OF SEPTEMBER 30, 2003**  
 (thousands of dollars)

Authorities by Function	All Bonds and Notes				Moral Obligation Bonds		
	Statutory Authorization	Bonds Issued	Bonds Outstanding	Notes Outstanding	Authorized Limit	Bonds Issued	Bonds Outstanding
<b>PORT DEVELOPMENT</b>							
Albany Port District Commission	Unlimited	0	0	958	0	0	0
Ogdensburg Bridge and Port Authority	Unlimited	0	0	1,132	0	0	0
Port Authority of New York and New Jersey	Unlimited	13,745,464	8,844,880	599,190	0	0	0
Port of Oswego Authority	Unlimited	0	0	390	0	0	0
<b>REGIONAL TRANSPORTATION</b>							
Capital District Transportation Authority	Unlimited	0	0	5,000	0	0	0
Central New York Regional Transportation Authority	Unlimited	0	0	0	0	0	0
Metropolitan Transportation Authority <sup>a/</sup>	16,500,000	18,263,800	17,942,064	0	0	0	0
Niagara Frontier Transportation Authority	Unlimited	217,269	189,875	0	0	0	0
Rochester-Genesee Regional Transportation Authority	Unlimited	0	0	0	0	0	0
<b>GRAND TOTAL</b>		<b>197,012,483</b>	<b>112,422,035</b>	<b>2,396,434</b>	<b>6,814,852</b>	<b>17,793,239</b>	<b>422,796</b>

<sup>a/</sup> \$400 million in bonding authority related to the Housing New York Program sunsetted on June 30, 1995.

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

<sup>c/</sup> Bonds outstanding exceed bonds issued because bonds outstanding include accretion in value of capital appreciation bonds from date of issue through September 30, 2003.

<sup>d/</sup> Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority. Bond cap is applicable only to projects set forth in transit and commuter capital programs approved by the MTA Capital Program Review Board.

# PUBLIC AUTHORITIES

**TABLE 4**  
**STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS**  
**OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2003 AND 2004-05**  
 (thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2003 <sup>a/</sup>			Outstanding Reimbursable State Appropriations, 2002	State Appropriations Requested in Support of Authority Programs, 2004-05 <sup>b/</sup>		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Appropriations	Reappropriations	Total
<b>BRIDGE, TUNNEL AND HIGHWAY</b>							
Buffalo and Fort Erie Public Bridge Authority	46,175	0	0	0	0	0	0
New York State Bridge Authority	82,225	0	0	0	0	0	0
Thousand Islands Bridge Authority	4,300	0	0	0	0	0	0
Thruway Authority	9,375,529	0	0	0	4,000	2,918	6,918
<b>ECONOMIC DEVELOPMENT</b>							
Battery Park City Authority	1,136,140	0	0	0	0	0	0
Development Authority of the North Country	30,619	0	0	0	0	0	0
Empire State Development Corporation	5,711,527	0	0	0	338,362	236,447	574,809
Job Development Authority	0	65,980	0	0	0	0	0
United Nations Development Corporation	132,933	0	0	0	0	0	0
<b>ENERGY AND ENVIRONMENT</b>							
Energy Research and Development Authority	3,708,295	0	0	0	26,273	0	26,273
Environmental Facilities Corporation	5,544,040	0	0	9,528	10,206	10,605	20,811
Long Island Power Authority	7,111,581	0	0	0	0	0	0
Power Authority	1,593,240	0	0	0	0	0	0
<b>HOUSING, HEALTH AND FINANCE</b>							
Dormitory Authority	30,994,785	0	33,215	0	0	0	0
Housing Finance Agency	5,816,181	0	389,581	45,367	0	0	0
Local Government Assistance Corporation	4,550,230	0	0	0	323,000	0	323,000
Mortgage Agency	3,295,161	0	0	0	0	0	0
Municipal Assistance Corporation for the City of New York	2,151,320	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	70,319	0	0	0	0	0	0
Nassau County Interim Finance Authority	1,123,320	0	0	0	0	0	0
Municipal Bond Bank Agency	91,315	0	0	0	0	0	0
Tobacco Settlement Financing Corporation	2,310,705	0	0	0	0	0	0
Project Finance Agency	76,500	0	0	0	0	0	0

## PUBLIC AUTHORITIES

**TABLE 4**  
**STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS**  
**OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2003 AND 2004-05**  
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2003 <sup>a/</sup>			Outstanding Reimbursable State Approp- riations, 2002	State Appropriations Requested in Support of Authority Programs, 2004-05 <sup>b/</sup>		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Approp- riations	Reapprop- riations	Total
<b>PORT DEVELOPMENT</b>							
Albany Port District Commis- sion	0	0	0	0	0	0	0
Ogdensburg Bridge and Port Authority	0	0	0	19,230	0	0	0
Port Authority of New York and New Jersey	8,844,880	0	0	0	0	0	0
Port of Oswego Authority	0	0	0	4,130	0	0	0
<b>REGIONAL TRANSPORTA- TION</b>							
Capital District Transportation Authority	0	0	0	0	22,525	0	22,525
Central New York Regional Transportation Authority	0	0	0	0	19,684	0	19,684
Metropolitan Transportation Authority <sup>c/</sup>	17,942,064	0	0	0	0	0	0
Niagara Frontier Transporta- tion Authority	189,875	0	0	0	27,041	0	27,041
Rochester-Genesee Regional Transportation Authority	0	0	0	0	15,901	0	15,901
<b>GRAND TOTAL</b>	<b>111,933,259</b>	<b>65,980</b>	<b>422,796</b>	<b>78,255</b>	<b>786,992</b>	<b>249,970</b>	<b>1,036,962</b>

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

<sup>b/</sup> Appropriations are included in the Executive Budget for State Fiscal Year 2004-05 from the State's General Fund, dedicated tax funds, Capital Projects Fund or bond funds. Some of these funds may be appropriated to an intermediary which, in turn, makes payment to the named authority.

<sup>c/</sup> Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority. Outstanding bonds do not include Convention Center Project Bonds, that are not covered by the Authority's bond cap, and are solely supported by rental income.



# ***DEPARTMENT OF PUBLIC SERVICE***

## ***MISSION***

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

## ***ORGANIZATION AND STAFFING***

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

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

The Department will have a workforce of 545 for 2004-05. The Department is funded almost entirely from utility and cable assessments.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The 2004-05 budget recommendations for the Department of Public Service reflect the changing mission of the agency as the utility industry moves from a regulated environment to a competitive market. As the electric industry undergoes restructuring, the Department is overseeing this process to ensure that policies are implemented to encourage competition for retail and wholesale business, and to maintain a level playing field in this new competitive market.

The Department's 2004-05 operating budget includes funding of \$68.7 million from utility and cable assessments. Public utility assessments are based on a utility's gross intrastate operating revenues above \$25,000. Cable television assessments are based on revenues from those companies with 1,000 or more subscribers.

In addition, the local assistance budget provides a total of \$400,000 from fees paid by entities proposing the siting of electric generation facilities, that may be accessed by local governments and community groups to fund intervention activities related to the siting.

The Department also receives Federal grants to perform pipeline safety activities.

## ***PROGRAM HIGHLIGHTS***

The Department's highest priority for the coming year will be the completion of a formal inquiry into the causes and impacts of the August 14, 2003 Northeast regional electricity blackout that affected New York State. Although an initial Federal report indicates that the blackout started in Ohio, the Department will focus its blackout inquiry on New York State electric service restoration, steps to minimize the likelihood of another blackout and actions to improve the State's capabilities to deal with another blackout should one occur. The

## **PUBLIC SERVICE**

Department will also monitor implementation of security measures based on the results of utility vulnerability assessments that were completed in 2003. The transition toward competition in the electric, telecommunications and gas industries also remains a priority and will be effectively managed to ensure that competition benefits both the State's economic interests and utility ratepayers. During this transition to competitive markets, the Department will develop the infrastructure needed for competitive alternatives, maintain the high standards of reliability and service quality that New Yorkers expect, ensure fair competition and, where necessary, provide ratepayers effective protection. Department staff will continue to play a significant role in siting new and expanded electric generation facilities.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	65,812,000	69,318,000	3,506,000	1,471,000
Aid To Localities	400,000	400,000	0	4,649,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>66,212,000</b>	<b>69,718,000</b>	<b>3,506,000</b>	<b>6,120,000</b>

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

#### **Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
Special Revenue Funds - Other	98	98	0
Regulation of Utilities			
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	435	435	0
<b>Total</b>	<b>545</b>	<b>545</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Federal	1,700,000	1,611,000	(89,000)
Special Revenue Funds - Other	64,112,000	67,707,000	3,595,000
<b>Total</b>	<b>65,812,000</b>	<b>69,318,000</b>	<b>3,506,000</b>

Adjustments:			
Recommended Deficiency			
Public Service Department			
Special Revenue Funds - Federal	(300,000)		
Appropriated 2003-04	65,512,000		

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	10,185,000	10,781,000	596,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,700,000	1,611,000	(89,000)
Special Revenue Funds - Other	53,927,000	56,926,000	2,999,000
Total	<u>65,812,000</u>	<u>69,318,000</u>	<u>3,506,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	10,781,000	596,000	5,498,000	0
Regulation of Utilities	58,537,000	2,910,000	32,477,000	(629,000)
Total	<u>69,318,000</u>	<u>3,506,000</u>	<u>37,975,000</u>	<u>(629,000)</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Administration	5,283,000	596,000
Regulation of Utilities	26,060,000	3,539,000
Total	<u>31,343,000</u>	<u>4,135,000</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	400,000	400,000	0
Total	<u>400,000</u>	<u>400,000</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Regulation of Utilities			
Special Revenue Funds - Other	400,000	400,000	0
Total	<u>400,000</u>	<u>400,000</u>	<u>0</u>





# **STATE RACING AND WAGERING BOARD**

## **MISSION**

The Racing and Wagering Board regulates all legalized gambling activities in New York except those regulated by the State Lottery. Horse racing, off-track betting (OTB) and Indian casino gaming are directly regulated by the Board. The responsibility for oversight of bingo and other permitted games of chance conducted by religious and not-for-profit organizations is shared with municipalities, which collect license fees and ensure that the Board's rules and regulations are followed.

## **ORGANIZATION AND STAFFING**

A three-member Board oversees agency activities. The Governor appoints each member to a six-year term with the consent of the Senate.

The Chair and central office staff are stationed in Albany with additional staff operating from the New York City regional office. The Board employs on-site inspectors at the Oneida Indians' Turning Stone Casino in Verona, Oneida County, the Mohawk Indians' Akwesasne Mohawk Casino in Hogansburg, Franklin County, and the Seneca Nation's Seneca Niagara Casino in Niagara Falls. Temporary and full-time employees oversee horse racing at New York's four thoroughbred race tracks — Aqueduct, Belmont, Saratoga and Finger Lakes — and seven harness tracks — Buffalo, Monticello, Saratoga, Syracuse, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board will have a workforce of 133 full time and 165 per diem staff in the 2004-05 fiscal year. Staff will be supported by revenues generated by the racing industry, Indian casinos and charitable gaming activities.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommends \$12 million to support staff and related costs associated with the processing of racing licenses; the review of financial statements submitted by regional OTBs; legal hearings to suspend or fine violators of racing regulations; seasonal employees at the thoroughbred and harness tracks; and the testing of race horses for prohibited drugs. Pursuant to legislation enacted in 2003, all expenses are supported by the racing industry.

In addition, \$2.3 million in existing fees collected by the State from charitable gaming proceeds is recommended to support the regulation of these games. This funding will support oversight of "bell jar" games, which are games of chance in which players remove "pull tabs" from randomly drawn tickets to reveal potential winning combinations of three or more matching items. The Budget also authorizes \$7.4 million in revenues from fees charged to Indian casinos to pay for on-site monitoring and investigation of these casinos.

## **PROGRAM HIGHLIGHTS**

### **REGULATION OF GAMES OF CHANCE**

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 15,000 charitable and not-for-profit organizations throughout the State. The Board establishes standards for issuing licenses to suppliers and manufacturers of gaming equipment; reviews financial statements of charitable gaming operations; and, in conjunction with local law enforcement officials, investigates illegal gaming activities. In accordance with legislation enacted in 1996, the Board will continue its oversight of "bell jar" games in order to decrease illegal activity.

# **RACING AND WAGERING**

## **INDIAN GAMING**

The State has negotiated compacts or protocols with the Oneida Nation, the St. Regis Mohawk Tribe and the Seneca Nation to conduct gaming activities. Under these compacts, the Racing and Wagering Board is responsible for supervising gaming activities operating on these Indian lands. To oversee these activities, the Board maintains 13 employees at the Oneida Nation's Turning Stone Casino, 15 employees at the St. Regis Mohawk Tribe's Akwesasne Casino and 13 employees at the Seneca Nation's Seneca Niagara Casino. Should additional Indian casinos become operational this year, the 2004-05 Executive Budget provides funding necessary to support Board oversight at the new facilities.

## **REGULATION OF RACING**

The Board's permanent staff oversee 165 temporary employees who ensure that horse races at the State's racetracks are conducted legally. To help oversee racing activities, the Board has a contract with Cornell University to conduct research and to carry out post-race testing of blood and urine samples taken from race horses.

As part of its regulatory responsibilities, the Racing and Wagering Board worked cooperatively with Federal, State and local authorities on recent investigations of the New York Racing Association. The Board will continue all such efforts in the future to ensure quality racing in the State.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	19,512,000	21,717,000	2,205,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>19,512,000</b>	<b>21,717,000</b>	<b>2,205,000</b>	<b>0</b>

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

#### **Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Regulation of Racing			
Special Revenue Funds - Other	39	39	0
Regulation of Wagering			
Special Revenue Funds - Other	81	94	13
<b>Total</b>	<b>120</b>	<b>133</b>	<b>13</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	19,512,000	21,717,000	2,205,000
<b>Total</b>	<b>19,512,000</b>	<b>21,717,000</b>	<b>2,205,000</b>

# RACING AND WAGERING

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Regulation of Racing			
Special Revenue Funds - Other	12,200,000	12,000,000	(200,000)
Regulation of Wagering			
Special Revenue Funds - Other	7,312,000	9,717,000	2,405,000
Total	<u>19,512,000</u>	<u>21,717,000</u>	<u>2,205,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Regulation of Racing	12,000,000	(200,000)	8,573,000	(200,000)
Regulation of Wagering	9,717,000	2,405,000	5,380,000	881,000
Total	<u>21,717,000</u>	<u>2,205,000</u>	<u>13,953,000</u>	<u>681,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Regulation of Racing	3,427,000	0
Regulation of Wagering	4,337,000	1,524,000
Total	<u>7,764,000</u>	<u>1,524,000</u>



# **OFFICE OF SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH**

## **MISSION**

Established in November 1999, the New York State Office of Science, Technology, and Academic Research (NYSTAR) is an Executive agency which replaced the New York State Science and Technology Foundation and assumed responsibility for directing the State's university-based high-technology economic development programs.

## **ORGANIZATION AND STAFFING**

The Office of Science, Technology, and Academic Research is headed by an Executive Director who is appointed by the Governor and confirmed by the Senate. Agency oversight is augmented by an 11-member advisory council. The Office of Science, Technology, and Academic Research will have a workforce of 30 positions in 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Office of Science, Technology, and Academic Research's activities are supported primarily with State tax dollars from the General Fund. The Executive Budget recommends \$3.3 million to support the Agency's operating budget and \$65.8 million for its high-technology programs.

## **PROGRAM HIGHLIGHTS**

The Office of Science, Technology, and Academic Research is responsible for the following major programs:

- **Capital Facility Program:** This program supports the construction and reconstruction of research and development facilities at designated Centers for Advanced Technology and State University of New York University Centers;
- **Faculty Development Program:** This program provides grants to assist colleges and universities in attracting and retaining research faculty;
- **Center for Advanced Technology Development Program:** This program provides grants to designated Centers for Advanced Technology for enhancing and expanding activities; and
- **Technology Transfer Incentive Program:** This program provides grants to colleges and universities for technology transfer activities, such as patent applications, the creation of business plans, venture capital conferences and other uses related to the commercialization of high-technology innovations. It also provides funding for the Science and Technology Law Center which assists start-up companies in bringing new technologies to the marketplace, and is a resource for State agencies and institutions of higher education on technology-related legal issues.

In addition, the Office of Science, Technology, and Academic Research will continue to administer programs of the former Science and Technology Foundation, including: Centers for Advanced Technology; Industrial Technology Extension Service; Manufacturing Extension Partnership Program; Technology Development Organizations; the Sensing, Analyzing, Interpreting and Deciding Center at Syracuse University; and the Focus Center-New York semiconductor research center. Other programs administered by NYSTAR include: the High-Technology Matching Grants Program, including the Security Through Advanced Research and Technology (START) initiative; College Applied Research Centers; the James D. Watson Investigator Program; the Cornell University Nanobiotechnology Center; the Cornell University Materials Research Science and Engineering Center; the Cornell

## SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH

University Nanoscale Science and Engineering Center; the Cornell University National Nanotechnology Infrastructure Network; the Columbia University Nanoscale Science and Engineering Center; the Columbia University Materials Research Science and Engineering Center; the Rensselaer Polytechnic Institute Nanoscale Science and Engineering Center; the Rensselaer Polytechnic Institute Semiconductor Research Corporation Center for Advanced Interconnect Systems Technologies; the Rensselaer Polytechnic Institute Engineering Research Center; the City University of New York Optical Sensing and Imaging Center; and the State University of New York College of Environmental Science and Forestry Water System Contamination Detection Initiative.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	3,325,000	3,325,000	0	0
Aid To Localities	64,520,000	65,765,000	1,245,000	138,751,200
Capital Projects	0	0	0	36,611,000
Total	<u>67,845,000</u>	<u>69,090,000</u>	<u>1,245,000</u>	<u>175,362,200</u>

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration Program			
General Fund	30	30	0
Total	<u>30</u>	<u>30</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	2,825,000	2,825,000	0
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>3,325,000</u>	<u>3,325,000</u>	<u>0</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration Program			
General Fund	2,825,000	2,825,000	0
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>3,325,000</u>	<u>3,325,000</u>	<u>0</u>

# SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	2,825,000	0	2,825,000	0
Total	<u>2,825,000</u>	<u>0</u>	<u>2,825,000</u>	<u>0</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	500,000	0	500,000	0
Total	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	58,020,000	59,265,000	1,245,000
Special Revenue Funds - Federal	6,500,000	6,500,000	0
Total	<u>64,520,000</u>	<u>65,765,000</u>	<u>1,245,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
High Technology			
General Fund	32,020,000	33,265,000	1,245,000
Training and Business Assistance Program			
General Fund	1,500,000	1,500,000	0
Special Revenue Funds - Federal	6,500,000	6,500,000	0
Research Development Program			
General Fund	24,500,000	24,500,000	0
Total	<u>64,520,000</u>	<u>65,765,000</u>	<u>1,245,000</u>

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Research Facilities				
Capital Projects Fund	0	0	0	2,000,000
Capital Projects Fund - Authority Bonds	0	0	0	34,611,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,611,000</u>





# ***DEPARTMENT OF TAXATION AND FINANCE***

## ***MISSION***

The Department of Taxation and Finance administers the State's taxes and related local taxes and manages the State Treasury. In fulfilling its responsibilities under the State's Tax Laws, the Department collects approximately \$39.8 billion in State revenue and approximately \$23.5 billion in local taxes, including New York City and the City of Yonkers income taxes, on behalf of municipalities.

## ***ORGANIZATION AND STAFFING***

The Department is headed by a Commissioner who is appointed by the Governor and confirmed by the Senate. It fulfills its mission through 11 programs: Administration, Revenue Support, Office of the Counsel, Tax Policy and Analysis, Tax Enforcement, Tax Compliance, Treasury Management, Audit, Revenue and Information Management, Taxpayer Services and the Office of Conciliation and Mediation. The Department of Taxation and Finance will have a workforce of 4,766 positions in 2004-05, of which 4,342 will be funded by State tax dollars in the General Fund.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

In 2004-05, the Department will be financed primarily with State tax dollars from the General Fund, which support its revenue generation, collection and administration programs. The Executive Budget recommends \$407.5 million to support the Department's operating budget. This amount includes \$301.7 million in General Fund support, which will finance 74 percent of the Department's operations, and will be supplemented by fee income of \$43.1 million and Federal funding of \$582,000. Fee income will support costs associated with the collection of personal income and other taxes for New York City, financial and investment services for certain State agencies and public benefit corporations and with delinquent tax collection efforts. The Budget further recommends \$62.1 million for the Banking Services Fund. The Fund pays banking institutions for certain services related to processing personal income and other taxes.

Recommended funding levels will support continuation of the e\*MPIRE program, which will upgrade the Department's tax processing system, to ensure the State's ability to accurately and effectively collect revenues.

## ***PROGRAM HIGHLIGHTS***

Taxation and Finance Department employees are responsible for providing equitable and efficient service to taxpayers. The Department is organized along functional lines to support a high-level of taxpayer service, including:

- **Administration:** This program includes the Department's central policy direction and oversight functions. Activities include fiscal management, human resources/payroll, internal audit, management services and public information;
- **Revenue Support:** This program provides essential support services for the Department, including managing office and warehouse space, developing and printing tax forms and instructions and mailing tax liability notices, refunds and other tax forms;

## TAXATION AND FINANCE

- **Office of the Counsel:** This office prepares regulations, interprets statutes, manages litigation and drafts and reviews proposed legislation. The Office is involved in resolving taxpayer protests and litigation, and maintains coordination between the Department, the Department of Law and the Division of Tax Appeals;
- **Tax Policy and Analysis:** This program estimates the revenues expected to be produced by each tax, assesses the impact of different tax structures and tax proposals on the State's economy, reviews tax policies and legislation and prepares descriptive and analytical studies;
- **Tax Enforcement:** This program identifies and investigates alleged evasion of the State tax code. Staff assigned to this program work with Federal, State and local law enforcement officials in the prosecution of tax fraud and tax evasion cases;
- **Tax Compliance:** This is the State's largest accounts receivable program, collecting delinquent State and local taxes. Computer-generated billings and an automated telephone collection system are used in collection activities;
- **Audit:** The Audit Division ensures that voluntarily remitted taxes are accurate and complete. The Division plans, conducts and evaluates desk and field audits, increasingly with the aid of technology;
- **Revenue and Information Management:** This program contains the Department's information management, tax processing and tax accounting functions. It supports the collection of an estimated \$63.3 billion in State and local tax collections;
- **Taxpayer Services:** This program assists taxpayers in fulfilling their tax obligations by developing and distributing tax information, advice and instructions; and
- **Office of Conciliation and Mediation:** This program offers taxpayers the option of informally resolving disputes with the Department.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	433,838,000	407,492,000	(26,346,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>433,838,000</u>	<u>407,492,000</u>	<u>(26,346,000)</u>	<u>0</u>

# TAXATION AND FINANCE

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	81	79	(2)
Audit			
General Fund	1,717	1,670	(47)
Office of Conciliation and Mediation			
General Fund	31	30	(1)
Counsel			
General Fund	68	66	(2)
Tax Policy and Analysis			
General Fund	31	30	(1)
Revenue and Information Management			
General Fund	1,462	1,423	(39)
Special Revenue Funds - Other	381	381	0
Revenue Support Services			
General Fund	63	61	(2)
Tax Compliance			
General Fund	724	704	(20)
Tax Enforcement			
General Fund	170	165	(5)
Special Revenue Funds - Federal	8	8	0
Taxpayer Services			
General Fund	117	114	(3)
Treasury Management			
Special Revenue Funds - Other	35	35	0
Total	4,888	4,766	(122)

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	318,327,000	301,683,000	(16,644,000)
Special Revenue Funds - Federal	582,000	582,000	0
Special Revenue Funds - Other	38,024,000	43,084,000	5,060,000
Internal Service Funds	76,905,000	62,143,000	(14,762,000)
Total	433,838,000	407,492,000	(26,346,000)

# TAXATION AND FINANCE

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	5,336,000	5,165,000	(171,000)
Audit			
General Fund	104,661,000	101,179,000	(3,482,000)
Banking Services			
Internal Service Funds	76,905,000	62,143,000	(14,762,000)
Office of Conciliation and Mediation			
General Fund	2,208,000	2,138,000	(70,000)
Counsel			
General Fund	4,914,000	4,761,000	(153,000)
Tax Policy and Analysis			
General Fund	2,111,000	2,046,000	(65,000)
Revenue and Information Management			
General Fund	109,514,000	100,157,000	(9,357,000)
Special Revenue Funds - Other	31,623,000	37,647,000	6,024,000
Revenue Support Services			
General Fund	34,434,000	32,910,000	(1,524,000)
Tax Compliance			
General Fund	31,348,000	30,356,000	(992,000)
Special Revenue Funds - Other	4,000,000	2,900,000	(1,100,000)
Tax Enforcement			
General Fund	14,327,000	13,826,000	(501,000)
Special Revenue Funds - Federal	582,000	582,000	0
Taxpayer Services			
General Fund	9,474,000	9,145,000	(329,000)
Treasury Management			
Special Revenue Funds - Other	2,401,000	2,537,000	136,000
Total	<u>433,838,000</u>	<u>407,492,000</u>	<u>(26,346,000)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,769,000	(152,000)	4,727,000	(152,000)
Audit	85,170,000	(2,708,000)	84,121,000	(2,708,000)
Office of Conciliation and Mediation	2,046,000	(65,000)	2,028,000	(65,000)
Counsel	4,637,000	(147,000)	4,395,000	(147,000)
Tax Policy and Analysis	2,024,000	(64,000)	1,932,000	(64,000)
Revenue and Information Management	59,365,000	(1,888,000)	57,413,000	(448,000)
Revenue Support Services	4,081,000	(130,000)	3,532,000	(130,000)
Tax Compliance	28,742,000	(914,000)	28,689,000	(914,000)
Tax Enforcement	10,143,000	(323,000)	10,106,000	(323,000)
Taxpayer Services	6,880,000	(219,000)	5,814,000	(219,000)
Total	<u>207,857,000</u>	<u>(6,610,000)</u>	<u>202,757,000</u>	<u>(5,170,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	42,000	0
Audit	919,000	0	130,000	0
Office of Conciliation and Mediation	0	0	18,000	0
Counsel	236,000	0	6,000	0
Tax Policy and Analysis	89,000	0	3,000	0
Revenue and Information Management	1,298,000	(1,440,000)	654,000	0
Revenue Support Services	546,000	0	3,000	0
Tax Compliance	0	0	53,000	0
Tax Enforcement	25,000	0	12,000	0
Taxpayer Services	1,061,000	0	5,000	0
Total	<u>4,174,000</u>	<u>(1,440,000)</u>	<u>926,000</u>	<u>0</u>

# TAXATION AND FINANCE

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	396,000	(19,000)	281,749	(13,518)
Audit	16,009,000	(774,000)	30,994	(1,498)
Office of Conciliation and Mediation	92,000	(5,000)	3,873	(211)
Counsel	124,000	(6,000)	7,750	(375)
Tax Policy and Analysis	22,000	(1,000)	4,783	(217)
Revenue and Information Management	40,792,000	(7,469,000)	1,519,388	(284,847)
Revenue Support Services	28,829,000	(1,394,000)	153,995	(7,446)
Tax Compliance	1,614,000	(78,000)	270,293	(13,062)
Tax Enforcement	3,683,000	(178,000)	417,101	(20,159)
Taxpayer Services	2,265,000	(110,000)	71,659	(3,480)
Total	93,826,000	(10,034,000)	2,761,585	(344,813)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	4,844	(232)	71,647	(3,438)
Audit	4,115,327	(198,967)	10,724,645	(518,513)
Office of Conciliation and Mediation	67,790	(3,684)	20,337	(1,105)
Counsel	29,063	(1,406)	85,250	(4,125)
Tax Policy and Analysis	5,739	(261)	9,565	(435)
Revenue and Information Management	99,182	(18,595)	36,808,065	(6,900,588)
Revenue Support Services	5,811	(281)	28,669,194	(1,386,273)
Tax Compliance	585,147	(28,279)	136,599	(6,601)
Tax Enforcement	1,056,047	(51,039)	1,597,465	(77,205)
Taxpayer Services	10,652	(517)	2,179,785	(105,861)
Total	5,979,602	(303,261)	80,302,552	(9,004,144)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	37,760	(1,812)	0	0
Audit	1,138,034	(55,022)	0	0
Office of Conciliation and Mediation	0	0	0	0
Counsel	1,937	(94)	0	0
Tax Policy and Analysis	1,913	(87)	0	0
Revenue and Information Management	1,413,365	(264,970)	952,000	0
Revenue Support Services	0	0	0	0
Tax Compliance	621,961	(30,058)	0	0
Tax Enforcement	612,387	(29,597)	0	0
Taxpayer Services	2,904	(142)	0	0
Total	3,830,261	(381,782)	952,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Banking Services	62,143,000	(14,762,000)	0	0
Revenue and Information Management	37,647,000	6,024,000	15,094,000	(308,000)
Tax Compliance	2,900,000	(1,100,000)	0	0
Tax Enforcement	582,000	0	0	0
Treasury Management	2,537,000	136,000	1,596,000	11,000
Total	105,809,000	(9,702,000)	16,690,000	(297,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Banking Services	0	0	62,143,000	(14,762,000)
Revenue and Information Management	22,553,000	6,332,000	0	0
Tax Compliance	2,900,000	(1,100,000)	0	0
Tax Enforcement	0	0	582,000	0
Treasury Management	941,000	125,000	0	0
Total	26,394,000	5,357,000	62,725,000	(14,762,000)



# ***DIVISION OF TAX APPEALS***

## ***MISSION***

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes the impartial and timely hearing of taxpayer disputes.

## ***ORGANIZATION AND STAFFING***

The Division of Tax Appeals is headed by the Tax Appeals Tribunal, which is comprised of three commissioners appointed by the Governor and confirmed by the Senate. Under the direction of the Tax Tribunal, dispute adjudication is provided through small claims hearings, formal hearings and the Tribunal appeals process. The Division holds formal hearings in Troy, New York City and Rochester, while Tax Tribunal oral arguments are held in New York City, Buffalo and Troy. Small claims hearings are conducted throughout the State. The Division will have a workforce of 30 positions for 2004-05.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Division's activities are supported entirely with State tax dollars, which finance the Tribunal's staff and other expenses such as rent and supplies.

The Executive Budget recommends \$3.1 million in annual General Fund support for the Division. This recommendation will enable the Tribunal to continue to provide for the timely resolution of taxpayer disputes with the Department of Taxation and Finance.

## ***PROGRAM HIGHLIGHTS***

The Division's hearing process has been substantially improved in recent years to benefit taxpayers. These improvements have allowed taxpayers more flexibility in scheduling hearings, thus minimizing delays caused by sudden cancellations.

Since January 1997, the Division has conducted formal hearings in New York City to provide easier access for taxpayers in the New York City metropolitan area. Recently, the Division expanded this initiative to Rochester. At these locations, the Division utilizes existing State office space, thus providing improved service at nominal additional cost.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	3,085,000	3,085,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,085,000	3,085,000	0	0



# TAX APPEALS

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

Full-Time Equivalent Positions (FTE)

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	30	30	0
Total	<u>30</u>	<u>30</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	3,085,000	3,085,000	0
Total	<u>3,085,000</u>	<u>3,085,000</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	3,085,000	3,085,000	0
Total	<u>3,085,000</u>	<u>3,085,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	2,705,000	0	2,533,000	0
Total	<u>2,705,000</u>	<u>0</u>	<u>2,533,000</u>	<u>0</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Administration	172,000	0
Total	<u>172,000</u>	<u>0</u>

# TAX APPEALS

STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	380,000	0	30,000	0
Total	380,000	0	30,000	0

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	25,000	0	300,000	0
Total	25,000	0	300,000	0

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	25,000	0
Total	25,000	0



# **OFFICE FOR TECHNOLOGY**

## **MISSION**

The Office for Technology (“OFT” or “the Office”) was statutorily created in 1997. The Office has evolved from planning and coordinating the State’s investment in information technology to a policy-oriented organization with significant operational responsibilities. OFT’s mission is to provide centralized technology-related initiatives that improve efficiency for New York State government.

## **ORGANIZATION AND STAFFING**

The Office is located in Albany, and is overseen by the Director. The Director of the Office reports to the State’s Chief Information Officer. The Office is supported with State tax dollars from the General Fund and payments from other State agencies.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 General Fund recommendation of \$22.7 million supports ongoing agency activities. Major recommendations include:

- A \$93 million Internal Service Fund appropriation for operation of the consolidated State Data Center. This fund will support positions previously transferred from State agencies, the cost of operating the Center’s computers and providing the computing services required by agencies;
- A \$105 million Internal Service Fund appropriation for the New York Intranet (NYeNet) — a high-speed communications network system supported by fees charged to State and local users — and for the operation of the State’s telephone system;
- A \$33 million Internal Service Fund appropriation to support the Human Services Network, a statewide data communication system that connects the State’s human services agencies with local social services offices and voluntary provider organizations; and
- A \$1 million Internal Service Fund appropriation is also recommended to fund existing statewide technology agreements that have a multi-agency impact and provide economies to the State.

## **PROGRAM HIGHLIGHTS**

A primary objective for fiscal year 2004-05 is the continuation of the Human Services Modernization project aimed at upgrading the infrastructure for the Human Services Network. This network supports the Office of Children and Family Services, the Office of Temporary Disability and Assistance, the Department of Labor and the Department of Health; enabling each of them to deliver critical services directly to the residents of the State or to their customer agencies or partners — 58 local social service agencies and hundreds of voluntary organizations. The network serves approximately 1,000 locations and supports about 50,000 users. This three-year project will leverage new technologies to enable these agencies to deliver services in a more efficient, reliable and faster environment.

An additional priority is enabling ongoing efficiencies through the use of the State’s core technology infrastructure, including the consolidated State Data Center and the NYeNET. The State Data Center supports mission critical applications for many State agencies and processes over 60 million transactions on a monthly basis. The NYeNET currently supports approximately 4,000 circuits, with additional migration from legacy networks on an ongoing basis.

# TECHNOLOGY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	279,368,000	254,700,000	(24,668,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	279,368,000	254,700,000	(24,668,000)	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Technology			
General Fund	106	99	(7)
Internal Service Funds	537	537	0
Total	643	636	(7)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	32,968,000	22,700,000	(10,268,000)
Internal Service Funds	246,400,000	232,000,000	(14,400,000)
Total	279,368,000	254,700,000	(24,668,000)

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

Program	Available 2003-04	Recommended 2004-05	Change
Technology			
General Fund	32,968,000	22,700,000	(10,268,000)
Internal Service Funds	246,400,000	232,000,000	(14,400,000)
Total	279,368,000	254,700,000	(24,668,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Technology	7,545,000	(490,000)	7,394,100	(400,900)
Total	7,545,000	(490,000)	7,394,100	(400,900)

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Technology	150,900	(89,100)
Total	150,900	(89,100)

# TECHNOLOGY

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Technology	15,155,000	(9,778,000)	215,000	66,000
Total	<u>15,155,000</u>	<u>(9,778,000)</u>	<u>215,000</u>	<u>66,000</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Technology	110,000	29,000	6,466,000	4,673,000
Total	<u>110,000</u>	<u>29,000</u>	<u>6,466,000</u>	<u>4,673,000</u>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Technology	8,364,000	(10,521,000)	0	(4,025,000)
Total	<u>8,364,000</u>	<u>(10,521,000)</u>	<u>0</u>	<u>(4,025,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Technology	232,000,000	(14,400,000)	232,000,000	(14,400,000)
Total	<u>232,000,000</u>	<u>(14,400,000)</u>	<u>232,000,000</u>	<u>(14,400,000)</u>



# THRUWAY AUTHORITY

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

Revenues from canal tolls and other user fees are deposited into the Canal System Development Fund and, in accordance with the State Constitution, are used exclusively for the canals. The Executive Budget recommends a new appropriation of \$4 million and reappropriations of \$2.92 million from the Canal System Development Fund for a portion of the maintenance, construction, reconstruction, development and promotion of the canals. Canal System and Thruway Authority programs are primarily supported by Authority funds, which are not reflected in the Executive Budget.

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	2,000,000	4,000,000	2,000,000	2,918,000
Total	2,000,000	4,000,000	2,000,000	2,918,000

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Canal Development Program				
New York State Canal System Development Fund	2,000,000	4,000,000	2,000,000	2,918,000
Total	2,000,000	4,000,000	2,000,000	2,918,000





# **DEPARTMENT OF TRANSPORTATION**

## **MISSION**

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

While these traditional responsibilities will not change, the DOT of the 21st Century is transforming to capitalize on evolving world trade patterns, use "intelligent" transportation technology to manage increases in traffic and balance arising security concerns with the need to move people and products quickly and efficiently.

To meet these challenges, the Department will more closely coordinate the management of New York State's transportation agencies and authorities, with a goal of creating a seamless statewide transportation system — by forging strategic partnerships among state agencies, operators and service providers — that will ultimately create economic efficiencies in government and more efficiently move people and goods throughout the State's transportation system.

## **ORGANIZATION AND STAFFING**

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

Employees of the Department perform such activities as highway maintenance, snow and ice removal, highway and bridge design and construction inspection. In addition, the Department's staff inspects school and charter buses, regulates commercial transportation, oversees public transportation systems and State-owned airports and provides administrative support for the Department. The Department's full-time workforce will total approximately 9,499 employees by the end of 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Department is responsible for the implementation of transportation programs related to highways and bridges, transit, aviation, ports, rail and other modes. It is supported primarily by revenues from the Petroleum Business Tax, highway use and motor fuel taxes and motor vehicle fees. Substantial Federal aid is also used to support the programs.

Recommended appropriations for the Department will decrease by a net total of approximately \$84 million, primarily due to the expiration of \$137 million of one-time legislative adds for highway construction and engineering made in 2003-04 and \$46 million of increased aid to the Metropolitan Transportation Authority.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2004-05 Executive Budget maintains the \$226 million snow and ice control and arterial maintenance programs in the Dedicated Highway and Bridge Trust Fund.

The Department's regulatory programs and other operations are primarily funded by fees, miscellaneous revenues and Federal aid. Approximately \$24.5 million is derived from fees, including those imposed on trucks registered to transport products throughout the State; landing fees and rents levied at Republic Airport; internal service fees paid by other State agencies for consolidated printing services; and revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage. These funds support a number of agency activities, including administrative support services, highway safety and aviation programs.

## **TRANSPORTATION**

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Federal aid of \$9.8 million and dedicated mass transit funds totaling \$5.6 million help finance the Department's remaining operating responsibilities for mass transportation, aviation and motor-carrier safety programs.

Capital appropriations provide funding for construction and reconstruction projects on State highways, bridges, railways and airports, as well as financing the engineering staff and private-sector consultants who work on these projects. The highway and bridge construction contract level will total \$1.65 billion in 2004-05.

The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund, established in 1993. The Trust Fund derives its revenues from highway user fees, portions of the petroleum business tax, motor fuel tax, motor vehicle registration fees, auto rental tax, transportation/transmission tax, and miscellaneous transportation-related revenues. These funds are used both on a pay-as-you-go basis and to pay debt service on bonds issued by the Thruway Authority to finance portions of the State and local highway programs.

A significant portion of the State and local highway capital program is supported by Federal aid, authorized in accordance with multi-year Federal transportation acts. The most recent Federal Transportation Act, known as TEA-21, expired on September 30, 2003. While Congress has temporarily extended the existing Federal transportation programs, a permanent successor act has not yet been passed. To the extent that Federal aid under the future Act or under further program extensions varies from the assumptions in the Executive Budget, the State's programs will need to be adjusted accordingly. The Federal capital aid appropriation in 2004-05 is available for up to \$1.7 billion of Federal funding, including provisions for State and local highways, engineering, rail and community enhancements programs.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highways Program ("Marchiselli" Program). These programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. The CHIPS capital program will be funded at \$241.8 million, and the Marchiselli program will provide \$39.7 million in 2004-05. The CHIPS funding level reflects the expiration of \$34.9 million of one-time funding for counties and New York City provided in the 2003-04 Budget.

A \$20 million appropriation for rail freight and passenger projects will continue an enhanced rail program that will expand shipping opportunities for New York businesses, reduce costs for consumers and improve passenger transportation. In addition, \$9 million will be provided for the Industrial Access Program to promote job creation and retention by encouraging business expansion with highway, rail and port projects.

The Aid to Localities budget is comprised primarily of appropriations supported by State taxes dedicated to public transportation through the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund. Mass Transportation Operating Assistance Fund revenues are derived from a 1/4 percent sales tax; a business tax surcharge levied in the New York City metropolitan region; and a portion of statewide taxes on transmission, transportation and petroleum-related businesses. Dedicated Mass Transportation Trust Fund revenues are derived from a share of the revenues deposited in the Transportation Dedicated Funds Pool, which includes portions of the Petroleum Business Tax, the Motor Fuel Tax and motor vehicle fees. New appropriations to transit systems will total approximately \$1.78 billion.

More than \$1.5 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2004-05. This includes \$536 million from the Dedicated Mass Transportation Trust Fund in support of the MTA capital program. The operating assistance also includes \$45 million in General Fund support for the MTA as the State's contribution to reduced fares for New York City school children. The City will match this contribution.

Transit operators other than the MTA will receive a total of \$274 million in new appropriations in 2004-05. Of this amount, \$111.3 million is targeted for upstate transit systems. Capital funding of \$32 million is recommended for transit systems other than the

MTA from the Dedicated Mass Transportation Trust Fund. This capital program funds a variety of transit-related needs, primarily bus purchases and a portion of the required match to Federal transit capital aid.

### **PROGRAM HIGHLIGHTS**

#### **HIGHWAYS AND BRIDGES**

Improving the State's vital transportation infrastructure remains the agency's highest priority. During the most recently completed fiscal year (2002-03), the Department delivered significant improvements in our highway infrastructure. A total of 220 State bridges were replaced or rehabilitated and 5,114 preventive bridge treatments were completed to slow deterioration. Over 5,400 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. These accomplishments, coupled with new materials technology, have improved the State's bridge conditions and maintained our good pavement ratings. The 2004-05 Budget will continue emphasizing strategic investments in critical infrastructure needs. As in previous years, preventive maintenance performed by State forces and private sector contractors will be an area of significant concentration. Appropriations for the preventive maintenance program will total \$395 million in 2004-05.

State staff and private-sector consultants perform the planning, property acquisition, design engineering, environmental reviews, surveying, materials and soils testing and construction inspection associated with the Department's capital program. Construction of virtually all highway and bridge projects is performed by private firms.

The State makes a significant investment in helping localities maintain safe roads and bridges through its CHIPS and Marchiselli capital programs. These programs fund local construction projects, with the majority performed by private firms.

Through its safety inspections of school and charter buses and its regulation of commercial transport, the Department also focuses its resources on passenger safety and environmental issues. The Executive Budget includes legislation to increase the allowable number of annual permits for divisible loads (overweight trucks), require new safety equipment and axle configurations and amend the current fine schedules for vehicle weight violations. These actions will increase highway safety, reduce highway deterioration, enhance economic development and increase State revenues.

#### **PUBLIC TRANSPORTATION**

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

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

# TRANSPORTATION

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	42,470,000	39,928,000	(2,542,000)	19,581,000
Aid To Localities	1,747,988,000	1,795,671,000	47,683,000	107,501,500
Capital Projects	3,509,236,000	3,380,550,000	(128,686,000)	9,589,197,000
Total	5,299,694,000	5,216,149,000	(83,545,000)	9,716,279,500

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Design and Construction			
Capital Projects Funds - Other	3,611	3,572	(39)
New York Metropolitan Transportation Council			
Special Revenue Funds - Other	68	68	0
Operations			
Special Revenue Funds - Other	8	8	0
Internal Service Funds	32	32	0
Passenger and Freight Transportation			
Special Revenue Funds - Federal	79	79	0
Special Revenue Funds - Other	133	133	0
Capital Projects Funds - Other	98	98	0
Planning and Program Management			
Capital Projects Funds - Other	527	527	0
Preventive Maintenance			
Capital Projects Funds - Other	4,802	4,802	0
Real Estate			
Capital Projects Funds - Other	180	180	0
Total	9,538	9,499	(39)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	9,609,000	9,831,000	222,000
Special Revenue Funds - Other	28,357,000	26,057,000	(2,300,000)
Internal Service Funds	4,504,000	4,040,000	(464,000)
Total	42,470,000	39,928,000	(2,542,000)

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

Program	Available 2003-04	Recommended 2004-05	Change
Operations			
Special Revenue Funds - Federal	0	400,000	400,000
Special Revenue Funds - Other	10,761,000	9,261,000	(1,500,000)
Internal Service Funds	4,504,000	4,040,000	(464,000)
Passenger and Freight Transportation			
Special Revenue Funds - Federal	9,609,000	9,431,000	(178,000)
Special Revenue Funds - Other	17,596,000	16,796,000	(800,000)
Total	42,470,000	39,928,000	(2,542,000)

# TRANSPORTATION

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	13,701,000	(1,564,000)	1,540,000	(473,000)
Passenger and Freight Transportation	26,227,000	(978,000)	11,248,000	(515,000)
Total	<u>39,928,000</u>	<u>(2,542,000)</u>	<u>12,788,000</u>	<u>(988,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	3,111,000	(50,000)	9,050,000	(1,041,000)
Passenger and Freight Transportation	11,103,000	(113,000)	3,876,000	(350,000)
Total	<u>14,214,000</u>	<u>(163,000)</u>	<u>12,926,000</u>	<u>(1,391,000)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	161,616,000	111,616,000	(50,000,000)
Special Revenue Funds - Federal	33,931,000	35,414,000	1,483,000
Special Revenue Funds - Other	1,552,441,000	1,648,641,000	96,200,000
Total	<u>1,747,988,000</u>	<u>1,795,671,000</u>	<u>47,683,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Additional Mass Transportation Assistance Program			
General Fund	55,600,000	22,152,000	(33,448,000)
Dedicated Mass Transportation Trust Program			
Special Revenue Funds - Other	489,800,000	536,000,000	46,200,000
Federal Highway Administration Local Planning			
Special Revenue Funds - Federal	10,566,000	10,566,000	0
Urban Mass Transportation Administration Local Planning			
Special Revenue Funds - Federal	2,917,000	4,400,000	1,483,000
Mass Transportation Assistance General Fund	45,000,000	45,000,000	0
Mass Transportation Special Assistance Program			
General Fund	3,000,000	0	(3,000,000)
Passenger and Freight Transportation General Fund	58,016,000	44,464,000	(13,552,000)
Special Revenue Funds - Federal	20,448,000	20,448,000	0
Special Revenue Funds - Other	836,295,000	879,353,000	43,058,000
Section 18-B Program Special Revenue Funds - Other	165,989,000	179,541,000	13,552,000
Special Transit Aid Special Revenue Funds - Other	60,357,000	53,747,000	(6,610,000)
Total	<u>1,747,988,000</u>	<u>1,795,671,000</u>	<u>47,683,000</u>

# **TRANSPORTATION**

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Aviation				
Airport or Aviation Program				
Capital Projects Fund - Aviation (Bondable)	0	0	0	2,137,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,325,000
Airport or Aviation Program -- Bondable				
Capital Projects Fund - Aviation (Bondable)	0	0	0	934,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	8,000,000	8,000,000	0	33,878,000
Regional Aviation Fund	0	0	0	18,901,000
Aviation				
Transportation Capital Facilities Bond Fund - Aviation	0	0	0	7,799,000
Federal Airport or Aviation				
Federal Capital Projects Fund	0	6,000,000	6,000,000	18,886,000
Canals and Waterways				
Canals and Waterways - Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	485,000
Economic Development				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	9,000,000	9,000,000	0	51,009,000
Health and Safety				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	6,024,000	4,550,000	(1,474,000)	4,037,000
Highway Facilities				
Accelerated Capacity and Transportation Improvements Fund				
Accelerated Capacity and Transportation Improvements Fund	0	0	0	62,329,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	1,340,000
Engineering Services				
Engineering Services Fund	0	0	0	418,936,000
NY Metro Transportation Council Account	10,312,000	10,180,000	(132,000)	25,147,000
Federal Aid Highways - Bondable Purpose				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	8,863,000
Federal Aid Highways - Federal Purpose				
Federal Capital Projects Fund	1,697,000,000	1,700,000,000	3,000,000	5,461,700,000
Highway Facilities				
Dedicated Highway and Bridge Trust Fund	0	0	0	31,320,000
Infrastructure Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,746,000
Multi-Modal				
Dedicated Highway and Bridge Trust Fund	0	0	0	102,854,000
Municipal Highway - Railroad Crossing Alterations				
Capital Projects Fund - Advances	0	0	0	331,000
Dedicated Highway and Bridge Trust Fund	0	0	0	1,568,000
New York State Agency Fund				
Miscellaneous New York State Agency Fund	50,000,000	50,000,000	0	164,994,000
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	1,628,785,000	1,490,705,000	(138,080,000)	2,708,332,000
Other Highway Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	4,864,000
Other Transportation Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	312,000
Priority Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	12,897,000

# TRANSPORTATION

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Road and Bridge Improvements - Bondable Capital Projects Fund - A.C. and T.I. Fund (Bondable)	0	0	0	62,332,000
Small and Minority and Women-Owned Small Business Assistance Dedicated Highway and Bridge Trust Fund	0	0	0	3,500,000
Transportation Infrastructure Renewal Bond Fund Transportation Infrastructure Renewal Bond Fund	0	0	0	46,172,000
Maintenance Facilities Maintenance Facilities Dedicated Highway and Bridge Trust Fund	31,000,000	31,000,000	0	57,425,000
Mass Transportation and Rail Freight Marine Projects Dedicated Mass Transportation Fund	0	0	0	954,000
Mass Transportation Dedicated Mass Transportation Fund	15,815,000	15,815,000	0	82,445,000
Mass Transportation and Rail Freight Capital Projects Fund - Energy Conservation (Bondable)	0	0	0	1,040,000
Dedicated Highway and Bridge Trust Fund	20,000,000	20,000,000	0	55,945,000
Dedicated Mass Transportation Fund	33,300,000	35,300,000	2,000,000	59,022,000
Federal Capital Projects Fund	0	0	0	19,817,000
Mass Transportation and Rail Freight Bondable Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,819,000
Rail Freight Capital Projects Fund - Advances	0	0	0	21,350,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,908,000
Dedicated Mass Transportation Fund	0	0	0	2,973,000
Rail Preservation and Development Fund Energy Conservation Through Improved Transportation Bond Fund	0	0	0	1,055,000
Small and Minority and Women-Owned Small Business Assistance Dedicated Mass Transportation Fund	0	0	0	5,000,000
Special Rail and Aviation Program Dedicated Mass Transportation Fund	0	0	0	7,459,000
Port Development Port Development Bondable Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	57,000
Total	<u>3,509,236,000</u>	<u>3,380,550,000</u>	<u>(128,686,000)</u>	<u>9,589,197,000</u>



***PUBLIC PROTECTION  
AND GENERAL  
GOVERNMENT***



# ***DIVISION OF ALCOHOLIC BEVERAGE CONTROL***

## ***MISSION***

The Division of Alcoholic Beverage Control regulates and controls the manufacture, sale and distribution of alcoholic beverages within the State. The Division issues and renews licenses and permits to manufacturers, distributors, wholesalers and retailers; works with local law enforcement agencies to ensure compliance with the Alcoholic Beverage Control Law; and regulates trade and credit practices for the sale and distribution of alcoholic beverages by such actions as registering brand labels and controlling wholesale and retail prices.

## ***ORGANIZATION AND STAFFING***

The Division will have a workforce of 153 positions for 2004-05.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Executive Budget recommendations for fiscal year 2004-05 reflect savings through the replacement of the three-member State Liquor Authority with a single agency head and the closing of the Syracuse office. Approximately \$13.5 million in special revenue funding derived from license and permit fees will support the Division.

## ***PROGRAM HIGHLIGHTS***

Staff assigned to the Licensing Program are responsible for the timely processing of permits and licenses. Computer and imaging improvements implemented by the Division continue to reduce processing time, contain operating costs and accelerate revenue collections.

In cooperation with local law enforcement agencies, staff of the Compliance Program ensures that regulated parties comply with the law. The Division investigates and holds administrative hearings on complaints against permit and license holders. Penalties, ranging from warnings to license suspension and revocation, are imposed for violations.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	13,297,500	13,502,000	204,500	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>13,297,500</b>	<b>13,502,000</b>	<b>204,500</b>	<b>0</b>

# ALCOHOLIC BEVERAGE CONTROL

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration			
Special Revenue Funds - Other	17	11	(6)
Compliance			
Special Revenue Funds - Other	69	69	0
Licensing and Wholesaler Services			
Special Revenue Funds - Other	73	73	0
Total	<u>159</u>	<u>153</u>	<u>(6)</u>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
Special Revenue Funds - Other	13,297,500	13,502,000	204,500
Total	<u>13,297,500</u>	<u>13,502,000</u>	<u>204,500</u>

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

Program	Available	Recommended	Change
	2003-04	2004-05	
Administration			
Special Revenue Funds - Other	3,790,000	3,704,000	(86,000)
Compliance			
Special Revenue Funds - Other	5,258,500	5,509,000	250,500
Licensing and Wholesaler Services			
Special Revenue Funds - Other	4,249,000	4,289,000	40,000
Total	<u>13,297,500</u>	<u>13,502,000</u>	<u>204,500</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	3,704,000	(86,000)	838,000	(204,000)
Compliance	5,509,000	250,500	3,356,000	26,000
Licensing and Wholesaler Services	4,289,000	40,000	2,601,000	(92,000)
Total	<u>13,502,000</u>	<u>204,500</u>	<u>6,795,000</u>	<u>(270,000)</u>

Program	Nonpersonal Service	
	Amount	Change
Administration	2,866,000	118,000
Compliance	2,153,000	224,500
Licensing and Wholesaler Services	1,688,000	132,000
Total	<u>6,707,000</u>	<u>474,500</u>

# **DEPARTMENT OF AUDIT AND CONTROL**

## **MISSION**

The Department of Audit and Control was created in 1926 and is headed by the State Comptroller, who is elected by the people. The Department is responsible for paying the State's bills and payrolls; verifying all financial transactions of the State; reviewing the financial and management practices of State agencies; supervising the fiscal affairs of local governments; investing State funds and issuing bonds and notes; and administering the retirement program for State and most local government employees.

## **ORGANIZATION AND STAFFING**

The operations of the Department of Audit and Control are organized into 10 programs, with its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls, Newburgh and Hauppauge. These regional offices function primarily as decentralized audit centers, providing financial review of the accounting of revenues collected and expenses incurred by counties, cities, towns and villages, school and fire districts and quasi-governmental entities. The Department will have a workforce of 2,271 positions for 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The operating expenses of the Department are funded primarily with State tax dollars from the General Fund and with revenues from the Employee Retirement Systems. The Executive Budget recommends \$209 million for the Department's State Operations budget, including \$124 million, or 59 percent, in General Fund support.

Another 37 percent of the Department's State Operations budget will be supported in 2004-05 with the recommended \$76.3 million in funding from the Retirement Systems. The remaining 4 percent of this budget will be funded with:

- \$5.4 million in payments made by the City of New York and certain businesses, which support the Department's costs associated with overseeing City finances and with administering an account related to oil spill cleanups;
- \$1.4 million in charges to the Retirement Systems for the Department's staff and other costs related to administering an internal auditing program; and
- \$1.8 million from investment earnings, which will finance checking and direct deposit costs of State government.

The General Municipal Law provides special accidental death benefits for the survivors of police and paid firefighters who have died from accidents sustained in the performance of duty, including those first responders lost in the World Trade Center attack. The Executive Budget recommendation includes \$39.4 million to fund these benefits.

## **PROGRAM HIGHLIGHTS**

- The Executive Direction, Legal Services, and Administrative and Data Processing Services programs are responsible for the public information, internal audit, fiscal research, data processing, financial administration, legal, office services, management analysis and human resource functions of the Department.
- The Payroll and Revenue Services program conducts pre-audits of the State payroll and manages two statewide revenue programs. Staff assigned to this program administer the Abandoned Property Law, which requires the timely transfer of abandoned property to the State from holders of the property, notification of the legal

## **AUDIT AND CONTROL**

- owners of the property and payment of all valid claims. Program staff also process revenues generated by the local courts and by the sale of licenses for bingo and games of chance. These revenues are deposited in the Justice Court Fund and are subsequently distributed to the State and localities to which the funds are owed.
- The State Services program audits all State agency, State public authority and New York City government programs to evaluate their effectiveness and efficiency. Staff assigned to this program also conduct a pre-audit of all non-payroll State expenditures. In this capacity, the Department acts as the State's bookkeeper, recording all collected revenues in the appropriate accounts, and posting all payments. The Higher Education Services Corporation and the departments of Labor and Civil Service fund on-site auditors who monitor selected activities of those agencies.
  - The Local Government Services and Economic Development program examines and standardizes fiscal reports and accounts of all governmental and quasi-governmental entities within the State, and monitors and makes recommendations on the fiscal condition of municipalities. Staff also audit school districts and boards of cooperative education, with a portion of these costs funded by the State Education Department.
  - The Office of the State Deputy Comptroller for the City of New York assists the New York State Financial Control Board in carrying out and exercising the responsibilities assigned, and powers granted, to the Board by the Financial Emergency Act for the City of New York.
  - The Retirement Services program administers the State Retirement Systems, consisting of the Employees' Retirement System, the Police and Fire Retirement System and the Public Employees' Group Life Insurance Plan. Currently, there are about 2,968 participating government employers, 650,543 active and vested members and approximately 313,957 pensioners and their beneficiaries.
  - The Pension Investment and Public Finance program, in addition to overseeing the assets of the Retirement Systems, issues general obligation debt, invests short-term moneys for the State and local governments and selects financial institutions to provide banking services to the State.
  - Under Chapter 845 of the Laws of 1977, the Comptroller administers the New York State Environmental Protection and Oil Spill Compensation Fund. Costs associated with cleaning up oil spills are paid from the fund upon certification of the Commissioner of Environmental Conservation. Moneys in this fund consist of receipts from a fee levied on each barrel of petroleum shipped into the State.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	206,147,000	208,934,000	2,787,000	0
Aid To Localities	29,099,000	39,424,000	10,325,000	0
Capital Projects	0	0	0	0
Total	235,246,000	248,358,000	13,112,000	0

# AUDIT AND CONTROL

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administrative and Data Processing			
Services Program			
General Fund	290	290	0
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	6	6	0
Executive Direction			
General Fund	35	35	0
Internal Service Funds	13	13	0
Pension Investment and Public Finance			
Program			
General Fund	11	11	0
Fiduciary Funds	45	45	0
Legal Services			
General Fund	34	34	0
State Services Program			
General Fund	489	489	0
Special Revenue Funds - Federal	8	8	0
Internal Service Funds	11	11	0
Local Government Services and Economic			
Development Program			
General Fund	192	192	0
Payroll and Revenue Services			
General Fund	329	329	0
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	28	28	0
Retirement Services Program			
Fiduciary Funds	780	780	0
Total	2,271	2,271	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	123,952,000	123,952,000	0
Special Revenue Funds - Other	5,010,000	5,394,000	384,000
Internal Service Funds	3,222,000	3,274,000	52,000
Fiduciary Funds	73,963,000	76,314,000	2,351,000
Total	206,147,000	208,934,000	2,787,000

# AUDIT AND CONTROL

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administrative and Data Processing			
Services Program			
General Fund	30,467,000	30,467,000	0
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	692,000	935,000	243,000
Executive Direction			
General Fund	4,420,000	4,420,000	0
Internal Service Funds	1,382,000	1,434,000	52,000
Pension Investment and Public Finance			
Program			
General Fund	1,369,000	1,369,000	0
Internal Service Funds	1,840,000	1,840,000	0
Fiduciary Funds	6,447,000	6,650,000	203,000
Legal Services			
General Fund	2,845,000	2,845,000	0
State Services Program			
General Fund	41,335,000	41,335,000	0
Local Government Services and Economic			
Development Program			
General Fund	13,736,000	13,736,000	0
Special Revenue Funds - Other	545,000	545,000	0
Payroll and Revenue Services			
General Fund	29,780,000	29,780,000	0
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	3,773,000	3,914,000	141,000
Retirement Services Program			
Fiduciary Funds	67,516,000	69,664,000	2,148,000
Total	<u>206,147,000</u>	<u>208,934,000</u>	<u>2,787,000</u>



# AUDIT AND CONTROL

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administrative and Data Processing				
Services Program	18,013,000	0	17,961,200	0
Executive Direction	3,754,000	0	3,737,700	0
Pension Investment and Public Finance				
Program	880,000	0	880,000	0
Legal Services	2,827,000	0	2,814,600	0
State Services Program	29,767,000	0	29,615,000	0
Local Government Services and Economic				
Development Program	12,375,000	0	12,356,000	0
Payroll and Revenue Services	15,038,000	0	14,111,200	0
Total	<u>82,654,000</u>	<u>0</u>	<u>81,475,700</u>	<u>0</u>
<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administrative and Data Processing				
Services Program	11,600	0	40,200	0
Executive Direction	16,300	0	0	0
Pension Investment and Public Finance				
Program	0	0	0	0
Legal Services	0	0	12,400	0
State Services Program	92,300	0	59,700	0
Local Government Services and Economic				
Development Program	0	0	19,000	0
Payroll and Revenue Services	424,400	0	502,400	0
Total	<u>544,600</u>	<u>0</u>	<u>633,700</u>	<u>0</u>

# AUDIT AND CONTROL

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administrative and Data Processing				
Services Program	12,454,000	0	663,100	0
Executive Direction	666,000	0	15,600	0
Pension Investment and Public Finance				
Program	489,000	0	6,300	0
Legal Services	18,000	0	5,000	0
State Services Program	11,568,000	0	21,000	0
Local Government Services and Economic				
Development Program	1,361,000	0	33,500	0
Payroll and Revenue Services	14,742,000	0	68,600	0
Total	<u>41,298,000</u>	<u>0</u>	<u>813,100</u>	<u>0</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administrative and Data Processing				
Services Program	20,600	0	11,711,600	0
Executive Direction	21,900	0	571,700	0
Pension Investment and Public Finance				
Program	6,400	0	475,500	0
Legal Services	2,200	0	5,800	0
State Services Program	240,300	0	11,294,950	0
Local Government Services and Economic				
Development Program	404,800	0	918,500	0
Payroll and Revenue Services	89,400	0	14,568,250	0
Total	<u>785,600</u>	<u>0</u>	<u>39,546,300</u>	<u>0</u>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administrative and Data Processing				
Services Program	58,700	0	0	0
Executive Direction	2,800	0	54,000	0
Pension Investment and Public Finance				
Program	800	0	0	0
Legal Services	5,000	0	0	0
State Services Program	11,750	0	0	0
Local Government Services and Economic				
Development Program	4,200	0	0	0
Payroll and Revenue Services	15,750	0	0	0
Total	<u>99,000</u>	<u>0</u>	<u>54,000</u>	<u>0</u>

# AUDIT AND CONTROL

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Environmental Protection and Spill Compensation	935,000	243,000	474,000	144,000
Executive Direction	1,434,000	52,000	914,000	0
Pension Investment and Public Finance Program	8,490,000	203,000	3,603,000	0
Local Government Services and Economic Development Program	545,000	0	0	0
Office of the Special Deputy Comptroller for New York City	3,914,000	141,000	2,505,000	0
Retirement Services Program	69,664,000	2,148,000	33,925,000	0
<b>Total</b>	<b>84,982,000</b>	<b>2,787,000</b>	<b>41,421,000</b>	<b>144,000</b>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Environmental Protection and Spill Compensation	461,000	99,000	0	0
Executive Direction	520,000	52,000	0	0
Pension Investment and Public Finance Program	4,887,000	203,000	0	0
Local Government Services and Economic Development Program	0	0	545,000	0
Office of the Special Deputy Comptroller for New York City	1,409,000	141,000	0	0
Retirement Services Program	35,739,000	2,148,000	0	0
<b>Total</b>	<b>43,016,000</b>	<b>2,643,000</b>	<b>545,000</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	29,099,000	39,424,000	10,325,000
<b>Total</b>	<b>29,099,000</b>	<b>39,424,000</b>	<b>10,325,000</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
State Services Program			
General Fund	29,099,000	39,424,000	10,325,000
<b>Total</b>	<b>29,099,000</b>	<b>39,424,000</b>	<b>10,325,000</b>



# ***BANKING DEPARTMENT***

## ***MISSION***

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,400 State-chartered banking institutions and licensees with total assets of approximately \$1.9 trillion. In carrying out this responsibility, the Department approves acquisitions, branch expansions, mergers and other forms of consolidation. It also levies fines, orders cessation of unsound financial practices and replaces management as needed. In addition, the Department is authorized to take possession of failing institutions and to operate or liquidate them for the benefit of depositors and creditors. In exercising this oversight, the Banking Department maintains the highest standards to assure the continued safety and soundness of, and the full public confidence in, the institutions supervised. By dealing decisively with institutions that are not in compliance with banking laws and regulations, or cases of malfeasance, the Department promotes a desirable business climate for all financial institutions operating in New York State.

## ***ORGANIZATION AND STAFFING***

The Superintendent of Banks, appointed by the Governor, directs the Department. The Superintendent is also the Chair of the 17-member Banking Board, a quasi-legislative body which regulates the conduct of banking in the State. Members of the Board are appointed by the Governor with the consent of the Senate. They receive travel reimbursement but are not otherwise compensated. The Department maintains offices in Albany, New York City, Syracuse, London, and Tokyo. The Banking Department will have a workforce of 587 positions for 2004-05.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Banking Department is entirely supported by assessments charged to regulated financial institutions and organizations. The Executive Budget recommends \$80 million to support the Department in 2004-05. Legislation is proposed to authorize the Superintendent to prescribe by regulation the amount of any fee or non-criminal penalty authorized pursuant to the Banking Law. Increasing certain licensing and investigation fees and fines is recommended to support Department initiatives and to effectively operate as incentives for regulated persons or entities to comply with various supervisory requirements.

## ***PROGRAM HIGHLIGHTS***

To ensure the safety and soundness of banking institutions, the Department monitors these institutions to identify problems and works with management to promptly solve them. This responsibility is carried out through annual on-site examinations of most State-chartered institutions, the regular review of institutional financial reports and periodic site visits.

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees conduct consumer compliance examinations and resolve consumer complaints. Other staff monitor whether institutions are helping to meet the credit and banking needs of local communities as required by various State laws.

Additionally, the Department's investigation and prosecution of criminal banking activities protects the public and provides support to institutions that do abide by applicable laws and regulations. Lastly, the Department continues to review its internal programs, policies and procedures in order to respond to the changing financial services environment and to promote a strong and healthy financial services industry.

## BANKING

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that are held by banks, insurance companies and other institutions.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	73,288,000	80,247,000	6,959,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	73,288,000	80,247,000	6,959,000	0

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
Special Revenue Funds - Other	63	63	0
Analysis and Compliance			
Special Revenue Funds - Other	35	35	0
Regulation			
Special Revenue Funds - Other	471	489	18
Total	569	587	18

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Federal	500,000	0	(500,000)
Special Revenue Funds - Other	72,788,000	80,247,000	7,459,000
Total	73,288,000	80,247,000	6,959,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
Special Revenue Funds - Other	9,211,000	9,469,000	258,000
Analysis and Compliance			
Special Revenue Funds - Federal	200,000	0	(200,000)
Special Revenue Funds - Other	3,620,000	3,821,000	201,000
Regulation			
Special Revenue Funds - Federal	300,000	0	(300,000)
Special Revenue Funds - Other	59,957,000	66,957,000	7,000,000
Total	73,288,000	80,247,000	6,959,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	9,469,000	258,000	4,260,000	13,000
Analysis and Compliance	3,821,000	1,000	2,485,000	43,000
Regulation	66,957,000	6,700,000	35,142,000	1,763,000
Total	<u>80,247,000</u>	<u>6,959,000</u>	<u>41,887,000</u>	<u>1,819,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	5,209,000	245,000	0	0
Analysis and Compliance	1,336,000	(42,000)	0	0
Regulation	30,650,000	4,937,000	1,165,000	0
Total	<u>37,195,000</u>	<u>5,140,000</u>	<u>1,165,000</u>	<u>0</u>





# DIVISION OF THE BUDGET

## MISSION

The Governor is responsible under the State Constitution for the preparation and execution of the State's expenditure and revenue plans. The Division of the Budget prepares a proposed budget under the Governor's direction and executes the budget as adopted by the Legislature. The Division also serves as the Governor's primary advisor on such fiscal matters as local government and public authority finances.

## ORGANIZATION AND STAFFING

Headed by the Director of the Budget, the Division is located in Albany. The Division's workforce is supported through both the General Fund and Special Revenues.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The recommended General Fund appropriation for 2004-05 of \$35.1 million will fund the Budget Division's basic operations.

## PROGRAM HIGHLIGHTS

The Division's activities include:

- Establishing budget policy and agency direction;
- Providing fiscal policy advice in revenue and expenditure forecasting, budget process management and intergovernmental relations; and
- Coordinating the development and execution of State agency programs and budgets.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	57,670,000	56,020,000	(1,650,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	57,670,000	56,020,000	(1,650,000)	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Budget Division			
General Fund	314	309	(5)
Special Revenue Funds - Other	21	21	0
Total	335	330	(5)

# BUDGET

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	37,020,000	35,120,000	(1,900,000)
Special Revenue Funds - Other	19,350,000	19,350,000	0
Internal Service Funds	1,300,000	1,550,000	250,000
Total	<u>57,670,000</u>	<u>56,020,000</u>	<u>(1,650,000)</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Budget Division			
General Fund	28,520,000	28,120,000	(400,000)
Special Revenue Funds - Other	13,350,000	13,350,000	0
Internal Service Funds	1,300,000	1,550,000	250,000
Cash Management Improvement Act			
General Fund	8,500,000	7,000,000	(1,500,000)
Special Revenue Funds - Other	6,000,000	6,000,000	0
Total	<u>57,670,000</u>	<u>56,020,000</u>	<u>(1,650,000)</u>

# CAPITAL DEFENDER OFFICE

## MISSION

The Capital Defender Office, which has been in operation since 1995 is authorized to defend any indigent person charged with a capital crime. With the restoration of the death penalty, persons convicted of first-degree murder may be sentenced to death by lethal injection, life imprisonment without parole, or 20 to 25 years in prison. To be sentenced to death, a person must be found guilty of first-degree murder, which includes the killing of a police officer, killing for hire, or certain other heinous murders.

The Capital Defender Office ensures that offenders who face the death penalty receive the full legal protection to which they are entitled under law. The Office is required to provide legal, investigative and expert services to indigent defendants charged with crimes eligible for the death penalty. Since not all defendants in capital cases will be represented by the Office, the law also requires the Office to set minimum standards for lawyers appointed to defend such cases, provide training and assistance to these attorneys and provide judges with lists of qualified lawyers.

## ORGANIZATION AND STAFFING

A three-member Board oversees the work of the Office. The Board members are appointed, one each by the Temporary President of the Senate, the Speaker of the Assembly and the Chief Judge of the Court of Appeals. The Office will have a staff of 59 located in a central office in New York City and regional offices in Albany and Rochester.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendation provides a total of nearly \$12.7 million in State tax dollars to fund the actual cost of providing death penalty defense in 2004-05. These funds will support the Agency's staff attorneys, investigators and experts as well as legal aid societies and private attorneys appointed to represent indigent defendants in capital cases.

## PROGRAM HIGHLIGHTS

Since 1995, there have been a total of 809 capital-eligible cases and 51 notices of intent to seek the death penalty filed by the State's district attorneys. Due in part to progress made in reducing violent crime, the number of capital-eligible cases has declined from 138 in 1996 to 61 in 2003. Similarly, the number of intent to seek death penalty notices filed has declined from 13 in 1996 to 6 in 2003.

ALL FUNDS APPROPRIATIONS (dollars)				
Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	13,095,000	12,650,000	(445,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	13,095,000	12,650,000	(445,000)	0

# CAPITAL DEFENDER

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Capital Defense			
General Fund	61	59	(2)
Total	61	59	(2)

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

Program	Available	Recommended	Change
	2003-04	2004-05	
Capital Defense			
General Fund	13,095,000	12,650,000	(445,000)
Total	13,095,000	12,650,000	(445,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Capital Defense	4,488,000	(391,000)	4,307,000	(391,000)
Total	4,488,000	(391,000)	4,307,000	(391,000)

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Capital Defense	181,000	0
Total	181,000	0

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Capital Defense	8,162,000	(54,000)	182,000	0
Total	8,162,000	(54,000)	182,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Capital Defense	306,000	0	1,990,000	(54,000)
Total	306,000	0	1,990,000	(54,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Capital Defense	155,000	0	5,529,000	0
Total	155,000	0	5,529,000	0

# ***DEPARTMENT OF CIVIL SERVICE***

## ***MISSION***

In accordance with the Civil Service Law, the Department of Civil Service is charged with providing human resource management services to State and local governments.

## ***ORGANIZATION AND STAFFING***

Under the direction of a Commissioner appointed by the Governor, the Department is based in Albany. The Civil Service Commission, consisting of the Commissioner, who serves as its President, and two Commissioners appointed by the Governor, is an appellate body responsible for reviewing determinations of the Department and the Director of Classification and Compensation. The Department will have a workforce of 575 positions for 2004-05.

The responsibilities of the Department are carried out through eight divisions:

- The Division of Information Resource Management provides the Department's basic data, information and systems and has primary responsibility for implementation of the Department's technology projects;
- The Staffing Services Division provides State agencies with personnel recruitment and placement services. The Division coordinates the Department's response to agency personnel operations and develops and administers a variety of tests for State positions, including oral, training and experience and performance assessment tests;
- The Testing Services Division develops, administers and validates State and local written tests;
- The Division of Classification and Compensation determines appropriate job titles for agency functions and salary levels for existing and new positions;
- The Division of Personnel Services encompasses the Employee Benefits Division and the Employee Health Service. The Employee Benefits Division administers health, dental, life, vision, disability and accident benefit programs for State employees and participating local governments. Responsibilities include contracting with insurance companies and other vendors to deliver services, financial management of these programs, communicating plan provisions to subscribers, assisting enrollees in resolving disputed claims, maintaining enrollment information for over 1.1 million covered individuals and financial accounting for approximately \$3 billion in annual premiums through the New York Benefits Eligibility and Accounting System;
- The Municipal Service Division assists 102 local civil service agencies in classifying positions, interpreting laws and rules and, together with the Testing Division, providing selection devices and examinations;
- The Diversity Planning and Management Division approves and monitors affirmative action plans for State agencies, provides technical assistance and training in the achievement of cultural diversity in the work force and is also responsible for administering the Workers With Disabilities Program; and,
- The Division of Administration provides leadership, management direction and support for the operating divisions of the Department, and is composed of units responsible for personnel, finance, legal, internal audit, planning and training functions.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Department is funded, in part, with tax dollars from the General Fund that will support 40 percent of the Agency's operations. The remaining 60 percent of its operations are funded with payments from other agencies and governmental entities, most of which are made by employers participating in the New York State Health Insurance Program that pay premiums

## **CIVIL SERVICE**

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to offset the Department's cost of administering the program. Similarly, the Department is reimbursed for testing and other services provided to State agencies whose operations are funded by special industry assessments. In addition, the Department is authorized to offset some operating costs through application fees for certain State and local examinations. State examination fees are imposed on most tests that are open to the general public, and in 2004-05 such State exam fees will increase by five dollars per applicant.

The Executive Budget recommends funding of \$57.8 million for the Department, which includes \$23.2 million in General Fund support and \$34.6 million in payments from other State agencies and public entities. The Department of Civil Service continues to expand its use of technology to provide improved services to State and local agencies and other customers. In 2003-04, the Department completed the scheduled upgrading of the software used by its major electronic data processing systems.

### **PROGRAM HIGHLIGHTS**

The Department of Civil Service continues to use technology to strengthen services and increase efficiency. In recent years, the Department has initiated commuter-based testing at multiple locations, developed a stand-alone automated examination for Information Technology titles for use by local governments, and provided employees with the capacity to apply for promotional examinations on-line, including the submission of qualifying training and experience. In 2002-03, the Department began a multi-year effort to develop an Integrated Testing System (ITS) to enhance the quality and timeliness of test scoring, list certifications and employee placements.

The Department's Employee Benefits Division achieved a reduction of \$152 million for Empire Plan subscribers through negotiated changes to the insurance companies requested initial 2004 premium.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	58,816,000	57,853,000	(963,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	58,816,000	57,853,000	(963,000)	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration and Information			
Management			
General Fund	95	94	(1)
Internal Service Funds	22	22	0
Local Civil Service			
General Fund	14	14	0
Labor Management Programs			
General Fund	17	17	0
Personnel Benefit Services			
General Fund	33	32	(1)
Internal Service Funds	158	158	0
Personnel Management Services			
General Fund	190	188	(2)
Internal Service Funds	50	50	0
Total	<u>579</u>	<u>575</u>	<u>(4)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	21,728,000	23,212,000	1,484,000
Special Revenue Funds - Other	1,800,000	1,400,000	(400,000)
Internal Service Funds	35,288,000	33,241,000	(2,047,000)
Total	<u>58,816,000</u>	<u>57,853,000</u>	<u>(963,000)</u>

Adjustments:

Transfer(s) From	
Civil Service, Department of General Fund	(320,000)
Transfer(s) To	
Civil Service, Department of Internal Service Funds	320,000
Appropriated 2003-04	<u>58,816,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration and Information			
Management			
General Fund	6,287,000	7,802,000	1,515,000
Internal Service Funds	4,817,000	2,325,000	(2,492,000)
Local Civil Service			
General Fund	892,000	894,000	2,000
Personnel Benefit Services			
General Fund	1,885,000	1,816,000	(69,000)
Special Revenue Funds - Other	800,000	400,000	(400,000)
Internal Service Funds	22,806,000	23,535,000	729,000
Personnel Management Services			
General Fund	12,664,000	12,700,000	36,000
Special Revenue Funds - Other	1,000,000	1,000,000	0
Internal Service Funds	7,665,000	7,381,000	(284,000)
Total	<u>58,816,000</u>	<u>57,853,000</u>	<u>(963,000)</u>

# CIVIL SERVICE

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	4,893,000	(256,000)	4,890,000	(256,000)
Local Civil Service	864,000	0	863,000	0
Personnel Benefit Services	1,725,000	(90,000)	1,695,000	(90,000)
Personnel Management Services	10,370,000	(481,000)	9,467,000	(481,000)
<b>Total</b>	<b>17,852,000</b>	<b>(827,000)</b>	<b>16,915,000</b>	<b>(827,000)</b>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	0	0	3,000	0
Local Civil Service	0	0	1,000	0
Personnel Benefit Services	28,000	0	2,000	0
Personnel Management Services	887,000	0	16,000	0
<b>Total</b>	<b>915,000</b>	<b>0</b>	<b>22,000</b>	<b>0</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	2,909,000	1,771,000	45,000	0
Local Civil Service	30,000	2,000	6,000	0
Personnel Benefit Services	91,000	21,000	17,000	0
Personnel Management Services	2,330,000	517,000	108,000	0
<b>Total</b>	<b>5,360,000</b>	<b>2,311,000</b>	<b>176,000</b>	<b>0</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	32,000	0	2,296,000	1,771,000
Local Civil Service	11,000	0	13,000	2,000
Personnel Benefit Services	10,000	0	49,000	21,000
Personnel Management Services	116,000	0	2,090,000	517,000
<b>Total</b>	<b>169,000</b>	<b>0</b>	<b>4,448,000</b>	<b>2,311,000</b>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	80,000	0	456,000	0
Local Civil Service	0	0	0	0
Personnel Benefit Services	15,000	0	0	0
Personnel Management Services	16,000	0	0	0
<b>Total</b>	<b>111,000</b>	<b>0</b>	<b>456,000</b>	<b>0</b>



# CIVIL SERVICE

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	2,325,000	(2,492,000)	954,000	(359,000)
Personnel Benefit Services	23,935,000	329,000	7,624,000	(371,000)
Personnel Management Services	8,381,000	(284,000)	0	0
Total	<u>34,641,000</u>	<u>(2,447,000)</u>	<u>8,578,000</u>	<u>(730,000)</u>
<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	1,371,000	267,000	0	(2,400,000)
Personnel Benefit Services	6,856,000	688,000	9,455,000	12,000
Personnel Management Services	0	0	8,381,000	(284,000)
Total	<u>8,227,000</u>	<u>955,000</u>	<u>17,836,000</u>	<u>(2,672,000)</u>



# CONSUMER PROTECTION BOARD

## MISSION

The Consumer Protection Board was created to protect and advance the rights of New York State's consumers. The Agency handles consumer complaints and mediates consumer disputes; promotes consumer education and fraud prevention; and represents consumers in utility rate cases. The Agency also advises the Governor on consumer issues and recommends legislative initiatives on consumer related matters.

## ORGANIZATION AND STAFFING

The Consumer Protection Board consists of three units: Consumer Assistance Unit, Office of Strategic Programs and the Law and Investigations Unit. The Agency is located in Albany, with satellite offices in Rochester, Long Island and New York City. For 2004-05 the Consumer Protection Board will have a workforce of 29.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Consumer Protection Board is financed primarily from non-taxpayer sources, including utilities operating within the State. The Executive Budget recommendation provides approximately \$3.4 million for the Consumer Protection Board for 2004-05 including \$368,000 in General Fund support.

## PROGRAM HIGHLIGHTS

The Office of Strategic Programs represents consumers in utility cases and develops and delivers informational programs on consumer related issues. The Consumer Assistance Unit mediates disputes between consumers and businesses. The Office of Law and Investigations researches and investigates consumer issues including potential violations of New York State's Motor Fuel Marketing Practices Act and enforces the No Telemarketing Sales Call Law. In August 2003, the State's Do Not Call Registry was transferred to, and is maintained by, the Federal Trade Commission.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	4,998,000	3,408,000	(1,590,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	4,998,000	3,408,000	(1,590,000)	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Consumer Protection			
General Fund	5	5	0
Special Revenue Funds - Other	24	24	0
Total	29	29	0

# CONSUMER PROTECTION

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	403,000	368,000	(35,000)
Special Revenue Funds - Other	4,595,000	3,040,000	(1,555,000)
Total	<u>4,998,000</u>	<u>3,408,000</u>	<u>(1,590,000)</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Consumer Protection			
General Fund	403,000	368,000	(35,000)
Special Revenue Funds - Other	4,595,000	3,040,000	(1,555,000)
Total	<u>4,998,000</u>	<u>3,408,000</u>	<u>(1,590,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Consumer Protection	269,000	13,000	269,000	13,000
Total	<u>269,000</u>	<u>13,000</u>	<u>269,000</u>	<u>13,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Consumer Protection	99,000	(48,000)	9,000	(4,000)
Total	<u>99,000</u>	<u>(48,000)</u>	<u>9,000</u>	<u>(4,000)</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Consumer Protection	16,000	(8,000)	69,000	(33,000)
Total	<u>16,000</u>	<u>(8,000)</u>	<u>69,000</u>	<u>(33,000)</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Consumer Protection	5,000	(3,000)
Total	<u>5,000</u>	<u>(3,000)</u>

# CONSUMER PROTECTION

STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Consumer Protection	3,040,000	(1,555,000)	1,489,000	(167,000)
Total	<u>3,040,000</u>	<u>(1,555,000)</u>	<u>1,489,000</u>	<u>(167,000)</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance</b>	<b>Undistributed</b>
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Consumer Protection	1,540,000	(1,388,000)	11,000	0
Total	<u>1,540,000</u>	<u>(1,388,000)</u>	<u>11,000</u>	<u>0</u>



# STATE COMMISSION OF CORRECTION

## MISSION

The State Commission of Correction regulates and oversees the operation and management of State and local correctional facilities. The Agency's role is to promote a safe, secure and stable correctional system and to provide for the accountability of corrections officials. As a result of legislation enacted in 1996, the Commission's role includes the oversight of secure youth facilities operated by the Office of Children and Family Services.

## ORGANIZATION AND STAFFING

The Commission is made up of three members appointed by the Governor, one of whom is designated Chair. The other Commissioners respectively chair the Citizens Policy and Complaint Review Council, which reviews grievances and complaints against correctional facilities, and the Medical Review Board, which investigates inmate deaths and oversees inmate health care services.

Regional teams of review specialists are responsible for visiting and inspecting local and State correctional facilities. They investigate unusual events at facilities, provide technical assistance to improve facility management and monitor facilities for compliance with standards and regulations. The agency will operate in 2004-05 with a staff of 35.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission of Correction will be supported by approximately \$2.4 million in State tax dollars in 2004-05.

## PROGRAM HIGHLIGHTS

The Commission monitors 70 State correctional facilities, 60 county jails, 16 New York City correctional facilities, 267 locally operated police department detention facilities throughout the State and 4 juvenile detention facilities operated by the Office of Children and Family Services. The agency also participates in the multi-agency Criminal Justice Systems Analysis Team (CJSAT) — operated in conjunction with the Division of Criminal Justice Services and the Division of Probation and Correctional Alternatives — to assist localities in analyzing operational issues in local correctional facilities.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	2,529,000	2,433,000	(96,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,529,000	2,433,000	(96,000)	0

# CORRECTION

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Improvement of Correctional Facilities			
General Fund	32	32	0
Special Revenue Funds - Federal	3	3	0
Total	35	35	0

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

Program	Available	Recommended	Change
	2003-04	2004-05	
Improvement of Correctional Facilities			
General Fund	2,529,000	2,433,000	(96,000)
Total	2,529,000	2,433,000	(96,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Improvement of Correctional Facilities	2,001,000	(98,000)	1,981,000	(98,000)
Total	2,001,000	(98,000)	1,981,000	(98,000)

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Improvement of Correctional Facilities	20,000	0
Total	20,000	0

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Improvement of Correctional Facilities	432,000	2,000	16,000	0
Total	432,000	2,000	16,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Improvement of Correctional Facilities	153,000	0	255,000	2,000
Total	153,000	0	255,000	2,000

Program	Equipment	
	Amount	Change
Improvement of Correctional Facilities	8,000	0
Total	8,000	0



# ***DEPARTMENT OF CORRECTIONAL SERVICES***

## ***MISSION***

The Department of Correctional Services (DOCS) is responsible for the secure confinement of convicted felons and the preparation of these individuals for successful reintegration into the community upon release.

## ***ORGANIZATION AND STAFFING***

The Department, headed by a Commissioner, will have approximately 30,900 employees to operate 70 facilities. Each correctional facility is headed by a Superintendent and executive staff to oversee the daily operation of the nation's fourth largest state prison system.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The budget recommendations for the Department of Correctional Services continue to reflect a reduced demand for prison space. This trend is the result of several factors, including tougher criminal justice reforms that have been made since 1995 and have led to a decline in the statewide number of felony arrests and the success of initiatives (such as Shock Incarceration, the Willard Drug Treatment Campus and the Merit Time Program) designed to reduce the number of non-violent offenders in prison by providing rehabilitation opportunities.

It is important to note that the reduction in demand for prison space is for medium-security and minimum-security housing. Over the past nine years, penalties for violent crime have increased significantly in New York State. Jenna's Law, enacted in August 1998, together with the Truth-in-Sentencing legislation enacted in 1995, ensure that violent offenders will serve at least 85 percent of their sentence in prison.

The Department will continue to reconfigure prison capacity to reflect the changing inmate population. Funding of approximately \$2.3 billion is provided to support operational needs.

- State tax dollars finance 91 percent of the Department's State Operations Budget and 100 percent of the Department's Aid to Localities Budget to reimburse counties for the cost of housing inmates awaiting transfer to State prison;
- Federal funds support 2 percent of the Department's State Operations Budget, offsetting the cost of housing illegal alien felons, inmate education and substance abuse treatment;
- Correctional Facilities Capital Improvement Fund appropriations of \$205 million ensure that all housing, medical buildings and support space remain functional, safe and secure; and
- The DOCS Internal Service Fund appropriation of \$71.5 million is for operation of the Correctional Industries program (Corcraft). This inmate vocational program engages in the production of commodities, as well as prison maintenance and rehabilitation projects, giving prisoners an opportunity to learn employment skills to improve their chances of successful reintegration into the community.

## ***PROGRAM HIGHLIGHTS***

The Department operates correctional facilities that have a range of security levels. Inmates are provided with appropriate programming to afford offenders an opportunity for rehabilitation aimed at reducing recidivism.

## ***CORRECTIONAL SERVICES***

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Additionally, the Department, in cooperation with the Division of Parole, operates the Willard Drug Treatment Campus in Seneca County. Through this program, courts have the option to remand low level, non-violent offenders to treatment — an option that is intended to stop the cycle of drug-related criminal activity at far less cost to the taxpayers than traditional incarceration.

### ***ADMINISTRATION***

Administrative staff formulate and oversee Agency policy and provide operational support to correctional facilities. The responsibilities of this program include the direction of inmate classification and movement, labor relations, personnel and financial transactions and the Department's legal affairs.

### ***SUPPORT SERVICES***

The Support Services Program provides all resources necessary for the operation of correctional facilities housing individuals remanded to State custody. This includes the employment of all facility managers and centrally assigned staff essential to operate and maintain the Agency's physical plant. Through this program, the Agency also provides inmate food and transportation services and enters into cooperative agreements with local governments for sewer/water systems. The Agency has been increasingly successful in implementing initiatives to improve operational efficiencies.

### ***SUPERVISION OF INMATES***

The Department employs approximately 20,900 correction officers to ensure a secure environment for employees and inmates within the correctional setting and to protect the safety of surrounding communities.

### ***PROGRAM SERVICES***

The Department operates a wide range of programs designed to prepare inmates for successful reintegration into the community. The majority of inmates entering State prison have educational deficiencies and histories of substance abuse. To counter this problem, the Agency's rehabilitation efforts focus on basic education and simple vocational skill achievement to ready inmates for employment upon release. The transitional services program will assist every inmate throughout all stages of their incarceration to fully participate in the wide variety of programs available in the Department's facilities.

The Agency's Comprehensive Alcohol and Substance Abuse Treatment program will continue to provide over 3,500 offenders each year with six months of residential treatment and follow-up care. Resources to coordinate the Agency's sex offender treatment programs, aggression management programs and transitional services will enable the Department to better treat and stabilize the prison population.

### ***HEALTH SERVICES***

Offenders entering prison tend to have significant health care needs because of high rates of disease related to AIDS, tuberculosis, hepatitis and other infectious conditions. The Executive Budget ensures that the Department has the resources to meet the full need for AIDS and hepatitis screening and intervention. Notably, the number of inmate deaths attributed annually to HIV-related disease has been reduced by more than 90 percent since 1995. Health care for the inmate population has become more effective as a result of Department operated regional medical units on the grounds of Mohawk, Coxsackie, Wende, Bedford Hills and Fishkill correctional facilities.

## ***CORRECTIONAL SERVICES***

Inmate mental health services are provided through a joint effort with the Office of Mental Health (OMH) at units located in correctional and mental health facilities. In 2003-04, OMH and DOCS undertook a comprehensive review of the current treatment and program infrastructure for prisoners with serious mental illness. To strengthen an already extensive system of quality care, both agencies are implementing a number of new and expanded treatment services.

### ***CAPITAL PROJECTS***

The Department of Correctional Services operates an institutional network of 70 correctional facilities, a number of which were converted during prison expansion in the 1980's from very old facilities initially built for other uses. With the completion of Five Points Correctional Facility signaling the end of the most recent capacity expansion effort, the Department is now focusing its capital resources on critical physical plant maintenance and rehabilitation projects.

#### **DEPARTMENT OF CORRECTIONAL SERVICES MALE FACILITIES**

##### **Maximum Security**

Attica Correctional Facility	(Wyoming County)
Auburn Correctional Facility	(Cayuga County)
Clinton Correctional Facility	(Clinton County)
Coxsackie Correctional Facility	(Greene County)
Downstate Correctional Facility	(Dutchess County)
Eastern Correctional Facility	(Ulster County)
Elmira Correctional Facility	(Chemung County)
Five Points Correctional Facility	(Seneca County)
Great Meadow Correctional Facility	(Washington County)
Green Haven Correctional Facility	(Dutchess County)
Shawangunk Correctional Facility	(Ulster County)
Sing Sing Correctional Facility	(Westchester County)
Southport Correctional Facility	(Chemung County)
Sullivan Correctional Facility	(Sullivan County)
Upstate Correctional Facility	(Franklin County)
Wende Correctional Facility	(Erie County)

##### **Medium Security**

Adirondack Correctional Facility	(Essex County)
Altona Correctional Facility	(Clinton County)
Arthurkill Correctional Facility and CASAT**	(Staten Island)
Bare Hill Correctional Facility	(Franklin County)
Butler CASAT	(Wayne County)
Cape Vincent Correctional Facility and CASAT	(Jefferson County)
Cayuga Correctional Facility	(Cayuga County)
Chateaugay CASAT	(Franklin County)
Collins Correctional Facility	(Erie County)
Fishkill Correctional Facility	(Dutchess County)
Franklin Correctional Facility	(Franklin County)
Gouverneur Correctional Facility	(St. Lawrence County)
Gowanda Correctional Facility	(Erie County)
Greene Correctional Facility	(Greene County)
Groveland Correctional Facility	(Livingston County)
Hale Creek CASAT	(Fulton County)
Hudson Correctional Facility	(Columbia County)
Livingston Correctional Facility	(Livingston County)
Marcy Correctional Facility and CASAT Annex	(Oneida County)
Mid-Orange Correctional Facility	(Orange County)
Mid-State Correctional Facility	(Oneida County)
Mohawk Correctional Facility	(Oneida County)
Mt. McGregor Correctional Facility	(Saratoga County)
Ogdensburg Correctional Facility	(St. Lawrence County)
Oneida Correctional Facility	(Oneida County)
Orleans Correctional Facility	(Orleans County)
Otisville Correctional Facility	(Orange County)
Riverview Correctional Facility	(St. Lawrence County)
Ulster Correctional Facility	(Ulster County)

# **CORRECTIONAL SERVICES**

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Wallkill Correctional Facility	(Ulster County)
Washington Correctional Facility	(Washington County)
Watertown Correctional Facility	(Jefferson County)
Woodbourne Correctional Facility	(Sullivan County)
Wyoming Correctional Facility	(Wyoming County)

## **Minimum Security**

Butler Correctional Facility	(Wayne County)
Lyon Mountain Correctional Facility	(Clinton County)

## **Minimum Work Release**

Buffalo Correctional Facility	(Erie County)
Edgecombe Correctional Facility	(Manhattan)
Fishkill Correctional Facility*	(Dutchess County)
Fulton Correctional Facility	(Bronx)
Hudson Correctional Facility*	(Columbia County)
Lincoln Correctional Facility	(Manhattan)
Queensboro Correctional Facility	(Queens)
Rochester Correctional Facility	(Monroe County)

## **Camps**

Camp Gabriels	(Franklin County)
Camp Georgetown	(Madison County)
Camp Mt. McGregor*	(Saratoga County)
Camp Pharsalia	(Chenango County)
Camp Fallsburg*	(Sullivan County)

## **Shock Incarceration**

Lakeview Shock Incarceration Facility	(Chautauqua County)
Monterey Shock Incarceration Facility	(Schuyler County)
Moriah Shock Incarceration Facility	(Essex County)
Summit Shock Incarceration Facility	(Schoharie County)

## **Drug Treatment Campus**

Willard Drug Treatment Campus	(Seneca County)
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## **DEPARTMENT OF CORRECTIONAL SERVICES FEMALE FACILITIES**

### **Maximum Security**

Bedford Hills Correctional Facility	(Westchester County)
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### **Medium Security**

Albion Correctional Facility	(Orleans County)
Bayview Correctional Facility	(Manhattan)
Taconic Correctional Facility and CASAT	(Westchester County)

### **Minimum Security**

Beacon Correctional Facility	(Dutchess County)
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### **Minimum Work Release**

Albion Correctional Facility*	(Orleans County)
Bayview Correctional Facility*	(Manhattan)

### **Shock Incarceration**

Lakeview Shock Incarceration Facility	(Chautauqua County)
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### **Drug Treatment Campus**

Willard Drug Treatment Campus	(Seneca County)
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\* Indicates programs are operating as part of a larger correctional facility listed under the same name.

\*\* CASAT is an acronym for Comprehensive Alcohol and Substance Abuse Treatment.

# CORRECTIONAL SERVICES

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	2,050,095,000	2,064,859,000	14,764,000	21,015,000
Aid To Localities	11,400,000	11,400,000	0	22,800,000
Capital Projects	205,000,000	205,000,000	0	756,491,000
Total	<u>2,266,495,000</u>	<u>2,281,259,000</u>	<u>14,764,000</u>	<u>800,306,000</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	235	235	0
Special Revenue Funds - Federal	725	725	0
Enterprise Funds	4	11	7
Correctional Industries			
Internal Service Funds	517	505	(12)
Facilities Planning and Development			
Capital Projects Funds - Other	32	32	0
Health Services			
General Fund	1,832	1,827	(5)
Enterprise Funds	26	26	0
Program Services			
General Fund	3,195	3,183	(12)
Enterprise Funds	42	42	0
Supervision of Inmates			
General Fund	21,020	20,864	(156)
Support Services			
General Fund	3,546	3,511	(35)
Total	<u>31,174</u>	<u>30,961</u>	<u>(213)</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	1,875,094,000	1,875,292,000	198,000
Special Revenue Funds - Federal	31,342,000	36,610,000	5,268,000
Special Revenue Funds - Other	268,000	16,000,000	15,732,000
Enterprise Funds	65,758,000	65,426,000	(332,000)
Internal Service Funds	77,633,000	71,531,000	(6,102,000)
Total	<u>2,050,095,000</u>	<u>2,064,859,000</u>	<u>14,764,000</u>

Adjustments:

Recommended Deficiency	
Correctional Services, Department of	
General Fund	(54,500,000)
Appropriated 2003-04	<u>1,995,595,000</u>

# CORRECTIONAL SERVICES

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	23,044,000	22,058,000	(986,000)
Special Revenue Funds - Federal	31,342,000	36,610,000	5,268,000
Special Revenue Funds - Other	250,000	15,400,000	15,150,000
Enterprise Funds	1,818,000	2,082,000	264,000
Correctional Industries			
Internal Service Funds	77,633,000	71,531,000	(6,102,000)
Health Services			
General Fund	220,982,000	226,543,000	5,561,000
Enterprise Funds	17,591,000	16,755,000	(836,000)
Program Services			
General Fund	185,346,000	188,982,000	3,636,000
Special Revenue Funds - Other	18,000	100,000	82,000
Enterprise Funds	45,749,000	45,764,000	15,000
Supervision of Inmates			
General Fund	1,093,758,000	1,085,538,000	(8,220,000)
Support Services			
General Fund	351,964,000	352,171,000	207,000
Special Revenue Funds - Other	0	500,000	500,000
Enterprise Funds	600,000	825,000	225,000
Total	<u>2,050,095,000</u>	<u>2,064,859,000</u>	<u>14,764,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	13,984,000	(986,000)	13,922,000	(979,000)
Health Services	102,510,000	1,004,000	92,445,000	(1,163,000)
Program Services	152,687,000	3,778,000	141,801,000	1,641,000
Supervision of Inmates	1,068,982,000	(8,658,000)	1,028,233,000	(10,961,000)
Support Services	146,853,000	(836,000)	138,689,000	(2,598,000)
Total	<u>1,485,016,000</u>	<u>(5,698,000)</u>	<u>1,415,090,000</u>	<u>(14,060,000)</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	(9,000)	62,000	2,000
Health Services	4,332,000	478,000	5,733,000	1,689,000
Program Services	7,909,000	170,000	2,977,000	1,967,000
Supervision of Inmates	5,312,000	2,039,000	35,437,000	264,000
Support Services	325,000	(5,000)	7,839,000	1,767,000
Total	<u>17,878,000</u>	<u>2,673,000</u>	<u>52,048,000</u>	<u>5,689,000</u>

# CORRECTIONAL SERVICES

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	8,074,000	0	402,000	0
Health Services	124,033,000	4,557,000	51,639,000	2,129,000
Program Services	36,295,000	(142,000)	8,849,000	(36,500)
Supervision of Inmates	16,556,000	438,000	8,545,000	462,000
Support Services	205,318,000	1,043,000	103,153,000	(9,998,000)
Total	390,276,000	5,896,000	172,588,000	(7,443,500)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	318,000	0	6,511,000	0
Health Services	121,000	(9,000)	71,913,000	2,437,000
Program Services	375,000	99,500	26,541,000	(668,500)
Supervision of Inmates	2,084,000	(50,000)	5,503,000	26,000
Support Services	328,000	(75,000)	90,812,000	7,060,000
Total	3,226,000	(34,500)	201,280,000	8,854,500

Program	Equipment	
	Amount	Change
Administration	843,000	0
Health Services	360,000	0
Program Services	530,000	463,500
Supervision of Inmates	424,000	0
Support Services	11,025,000	4,056,000
Total	13,182,000	4,519,500

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	54,092,000	20,682,000	31,327,000	4,922,000
Correctional Industries	71,531,000	(6,102,000)	23,385,000	(465,000)
Health Services	16,755,000	(836,000)	1,865,000	14,000
Program Services	45,864,000	97,000	3,887,000	15,000
Support Services	1,325,000	725,000	0	0
Total	189,567,000	14,566,000	60,464,000	4,486,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,655,000	150,000	21,110,000	15,610,000
Correctional Industries	48,146,000	(5,637,000)	0	0
Health Services	14,890,000	(850,000)	0	0
Program Services	41,977,000	82,000	0	0
Support Services	1,325,000	725,000	0	0
Total	107,993,000	(5,530,000)	21,110,000	15,610,000

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	11,400,000	11,400,000	0
Total	11,400,000	11,400,000	0

# **CORRECTIONAL SERVICES**

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Support Services			
General Fund	11,400,000	11,400,000	0
Total	<u>11,400,000</u>	<u>11,400,000</u>	<u>0</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	0	0	0	42,000
Correctional Facilities Capital Improvement Fund	205,000,000	205,000,000	0	512,285,000
UDC Financed and Other New Facility Capacity Expansion				
Correctional Facilities Capital Improvement Fund	0	0	0	244,164,000
Total	<u>205,000,000</u>	<u>205,000,000</u>	<u>0</u>	<u>756,491,000</u>



# ***DIVISION OF CRIMINAL JUSTICE SERVICES***

## ***MISSION***

The Division of Criminal Justice Services (DCJS) maintains criminal history and statistical data for Federal, State and local law enforcement agencies, identifies criminals through fingerprints, provides training and management services to local police departments, conducts criminal justice research and analysis, and administers and distributes State and Federal funding to various entities within the criminal justice system.

## ***ORGANIZATION AND STAFFING***

The Division, located in Albany, is headed by a Commissioner who is appointed by the Governor. The Commissioner also serves as the Governor's Director of Criminal Justice, overseeing policy development and operations for all State criminal justice agencies and programs.

A workforce of 820 positions is recommended for 2004-05. Approximately 80 percent of these positions will be supported by State tax dollars and Special Revenue Funds, with the remainder financed by Federal grants.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

In 2004-05, approximately \$44 million in State tax dollars, and \$257 million in Federal funds will support the Division's State Operations budget. The Division's Aid to Localities program will distribute nearly \$114 million in State tax dollars, and \$97 million in Federal funds to support various local criminal justice initiatives.

To assist the Division in processing fingerprints, funding is continued for the Statewide Automated Fingerprint System, which expedites digital access to information for local police departments, and ensures that State data is in compliance with Federal Bureau of Investigation standards, thereby linking New York to national databases and those of other states across the country.

This recommendation also continues funding to support New York's DNA Databank, which helps solve crimes and exonerate innocent people. As crime scene data is analyzed and compared to the DNA of known criminals, science assists law enforcement, prosecutors and the judicial system in identifying, prosecuting and convicting our most dangerous criminal offenders.

The Budget also recommends a merger of the Crime Victims Board into DCJS, creating an Office for Crime Victim Services that will improve services through greater use of advanced technology. In addition, Aid to Localities funding for Probation Aid, the Intensive Supervision Program, the Juvenile Intensive Supervision Program and a number of alternative to incarceration programs are being transferred from the Division of Probation and Correctional Alternatives to DCJS, which will provide better service to counties and grant recipients through the centralization of the grant administration process. The budget also recommends DCJS as a host agency arrangement for routine administrative functions of the Capital Defender's Office, similar to the previous successful initiative with the Division of Probation and Correctional Alternatives and the State Commission of Correction.

## **CRIMINAL JUSTICE SERVICES**

### **PROGRAM HIGHLIGHTS**

Recent events have created an obvious urgency to raise preparedness levels for potential terrorist incidents. Federal funds are being used to provide cash grants, needed equipment, and training for local government response personnel. Additional Federal funding is anticipated and will be used to further implement the State's plan.

### **IDENTIFICATION SERVICES**

The Division identifies individuals through fingerprint comparison and provides criminal history records to authorized representatives of Federal, State and local criminal justice agencies and processes approximately 99 percent of New York City criminal fingerprints in under two hours. Modern technology provides speed and accuracy in fingerprint identification and allows police to solve crimes more quickly. The processing of criminal cases is tracked by computer beginning with the arrest and ending with the decision by a judge and/or jury. The Division also processes non-criminal fingerprint and name searches for certain employment, license and permit applications.

### **CRIMINAL JUSTICE SUPPORT**

The Division provides technical support, training and funding to localities to support criminal justice functions such as law enforcement, prosecution, defense and crime laboratories. The Agency also provides financial aid to district attorneys prosecuting death penalty cases, maintains a DNA Identification Index and conducts extensive criminal justice statistical research and policy analysis, including the production of New York's Uniform Crime Reports.

In addition, the Agency acts as the State Planning Agency for the receipt and processing of Federal Juvenile Justice and Delinquency Prevention funding. These funds support programs addressing youth who are at risk of criminal and/or delinquent behavior. The Division also administers other Federal programs including Anti-Drug Abuse funds which support a statewide anti-drug strategy of prosecution and preventive enforcement efforts, Violence Against Women funds which focus on prosecution, law enforcement and victim services related to domestic violence and Law Enforcement funds which provide assistance to local police departments.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	289,719,000	312,268,000	22,549,000	341,561,500
Aid To Localities	243,554,000	270,217,000	26,663,000	269,799,800
Capital Projects	0	0	0	0
Total	<u>533,273,000</u>	<u>582,485,000</u>	<u>49,212,000</u>	<u>611,361,300</u>

# CRIMINAL JUSTICE SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration			
General Fund	73	73	0
Funding and Program Assistance			
Special Revenue Funds - Federal	146	146	0
Special Revenue Funds - Other	4	4	0
Justice Systems			
General Fund	42	42	0
Operation and Systems			
General Fund	397	397	0
Public Safety			
General Fund	60	60	0
Special Revenue Funds - Other	3	3	0
Victim Services Program			
General Fund	0	56	56
Special Revenue Funds - Federal	0	28	28
Special Revenue Funds - Other	0	11	11
Total	<u>725</u>	<u>820</u>	<u>95</u>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	43,462,000	43,861,000	399,000
Special Revenue Funds - Federal	236,250,000	256,900,000	20,650,000
Special Revenue Funds - Other	10,007,000	11,507,000	1,500,000
Total	<u>289,719,000</u>	<u>312,268,000</u>	<u>22,549,000</u>

Adjustments:	
Recommended Deficiency	
Criminal Justice Services, Division of	
Special Revenue Funds - Federal	(104,000,000)
Transfer(s) From	
Crime Victims Board	
General Fund	(3,425,000)
Special Revenue Funds - Federal	(1,857,000)
Special Revenue Funds - Other	(857,000)
Parole, Division of	
Special Revenue Funds - Federal	(960,000)
State Police, Division of	
Special Revenue Funds - Federal	(6,239,000)
Appropriated 2003-04	<u>172,381,000</u>

# CRIMINAL JUSTICE SERVICES

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	12,487,000	13,195,000	708,000
Funding and Program Assistance			
Special Revenue Funds - Federal	226,893,000	247,543,000	20,650,000
Special Revenue Funds - Other	500,000	500,000	0
Justice Systems			
General Fund	2,279,000	2,340,000	61,000
Operation and Systems			
General Fund	22,049,000	22,017,000	(32,000)
Special Revenue Funds - Federal	7,500,000	7,500,000	0
Special Revenue Funds - Other	7,700,000	9,200,000	1,500,000
Public Safety			
General Fund	3,222,000	3,385,000	163,000
Special Revenue Funds - Other	950,000	950,000	0
Victim Services Program			
General Fund	3,425,000	2,924,000	(501,000)
Special Revenue Funds - Federal	1,857,000	1,857,000	0
Special Revenue Funds - Other	857,000	857,000	0
Total	289,719,000	312,268,000	22,549,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,277,000	517,000	4,238,000	517,000
Justice Systems	2,191,000	61,000	2,182,000	61,000
Operation and Systems	15,926,000	(32,000)	15,844,000	(32,000)
Public Safety	3,007,000	163,000	2,963,000	163,000
Victim Services Program	2,712,000	(489,000)	2,712,000	(489,000)
Total	28,113,000	220,000	27,939,000	220,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	5,000	0	34,000	0
Justice Systems	0	0	9,000	0
Operation and Systems	0	0	82,000	0
Public Safety	0	0	44,000	0
Victim Services Program	0	0	0	0
Total	5,000	0	169,000	0

# CRIMINAL JUSTICE SERVICES

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	8,918,000	191,000	349,000	0
Justice Systems	149,000	0	20,000	0
Operation and Systems	6,091,000	0	66,000	0
Public Safety	378,000	0	87,000	0
Victim Services Program	212,000	(12,000)	20,000	0
Total	15,748,000	179,000	542,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	271,000	0	4,903,000	126,000
Justice Systems	23,000	0	97,000	0
Operation and Systems	25,000	0	5,950,000	0
Public Safety	215,000	0	12,000	0
Victim Services Program	15,000	(8,000)	172,000	(4,000)
Total	549,000	(8,000)	11,134,000	122,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,159,000	0	2,236,000	65,000
Justice Systems	9,000	0	0	0
Operation and Systems	50,000	0	0	0
Public Safety	64,000	0	0	0
Victim Services Program	5,000	0	0	0
Total	1,287,000	0	2,236,000	65,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Funding and Program Assistance	248,043,000	20,650,000	4,967,000	0
Operation and Systems	16,700,000	1,500,000	0	0
Public Safety	950,000	0	0	0
Victim Services Program	2,714,000	0	1,232,000	0
Total	268,407,000	22,150,000	6,199,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Funding and Program Assistance	1,772,000	0	241,304,000	20,650,000
Operation and Systems	0	0	16,700,000	1,500,000
Public Safety	0	0	950,000	0
Victim Services Program	1,482,000	0	0	0
Total	3,254,000	0	258,954,000	22,150,000

# CRIMINAL JUSTICE SERVICES

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	122,189,000	113,705,000	(8,484,000)
Special Revenue Funds - Federal	83,674,000	96,821,000	13,147,000
Special Revenue Funds - Other	37,691,000	59,691,000	22,000,000
Total	243,554,000	270,217,000	26,663,000

Adjustments:

Transfer(s) From

Crime Victims Board			
Special Revenue Funds - Federal	(36,523,000)		
Special Revenue Funds - Other	(26,591,000)		
Probation and Correctional Alternatives, Division of			
General Fund	(72,383,000)		
Appropriated 2003-04	108,057,000		

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Funding and Program Assistance			
General Fund	122,189,000	113,705,000	(8,484,000)
Special Revenue Funds - Federal	47,151,000	60,298,000	13,147,000
Special Revenue Funds - Other	11,100,000	33,100,000	22,000,000
Victim Services Program			
Special Revenue Funds - Federal	36,523,000	36,523,000	0
Special Revenue Funds - Other	26,591,000	26,591,000	0
Total	243,554,000	270,217,000	26,663,000

# STATE BOARD OF ELECTIONS

## MISSION

The New York State Board of Elections executes and enforces all laws relating to the elective franchise and oversees the disclosure of campaign financing and practices.

## ORGANIZATION AND STAFFING

The State Board of Elections, comprised of four commissioners, two chosen by each major political party, administers provisions of the Election Law regarding campaign financial disclosure, including civil judgments levied for failure to file disclosure documents; oversees the petitioning process and certification of ballots; investigates allegations of criminal violations of the Election Law and recommends prosecution where warranted; and certifies electronic voting machines purchased by local Boards of Elections. With a staff of 45, the Board also assists County Boards of Elections by completing administrative reviews, assisting in resolving complaints and producing reports and recommendations.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends nearly \$3.7 million in General Fund support for the Board of Elections. This funding will permit the Board to continue to carry out its various responsibilities related to the electoral process, including voter outreach activities and interaction with local Boards of Elections. In addition, \$180 million in Federal funding is recommended for implementation of the Help America Vote Act.

## PROGRAM HIGHLIGHTS

Over the past 29 years, the scope of the Board's services has grown to include providing legal counsel to 62 County Boards of Election, administering registration efforts, providing technical assistance to administrators of elections, investigating violations of the Election Law and coordinating the State's responses to new Federal election requirements.

The Federal Help America Vote Act of 2002 will provide Federal funding for State and local election related initiatives including modernizing voting machines, developing a statewide voter registration database, training poll workers, providing voter education and assuring accessibility for the disabled.

A priority for the Board is expanding the use of modern technology in both its own operations and those of local Boards. In 1999, the agency implemented a system for the electronic filing of campaign financial disclosure statements, which are now readily accessible at the Board's internet web site. The web site has received over 5.2 million inquiries since January 2003.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	3,455,000	23,770,000	20,315,000	0
Aid To Localities	0	160,000,000	160,000,000	0
Capital Projects	0	0	0	0
Total	3,455,000	183,770,000	180,315,000	0

# ELECTIONS

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Regulation of Elections			
General Fund	40	39	(1)
Special Revenue Funds - Federal	0	6	6
Total	<u>40</u>	<u>45</u>	<u>5</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	3,435,000	3,650,000	215,000
Special Revenue Funds - Federal	0	20,000,000	20,000,000
Special Revenue Funds - Other	20,000	120,000	100,000
Total	<u>3,455,000</u>	<u>23,770,000</u>	<u>20,315,000</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Regulation of Elections			
General Fund	3,435,000	3,650,000	215,000
Special Revenue Funds - Federal	0	20,000,000	20,000,000
Special Revenue Funds - Other	20,000	120,000	100,000
Total	<u>3,455,000</u>	<u>23,770,000</u>	<u>20,315,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Regulation of Elections	2,256,000	(94,000)	2,256,000	(94,000)
Total	<u>2,256,000</u>	<u>(94,000)</u>	<u>2,256,000</u>	<u>(94,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Regulation of Elections	1,394,000	309,000	1,394,000	309,000
Total	<u>1,394,000</u>	<u>309,000</u>	<u>1,394,000</u>	<u>309,000</u>



**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Regulation of Elections	20,120,000	20,100,000	20,120,000	20,100,000
Total	20,120,000	20,100,000	20,120,000	20,100,000

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Federal	0	160,000,000	160,000,000
Total	0	160,000,000	160,000,000

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Regulation of Elections			
Special Revenue Funds - Federal	0	160,000,000	160,000,000
Total	0	160,000,000	160,000,000



# **OFFICE OF EMPLOYEE RELATIONS**

## **MISSION**

In accordance with the Public Employees' Fair Employment Act (the Taylor Law), the Office of Employee Relations (OER) represents the Governor in collective bargaining with the public employee unions and directs the State's employee relations policies so that agencies and employees provide high quality, uninterrupted State government services.

## **ORGANIZATION AND STAFFING**

Under the administration of a Director appointed by the Governor, the Agency is located in Albany. OER will have a workforce of 62 positions for 2004-05, financed by the General Fund and responsible for negotiating and implementing collective bargaining agreements.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

A total of nearly \$5.7 million is recommended for the Office of Employee Relations, including \$3.3 million in General Fund moneys. This funding will provide continued support for the Office's primary mission of negotiating and administering collective bargaining agreements.

Funding from the Office's other sources includes:

- \$1.9 million in charges to the Collective Bargaining Agreements to support statewide employee training and developmental programs and the cost of administering these agreements; and
- Revenues of \$479,000 received from non-General Fund agencies to reimburse the Office for providing training programs and collective bargaining services. These revenues also include payments from the National Association of State Directors of Employee Relations to support the operations of that organization.

## **PROGRAM HIGHLIGHTS**

The Office of Employee Relations represents the Governor in Executive Branch collective bargaining negotiations with nine public employee unions, assists State agencies in interpreting and administering the negotiated agreements and represents the State in hearings and arbitrations before the Public Employment Relations Board.

The Office of Employee Relations also is the Executive Branch's in-house consulting agency for advancing sound labor management practices and improving productivity and innovation in State government's workforce. The Office is further charged with designing and administering statewide training programs, policy development and oversight of several employee benefit programs.

In its capacity as the Governor's labor relations agent, the Office continues to be instrumental in providing direction for workforce management and, through labor management partnerships, working with the unions to mitigate the impact of structural changes aimed at improving the efficiency of State government.

The Office also promotes labor-relations excellence by offering a comprehensive training program through the Employee Relations Institute and by increasing the use of technology for better communication of common issues and concerns. A major focus during 2004-05 will be negotiations for successor collective bargaining agreements and their subsequent administration.

# EMPLOYEE RELATIONS

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	5,628,000	5,680,000	52,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	5,628,000	5,680,000	52,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Contract Negotiation and Administration			
General Fund	34	34	0
Internal Service Funds	27	27	0
Management Confidential Affairs			
General Fund	1	1	0
Total	62	62	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	3,290,000	3,321,000	31,000
Special Revenue Funds - Other	479,000	479,000	0
Internal Service Funds	1,859,000	1,880,000	21,000
Total	5,628,000	5,680,000	52,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Contract Negotiation and Administration			
General Fund	2,868,000	2,896,000	28,000
Special Revenue Funds - Other	479,000	479,000	0
Internal Service Funds	1,859,000	1,880,000	21,000
Management Confidential Affairs			
General Fund	422,000	425,000	3,000
Total	5,628,000	5,680,000	52,000

## EMPLOYEE RELATIONS

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	2,636,000	20,000	2,626,000	20,000
Management Confidential Affairs	265,000	2,000	264,000	2,000
Total	2,901,000	22,000	2,890,000	22,000

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	10,000	2,000	0	(2,000)
Management Confidential Affairs	0	0	1,000	0
Total	10,000	2,000	1,000	(2,000)

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	260,000	8,000	35,000	1,000
Management Confidential Affairs	160,000	1,000	3,000	0
Total	420,000	9,000	38,000	1,000

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	31,000	1,000	194,000	6,000
Management Confidential Affairs	4,000	0	18,000	1,000
Total	35,000	1,000	212,000	7,000

<b>Program</b>	<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	0	0
Management Confidential Affairs	135,000	0
Total	135,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	2,359,000	21,000	1,542,000	11,000
Total	2,359,000	21,000	1,542,000	11,000

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	338,000	10,000	479,000	0
Total	338,000	10,000	479,000	0



# EXECUTIVE CHAMBER

## MISSION

The Executive Chamber is the Office of the Governor and includes the immediate staff that assists in managing State government.

## ORGANIZATION AND STAFFING

The Office of the Governor is located in the State Capitol in Albany. This budget represents programs directly related to the Governor's Office and is supported by General Fund revenues.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2004-05 Executive Budget recommends a General Fund appropriation of \$13.4 million, a five percent decrease from 2003-04. This is on top of last year's 22.5 percent General Fund decrease from prior-year levels. The recommended appropriation reflects improved efficiency and effectiveness of Chamber operations, including the reduction of 7 positions by the end of the year. A fiduciary fund appropriation of \$100,000 is also requested to permit the use of private grants within the Office of Community Affairs.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	14,171,000	13,466,000	(705,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	14,171,000	13,466,000	(705,000)	0

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Executive Chamber			
General Fund	160	153	(7)
Total	160	153	(7)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	14,071,000	13,366,000	(705,000)
Special Revenue Funds - Other	100,000	100,000	0
Total	14,171,000	13,466,000	(705,000)

**EXECUTIVE CHAMBER**

**OFFICE OF THE LIEUTENANT GOVERNOR**

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available</b>	<b>Appropriations Recommended</b>	<b>Change</b>	<b>Reappropriations Recommended</b>
	<b>2003-04</b>	<b>2004-05</b>		<b>2004-05</b>
State Operations	490,000	465,500	(24,500)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>490,000</b>	<b>465,500</b>	<b>(24,500)</b>	<b>0</b>

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04</b>	<b>2004-05</b>	<b>FTE Change</b>
	<b>Estimated FTEs 03/31/04</b>	<b>Estimated FTEs 03/31/05</b>	
Administration			
General Fund	6	5	(1)
<b>Total</b>	<b>6</b>	<b>5</b>	<b>(1)</b>

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

<b>Fund Type</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2003-04</b>	<b>2004-05</b>	
General Fund	490,000	465,500	(24,500)
<b>Total</b>	<b>490,000</b>	<b>465,500</b>	<b>(24,500)</b>



# **OFFICE OF GENERAL SERVICES**

## **MISSION**

The Office of General Services (OGS) was established to consolidate into a single agency the cost-efficient support services required to operate a changing and increasingly complex State government. These include building design and construction, leasing, facility maintenance, purchasing of goods and services, and other basic support services, including mail, parking, printing and surplus property.

In recent years, these activities have continued and evolved to meet State government's changing needs. Many additional responsibilities have been added to make the Office the centralized service provider agency for the State. Among these more recent responsibilities are the purchasing of new technologies, participating in the statewide financing of various types of equipment, and overseeing the distribution of surplus Federal food to public and private organizations.

The Office supports the operations of State agencies by providing centralized information processing; space planning and leasing; real property management and maintenance; centralized contracting for commodities, printing and equipment maintenance services; employee and visitor parking management; and interagency mail and courier assistance. The Office also helps local governments reduce their operating costs by distributing federally donated foods and surplus equipment to them, and by offering them the use of its centralized commodity and service contracts.

## **ORGANIZATION AND STAFFING**

The Office is headed by a Commissioner, who is appointed by the Governor, with a central executive staff and is structured around customer-focused business enterprises: Real Property Management and Development; Procurement Services; Design and Construction; and Support Services. The Office will have a workforce of 1,634 positions for 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends \$352.9 million for the Office, which includes support of \$121.7 million in State tax dollars from the General Fund. This recommendation also includes \$178.7 million in user fees charged to State agencies and other governmental entities that utilize OGS central and other support services, and \$7.6 million in Federal funding. Most of this funding supports the operation of State office buildings, rehabilitation and other projects aimed at preserving or extending the useful life of office buildings, and the provision of centralized services to State agencies.

Recommended funding of \$43.5 million for the Capital Projects Budget allows the Office to maintain its ongoing upkeep and preservation efforts at office buildings throughout the State.

## **PROGRAM HIGHLIGHTS**

### **EXECUTIVE DIRECTION**

This program provides the day-to-day management of the agency, helps State agencies to acquire vehicle insurance, administers financing for the State equipment purchasing program and coordinates the centralized purchase of electricity from the Power Authority of the State of New York.

## **GENERAL SERVICES**

### **REAL PROPERTY MANAGEMENT AND DEVELOPMENT**

This program is responsible for providing for the safe and efficient operation of approximately 44 major and 84 ancillary State-owned and operated buildings. Services provided by this program include building management, operation, maintenance, cleaning and security for facilities encompassing 17.1 million interior gross square feet with a replacement value estimated at \$4.5 billion. Employees assigned to this program also manage building renovation projects, administer service contracts for the maintenance and operation of certain heating, ventilation and air conditioning systems, and negotiate agreements as needed for leased space.

The Office is also making a major capital investment in office facilities in downtown Albany. This program, known as the "Albany Plan", includes the soon to be completed renovation of the Department of Transportation Building, a new parking garage in downtown Albany and the modernization of the Alfred E. Smith State Office Building. These projects, combined with other reconfigurations of office space will facilitate the redevelopment of the Harriman State Office Campus.

### **PROCUREMENT SERVICES**

The Procurement Services Group manages the statewide procurement of commodities and services, which have an annual value exceeding \$2 billion. This group establishes standards for each purchase item by developing detailed specifications, evaluating bids, and monitoring vendor performance and quality control. Eligible local governments, schools and not-for-profit organizations may use these centralized contracts, which generally offer the best prices because of the State's purchasing power, to reduce their own operating costs. The Procurement Services Group also includes the agency's internal Information Resource Management Office which provides day-to-day computer data support & data management to all programs within the Agency.

### **DESIGN AND CONSTRUCTION**

This group provides architectural, engineering, planning, and design and construction management services to State agencies operating State-owned facilities, and has projects valued at approximately \$453 million in design and \$542 million under construction.

### **SUPPORT SERVICES**

Employees in this group provide and manage the delivery of interagency mail, employee and visitor parking and the transfer of Federal and State surplus property. These employees also warehouse federally donated food and distribute it to school districts and food pantries.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	290,715,600	309,448,000	18,732,400	7,600,000
Aid To Localities	0	0	0	0
Capital Projects	125,500,000	43,450,000	(82,050,000)	282,969,000
Total	416,215,600	352,898,000	(63,317,600)	290,569,000

# GENERAL SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Design and Construction			
Internal Service Funds	385	369	(16)
Executive Direction			
General Fund	98	101	3
Internal Service Funds	18	20	2
Procurement Services			
General Fund	128	147	19
Special Revenue Funds - Other	13	13	0
Internal Service Funds	78	70	(8)
Real Property Management and Development			
General Fund	774	790	16
Special Revenue Funds - Other	55	54	(1)
Enterprise Funds	13	12	(1)
Internal Service Funds	69	58	(11)
Total	1,631	1,634	3

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	116,899,000	121,707,000	4,808,000
Special Revenue Funds - Federal	7,600,000	7,600,000	0
Special Revenue Funds - Other	14,792,000	16,027,000	1,235,000
Enterprise Funds	1,091,000	1,172,000	81,000
Internal Service Funds	150,083,600	162,692,000	12,608,400
Fiduciary Funds	250,000	250,000	0
Total	290,715,600	309,448,000	18,732,400

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

Program	Available 2003-04	Recommended 2004-05	Change
Design and Construction			
Internal Service Funds	48,760,000	42,844,000	(5,916,000)
Executive Direction			
General Fund	11,730,000	11,282,000	(448,000)
Special Revenue Funds - Other	1,069,000	1,069,000	0
Enterprise Funds	33,000	34,000	1,000
Internal Service Funds	61,907,500	73,624,000	11,716,500
Procurement Services			
General Fund	8,404,000	8,952,000	548,000
Special Revenue Funds - Federal	7,600,000	7,600,000	0
Special Revenue Funds - Other	4,452,000	4,698,000	246,000
Internal Service Funds	20,320,100	30,910,000	10,589,900
Real Property Management and Development			
General Fund	96,765,000	101,473,000	4,708,000
Special Revenue Funds - Other	9,271,000	10,260,000	989,000
Enterprise Funds	1,058,000	1,138,000	80,000
Internal Service Funds	19,096,000	15,314,000	(3,782,000)
Fiduciary Funds	250,000	250,000	0
Total	290,715,600	309,448,000	18,732,400

# GENERAL SERVICES

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	5,204,000	(3,000)	4,994,000	(3,000)
Procurement Services	8,117,000	1,028,000	8,019,000	1,028,000
Real Property Management and Development	33,317,000	699,000	32,226,000	699,000
Total	46,638,000	1,724,000	45,239,000	1,724,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	156,000	0	54,000	0
Procurement Services	0	0	98,000	0
Real Property Management and Development	0	0	1,091,000	0
Total	156,000	0	1,243,000	0

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	6,078,000	(445,000)	258,000	8,000
Procurement Services	835,000	(480,000)	97,000	0
Real Property Management and Development	68,156,000	4,009,000	7,744,000	3,682,000
Total	75,069,000	3,084,000	8,099,000	3,690,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	94,000	3,000	1,551,000	(456,000)
Procurement Services	59,000	2,000	657,000	(483,000)
Real Property Management and Development	207,000	6,000	59,557,000	1,173,000
Total	360,000	11,000	61,765,000	234,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	0	0	4,175,000	0
Procurement Services	22,000	1,000	0	0
Real Property Management and Development	648,000	(852,000)	0	0
Total	670,000	(851,000)	4,175,000	0

## GENERAL SERVICES

### STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Design and Construction	42,844,000	(5,916,000)	22,000,000	(2,039,000)
Executive Direction	74,727,000	11,717,500	1,353,000	138,000
Procurement Services	43,208,000	10,835,900	3,851,000	(1,138,000)
Real Property Management and Development	26,962,000	(2,713,000)	5,092,000	(894,000)
Total	187,741,000	13,924,400	32,296,000	(3,933,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Design and Construction	20,844,000	(3,877,000)	0	0
Executive Direction	73,174,000	11,579,500	200,000	0
Procurement Services	39,357,000	11,973,900	0	0
Real Property Management and Development	21,620,000	(1,819,000)	250,000	0
Total	154,995,000	17,857,400	450,000	0

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	13,000,000	9,071,000	(3,929,000)	18,000,000
Flood Disaster Restoration Program				
Capital Projects Fund	0	0	0	3,000,000
Maintenance and Improvement of Real Property Facilities				
Capital Projects Fund	93,000,000	34,379,000	(58,621,000)	159,506,000
Capital Projects Fund - Advances	0	0	0	5,479,000
Capital Projects Fund - Authority Bonds	19,500,000	0	(19,500,000)	96,984,000
Total	125,500,000	43,450,000	(82,050,000)	282,969,000



# OFFICE OF THE STATE INSPECTOR GENERAL

## MISSION

The Office of the State Inspector General is responsible for detecting, investigating, eliminating and deterring fraud, corruption, criminal activity, conflicts of interest and abuse in State government. Its mission is designed to ensure that State government maintains the highest standards of integrity and accountability.

## ORGANIZATION AND STAFFING

The Office of the State Inspector General was fundamentally restructured pursuant to Executive Order 39 issued by the Governor in 1996. The Executive Order provided for the consolidation of most of the State's inspector general activities in a single office that replaced what were formerly separate, semi-independent deputy inspectors general based in the agencies they served. Led by the Inspector General who is appointed by the Governor, the Office is headquartered in Albany and has offices in New York City and Buffalo. The Office will have a workforce of 68 in 2004-05.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2004-05 Executive Budget recommendations provide \$4.1 million in State tax dollar support and \$1.7 million in Special Revenue funding.

## PROGRAM HIGHLIGHTS

Since June 1996, the Office of the State Inspector General has acted on more than 7,000 complaints of fraud, criminal activity, waste and abuse involving State employees and resources. The Office has focused its investigative efforts on major cases involving theft, bribery, contract fraud, abuse of authority and other serious allegations of corruption. Currently, the Agency's investigators are working jointly with local, State and Federal law enforcement personnel and prosecutors on significant matters of public concern.

The Office's investigations have resulted in the arrest of more than 350 individuals, and referrals for discipline in numerous other cases. In addition, many cases have resulted in recommendations for administrative or policy changes. The State Inspector General's cases have uncovered instances of theft, bid rigging, bribery, creation of fraudulent documents, misuse of computers, narcotics trafficking and sexual assault. Equally important, the Office's investigations have, in many instances, cleared agencies and individuals of allegations that were unfounded or unsubstantiated.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	5,910,000	5,885,000	(25,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	5,910,000	5,885,000	(25,000)	0

# INSPECTOR GENERAL

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Inspector General			
General Fund	53	50	(3)
Special Revenue Funds - Other	18	18	0
Total	<u>71</u>	<u>68</u>	<u>(3)</u>

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	4,300,000	4,147,000	(153,000)
Special Revenue Funds - Other	1,610,000	1,738,000	128,000
Total	<u>5,910,000</u>	<u>5,885,000</u>	<u>(25,000)</u>

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

Program	Available	Recommended	Change
	2003-04	2004-05	
Inspector General			
General Fund	4,300,000	4,147,000	(153,000)
Special Revenue Funds - Other	1,610,000	1,738,000	128,000
Total	<u>5,910,000</u>	<u>5,885,000</u>	<u>(25,000)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Inspector General	3,774,000	(56,000)	3,774,000	(56,000)
Total	<u>3,774,000</u>	<u>(56,000)</u>	<u>3,774,000</u>	<u>(56,000)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Inspector General	373,000	(97,000)	373,000	(97,000)
Total	<u>373,000</u>	<u>(97,000)</u>	<u>373,000</u>	<u>(97,000)</u>



# INSPECTOR GENERAL

STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Inspector General	1,738,000	128,000	955,000	(6,000)
Total	<u>1,738,000</u>	<u>128,000</u>	<u>955,000</u>	<u>(6,000)</u>
<b>Program</b>	<b>Nonpersonal Service</b>			
	<b>Amount</b>	<b>Change</b>		
Inspector General	783,000	134,000		
Total	<u>783,000</u>	<u>134,000</u>		



# INTEREST ON LAWYER ACCOUNT

## MISSION

The Interest on Lawyer Account (IOLA) was established in 1983 to finance civil legal services for the indigent. Revenues are derived from the interest earned on small trust accounts which attorneys hold for their clients. Banks transfer the interest earned on these accounts to IOLA to fund grants to not-for-profit, tax-exempt entities providing civil legal services to the indigent, elderly and disabled. Legislation enacted in 1988 made participation in IOLA mandatory for attorneys in private practice who hold nominal short-term escrow accounts for clients.

## ORGANIZATION AND STAFFING

A 15-member board of trustees appointed by the Governor administers IOLA. Board members serve without compensation. Day-to-day operations are handled by a workforce of nine located in New York City.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendations enable a grant level of up to \$12 million in each of calendar years 2004 and 2005, the specific amount being dependent upon actual revenue generated. Grant funding has declined since 2002 with the decline in interest rates. IOLA and participating banks have worked successfully to lower account costs to partially offset the effect of falling interest rates.

## PROGRAM HIGHLIGHTS

At least 75 percent of the grant funds distributed by IOLA must be used to deliver civil legal services to the indigent. The balance must be allocated to purposes related to the improvement of the administration of justice, including the provision of civil legal services to underserved groups such as the elderly and disabled. In 2004, IOLA will award grants to an estimated 90 organizations.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	1,588,000	1,633,000	45,000	0
Aid To Localities	13,000,000	12,000,000	(1,000,000)	0
Capital Projects	0	0	0	0
Total	14,588,000	13,633,000	(955,000)	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
New York Interest on Lawyer Account			
Special Revenue Funds - Other	9	9	0
Total	9	9	0

# INTEREST ON LAWYER

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	1,588,000	1,633,000	45,000
Total	1,588,000	1,633,000	45,000

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	1,588,000	1,633,000	45,000
Total	1,588,000	1,633,000	45,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
New York Interest on Lawyer Account	1,633,000	45,000	568,000	(65,000)
Total	1,633,000	45,000	568,000	(65,000)

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
New York Interest on Lawyer Account	1,065,000	110,000
Total	1,065,000	110,000

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	13,000,000	12,000,000	(1,000,000)
Total	13,000,000	12,000,000	(1,000,000)

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	13,000,000	12,000,000	(1,000,000)
Total	13,000,000	12,000,000	(1,000,000)

# TEMPORARY STATE COMMISSION OF INVESTIGATION

## MISSION

The Temporary State Commission of Investigation serves as a bipartisan fact-finding agency investigating and reporting on organized crime and racketeering, the conduct of public officers and other matters affecting public peace, safety and justice.

## ORGANIZATION AND STAFFING

The Commission has six salaried members, two each appointed by the Governor, the Temporary President of the Senate and the Speaker of the Assembly. In addition to the 6 commissioners, there will be 21 staff positions at the Commission, which has its main office in New York City.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendation for fiscal year 2004-05 provides nearly \$2.9 million in State tax dollars, and \$186,000 in anticipated asset forfeitures, to support the Commission.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	3,181,000	3,050,000	(131,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,181,000	3,050,000	(131,000)	0

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Investigation			
General Fund	27	27	0
Total	27	27	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	2,915,000	2,864,000	(51,000)
Special Revenue Funds - Other	266,000	186,000	(80,000)
Total	3,181,000	3,050,000	(131,000)

# INVESTIGATION

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Investigation			
General Fund	2,915,000	2,864,000	(51,000)
Special Revenue Funds - Other	266,000	186,000	(80,000)
Total	<u>3,181,000</u>	<u>3,050,000</u>	<u>(131,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Investigation	2,148,000	(67,000)	2,133,000	(67,000)
Total	<u>2,148,000</u>	<u>(67,000)</u>	<u>2,133,000</u>	<u>(67,000)</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Investigation	15,000	0
Total	<u>15,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Investigation	716,000	16,000	16,000	0
Total	<u>716,000</u>	<u>16,000</u>	<u>16,000</u>	<u>0</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Investigation	62,000	2,000	605,000	13,000
Total	<u>62,000</u>	<u>2,000</u>	<u>605,000</u>	<u>13,000</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Investigation	33,000	1,000
Total	<u>33,000</u>	<u>1,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Investigation	186,000	(80,000)	186,000	(80,000)
Total	<u>186,000</u>	<u>(80,000)</u>	<u>186,000</u>	<u>(80,000)</u>

# JUDICIAL COMMISSIONS

## MISSION

New York State's three Judicial Commissions play important roles in maintaining the integrity of the court system. The Commission on Judicial Nomination and the Judicial Screening Committees screen potential nominees for high-level judicial appointments by the Governor. The Commission on Judicial Conduct investigates and acts upon allegations of judicial misconduct.

## COMMISSION ON JUDICIAL CONDUCT

The State Constitution established the Commission on Judicial Conduct, which is responsible for investigating complaints of misconduct against State judges and local justices. The Commission has disciplinary powers, which include the authority to remove judges and justices from office for serious misconduct, subject to review by the Court of Appeals.

The Commission on Judicial Conduct has 11 members, 4 of whom are appointed by the Governor, 3 by the Chief Judge of the Court of Appeals and the remaining 4 by the Legislature. Commission members serve without pay and meet periodically to consider complaints, hear testimony and determine the disposition of cases. The Commission will have a staff of 28 in fiscal year 2004-05. Its main office is in New York City, with branches in Albany and Rochester. Its budget of nearly \$2.4 million is supported entirely by State tax dollars from the General Fund.

## COMMISSION ON JUDICIAL NOMINATION

The State Constitution established the Commission on Judicial Nomination to evaluate candidates and make recommendations to the Governor for appointment to the Court of Appeals, the State's highest court.

The Commission on Judicial Nomination has 12 members appointed by the Governor, the Chief Judge of the Court of Appeals and the Legislature. These members serve without pay and conduct the search for qualified candidates upon formal notification of a vacancy on the Court of Appeals. They are supported by volunteer legal staff also serving without pay.

## GOVERNOR'S JUDICIAL SCREENING COMMITTEES

The Governor's Judicial Screening Committees are established by Executive Order to evaluate the qualifications of candidates and make recommendations to the Governor for appointment to judgeships other than those on the Court of Appeals. The Committees are located throughout the State. In fiscal year 2004-05, a total of \$150,000 in State tax dollars will support the Committees.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	2,426,000	2,557,000	131,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,426,000	2,557,000	131,000	0

# JUDICIAL COMMISSIONS

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Judicial Conduct			
General Fund	28	28	0
Total	28	28	0

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	2,426,000	2,557,000	131,000
Total	2,426,000	2,557,000	131,000

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

Program	Available	Recommended	Change
	2003-04	2004-05	
Judicial Conduct			
General Fund	2,266,000	2,397,000	131,000
Judicial Nomination, Commission on			
General Fund	10,000	10,000	0
Judicial Screening Committees			
General Fund	150,000	150,000	0
Total	2,426,000	2,557,000	131,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Judicial Conduct	1,828,000	30,000	1,808,000	30,000
Total	1,828,000	30,000	1,808,000	30,000

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Judicial Conduct	20,000	0
Total	20,000	0



## JUDICIAL COMMISSIONS

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Judicial Conduct	569,000	101,000	34,000	1,000
Judicial Nomination, Commission on	10,000	0	0	0
Judicial Screening Committees	150,000	0	0	0
Total	<u>729,000</u>	<u>101,000</u>	<u>34,000</u>	<u>1,000</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Judicial Conduct	33,000	1,000	487,000	99,000
Judicial Nomination, Commission on	0	0	0	0
Judicial Screening Committees	0	0	0	0
Total	<u>33,000</u>	<u>1,000</u>	<u>487,000</u>	<u>99,000</u>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Judicial Conduct	15,000	0	0	0
Judicial Nomination, Commission on	0	0	10,000	0
Judicial Screening Committees	0	0	150,000	0
Total	<u>15,000</u>	<u>0</u>	<u>160,000</u>	<u>0</u>



# **DEPARTMENT OF LAW**

## **MISSION**

The Department of Law was created in 1926 and is headed by the State Attorney General, who is elected by the people. The Department is responsible for protecting the legal rights of New York State and its citizens by representing the State in litigation and in other legal affairs.

In implementing its constitutional responsibilities, the Department performs a wide range of functions. Major activities of the Department include prosecuting or defending actions and proceedings for or against the State and its departments; prosecuting certain criminal violations of the Labor, Workers' Compensation and Unemployment Insurance laws; investigating and prosecuting other criminal cases at the request of the Governor or the commissioners of State departments; investigating the activities of organized crime; bringing civil and/or criminal actions against polluters, violators of antitrust laws and those who defraud consumers or investors; mediating consumer complaints; and investigating and prosecuting cases of Medicaid fraud.

## **ORGANIZATION AND STAFFING**

The legal functions of the Department of Law are divided into major divisions which comprise bureaus dealing with specific legal issues and cases. These are the divisions of Administration, Appeals and Opinions, Criminal Prosecutions, State Counsel, Public Advocacy and Regional Offices.

The Department's main offices are located in Albany and New York City, with regional offices in Binghamton, Poughkeepsie, Syracuse, Buffalo, Plattsburgh, Rochester, Watertown, Mineola, Hauppauge, Harlem, Utica, Brooklyn, Pearl River and White Plains. The Department will have a workforce of 1,717 positions for 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends \$197 million for the Department. This recommendation includes nearly \$113 million in tax dollars from the General Fund, which will finance 57 percent of these expenses for 2004-05. Additional support for 2004-05 will be provided by Federal funding for Medicaid fraud efforts and revenues from the collection of non-tax debt, litigation settlements and assets seized as part of criminal prosecution activities and Medicaid fraud recoveries.

## **PROGRAM HIGHLIGHTS**

Agency divisions perform the following functions:

- The Administration Division provides budget, personnel, operations and technology services for the Agency;
- The Division of Appeals and Opinions handles appellate litigation in both State and Federal courts. The Division also prepares opinions, both formal and informal, interpreting State laws for State agencies and municipalities;
- The Criminal Division investigates and prosecutes criminal cases, including those involving Medicaid fraud, auto insurance fraud, white collar and organized crime cases involving multi-county, multi-state and even multi-national criminal activities occurring within New York State;
- The Division of State Counsel provides State agencies, the Governor, other State officials and the Legislature with counsel and representation in legal proceedings. It recoups non-tax revenue on behalf of State taxpayers and provides legal assistance to State agencies in connection with the acquisition and disposition of public land;

## LAW

- The Division of Public Advocacy defends and protects the public interest in the courts. It enforces laws to prevent trade restraint, protects charitable donors and beneficiaries and enforces laws prohibiting discrimination. The Division protects consumers from fraudulent, and/or deceptive business practices, enforces environmental laws and regulates sales of investment securities. It also enforces the State's health care laws and addresses concerns about on-line criminal or fraudulent activities; and
- The Regional Offices program provides mini-satellite offices across the State to ensure that all New York agencies have cost effective representation in all local and Federal courts, and that citizens have full access to the programs and services of the Department.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	188,427,000	197,291,000	8,864,000	45,679,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	188,427,000	197,291,000	8,864,000	45,679,000

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	165	165	0
Appeals and Opinions			
General Fund	60	60	0
Counsel for the State			
General Fund	298	298	0
Special Revenue Funds - Other	248	248	0
Criminal Prosecutions			
General Fund	179	179	0
Special Revenue Funds - Other	56	56	0
Medicaid Fraud Control			
Special Revenue Funds - Federal	208	208	0
Special Revenue Funds - Other	75	75	0
Public Advocacy			
General Fund	276	276	0
Capital Projects Funds - Other	7	7	0
Regional Offices			
General Fund	145	145	0
Total	1,717	1,717	0

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	112,778,000	112,778,000	0
Special Revenue Funds - Federal	30,625,000	31,216,000	591,000
Special Revenue Funds - Other	45,024,000	53,297,000	8,273,000
Total	<u>188,427,000</u>	<u>197,291,000</u>	<u>8,864,000</u>
Adjustments:			
Transfer(s) From			
Law, Department of Internal Service Funds	(9,926,000)		
Transfer(s) To			
Law, Department of Special Revenue Funds - Other	9,926,000		
Appropriated 2003-04	<u>188,427,000</u>		

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	22,181,000	22,181,000	0
Appeals and Opinions			
General Fund	5,147,000	5,147,000	0
Counsel for the State			
General Fund	35,136,000	35,136,000	0
Special Revenue Funds - Other	29,402,000	35,780,000	6,378,000
Criminal Prosecutions			
General Fund	17,658,000	17,658,000	0
Special Revenue Funds - Other	4,904,000	4,904,000	0
Medicaid Fraud Control			
Special Revenue Funds - Federal	30,625,000	31,216,000	591,000
Special Revenue Funds - Other	10,718,000	12,613,000	1,895,000
Public Advocacy			
General Fund	20,751,000	20,751,000	0
Regional Offices			
General Fund	11,905,000	11,905,000	0
Total	<u>188,427,000</u>	<u>197,291,000</u>	<u>8,864,000</u>

# LAW

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	9,975,000	0	9,685,000	0
Appeals and Opinions	4,320,000	0	4,175,000	0
Counsel for the State	22,843,000	0	22,310,000	0
Criminal Prosecutions	14,805,000	0	14,750,000	0
Public Advocacy	19,174,000	0	18,656,000	0
Regional Offices	10,201,000	0	9,875,000	0
Total	81,318,000	0	79,451,000	0

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Administration	290,000	0
Appeals and Opinions	145,000	0
Counsel for the State	533,000	0
Criminal Prosecutions	55,000	0
Public Advocacy	518,000	0
Regional Offices	326,000	0
Total	1,867,000	0

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	12,206,000	0	83,000	0
Appeals and Opinions	827,000	0	317,000	0
Counsel for the State	12,293,000	0	46,000	0
Criminal Prosecutions	2,853,000	0	68,000	0
Public Advocacy	1,577,000	0	80,000	0
Regional Offices	1,704,000	0	19,000	0
Total	31,460,000	0	613,000	0

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	60,000	0	11,732,000	0
Appeals and Opinions	29,000	0	479,000	0
Counsel for the State	108,000	0	1,437,000	0
Criminal Prosecutions	293,000	0	1,927,000	0
Public Advocacy	78,000	0	1,280,000	0
Regional Offices	218,000	0	1,430,000	0
Total	786,000	0	18,285,000	0

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	331,000	0	0	0
Appeals and Opinions	2,000	0	0	0
Counsel for the State	44,000	0	10,658,000	0
Criminal Prosecutions	565,000	0	0	0
Public Advocacy	139,000	0	0	0
Regional Offices	37,000	0	0	0
Total	1,118,000	0	10,658,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Counsel for the State	35,780,000	6,378,000	15,415,000	1,332,000
Criminal Prosecutions	4,904,000	0	0	0
Medicaid Fraud Control	43,829,000	2,486,000	22,989,000	1,188,000
Total	<u>84,513,000</u>	<u>8,864,000</u>	<u>38,404,000</u>	<u>2,520,000</u>
<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Counsel for the State	20,365,000	5,046,000	0	0
Criminal Prosecutions	0	0	4,904,000	0
Medicaid Fraud Control	16,587,000	1,298,000	4,253,000	0
Total	<u>36,952,000</u>	<u>6,344,000</u>	<u>9,157,000</u>	<u>0</u>





# TEMPORARY STATE COMMISSION ON LOBBYING

## MISSION

The Temporary State Commission on Lobbying is responsible for monitoring, maintaining and making public the identities, activities and expenditures of lobbyists, clients and public corporations attempting to influence the legislative, regulatory and rule and rate-making actions of elected State officials, agency decision makers and local governments. The Commission is also authorized to hold hearings, impose civil penalties and make public the records of appearances before regulatory State agencies.

## ORGANIZATION AND STAFFING

The Lobbying Act sets forth the administrative and enforcement responsibilities of the Commission. Under the guidance of a six-member bipartisan board appointed by the Governor, with advice from the legislative leaders, these responsibilities are carried out by a workforce of 16.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission will receive \$1.3 million in 2004-05, with 77 percent of its support from State tax dollars. The remaining 23 percent of its operations will be funded by civil penalty fines assessed on lobbyists for violations of the Lobbying Law.

## PROGRAM HIGHLIGHTS

In 2002, the Commission's oversight responsibilities included 3,332 registered lobbyists, 1,835 clients of lobbyists and 48 public corporations that reported lobbying expenses. The Commission's monitoring responsibilities encompassed both registered and unregistered special interest groups. These groups were active on over 19,707 bills before the Legislature and 1,953 rules, regulations and rate applications involving State agencies.

In 2003-04, the Commission first offered an Electronic Filing Program, which simplified reporting for the majority of filers and contributed toward more rapid disclosure of lobbying activities to the public while reducing labor-intensive tasks of Commission staff members. In 2004-05, the Commission will initiate the online payment of filing fees, which will further simplify reporting, accelerate public disclosure and enhance staff efficiencies.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	1,287,000	1,303,000	16,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,287,000	1,303,000	16,000	0

# LOBBYING

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Operations			
General Fund	16	16	0
Total	<u>16</u>	<u>16</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	987,000	1,003,000	16,000
Special Revenue Funds - Other	300,000	300,000	0
Total	<u>1,287,000</u>	<u>1,303,000</u>	<u>16,000</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Operations			
General Fund	987,000	1,003,000	16,000
Special Revenue Funds - Other	300,000	300,000	0
Total	<u>1,287,000</u>	<u>1,303,000</u>	<u>16,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	1,003,000	16,000	1,003,000	16,000
Total	<u>1,003,000</u>	<u>16,000</u>	<u>1,003,000</u>	<u>16,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	300,000	0	300,000	0
Total	<u>300,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>

# ***DIVISION OF MILITARY AND NAVAL AFFAIRS***

## ***MISSION***

The primary mission of the Division of Military and Naval Affairs (DMNA) is twofold. Through the State's organized militia, it maintains a well-trained military force ready to respond to civil emergencies and natural and man-made disasters, and with respect to federally recognized units, threats to the nation's security. Through the State Emergency Management Office (SEMO), the Division coordinates the State's response to disasters and prepares the State, local governments and residents to deal effectively with any such potential disasters.

In recent years, the Division has also broadened its mission to include joint partnerships with local communities. Such partnerships include aid to law enforcement agencies in their anti-drug activities and non-emergency National Guard assistance to communities.

## ***ORGANIZATION AND STAFFING***

Under the direction of the Adjutant General, who is appointed by the Governor, the Division consists of the New York Army National Guard, the New York Air National Guard, the Naval Militia, the New York Guard and SEMO. Coordinated through the main office in Albany, the Division operates 59 armories as well as 32 maintenance shops, 6 Air Guard bases and 3 Army Aviation Support facilities. In addition, the Division provides administrative support for more than 16,400 New York-based National Guard troops who are paid directly by the Federal government.

The State Emergency Management Office serves as the operational component of the Disaster Preparedness Commission (DPC), which is responsible for State disaster preparedness plans and the coordination of State disaster operations. DMNA and SEMO will have a combined workforce of 570 in 2004-05.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Executive Budget recommendations for fiscal year 2004-05 support the Division's core mission of using its well-trained military force to both respond to civil emergencies and to support local authorities in their efforts to guard against ongoing security threats. Additionally, the enactment of the Patriot Plan in 2003 enhanced the Division's support of deployed military personnel and their families.

The Executive Budget recommends funding of \$62.4 million for Division of Military and Naval Affairs State Operations: \$46.2 million from Federal funding and special account revenues; and \$16.2 million in General Fund support. The Division's Aid to Localities budget includes State and Federal disaster assistance reappropriations to support response efforts associated with future disasters, and \$26.3 million in Federal grants and assessments paid by nuclear power generating facilities to support emergency preparedness activities.

The 2004-05 Capital Plan recommendations of \$46 million in new appropriations represent an increase of \$5.4 million above the 2003-04 appropriations level of \$40.6 million, including \$35 million in State and Federal support for a multi-year Federal military construction plan to replace or expand armories and equipment maintenance facilities across the State. The balance supports a continuation of Division efforts to maintain its existing facilities and, where feasible, restore armories in order to assist in the consolidation effort and to preserve their historic and future value.

# **MILITARY AND NAVAL AFFAIRS**

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## **PROGRAM HIGHLIGHTS**

### **MILITARY READINESS**

The Military Readiness programs constitute the heart of the Division's operations. These programs include the New York Army National Guard, the New York Air National Guard, the New York Guard and the New York Naval Militia. Over 3,000 members of the New York National Guard are currently fighting the war on terror, and all stand ready to serve if and when called upon to do so. In 2001, the Readiness program mounted a sustained, large-scale activation to assist in World Trade Center disaster response efforts as well as subsequent activities that are still ongoing to safeguard the State's citizenry from new security threats. Other responses to civilian emergencies in recent years have included the abatement and mitigation of the effects of forest fires, blizzards, floods and ice storms. Recent military endeavors include commanding the Northeast air defense and providing air support to the National Science Foundation Antarctica mission.

### **EMERGENCY MANAGEMENT**

The State Emergency Management Office coordinates the State's response to natural and man made disasters, as well as other civil emergencies. Recent disasters have included the Northeast power outage in August 2003, multiple life-threatening snowstorms across the State in the winter of 2002-03, forest fires and an earthquake in the spring of 2002. The Office has played a critical role in both the crisis management activities that immediately followed the World Trade Center attacks and the disaster recovery efforts that continue today.

The Office is also responsible for the development, testing and revision of radiological emergency plans at the State and county levels, to deal with possible radiological accidents at nuclear powered electric generating facilities. This Office also trains personnel to mitigate the risks of future disasters and administers the Disaster Assistance Program, which provides State and federally supported financial relief to localities and individuals affected by disasters.

### **RECRUITMENT INCENTIVE AND RETENTION PROGRAM**

Established in 1996, the Recruitment Incentive and Retention Program provides qualified individuals and active National Guard members with a tuition benefit for undergraduate study. The enormous success of the program has stabilized the Guard's troop strength and significantly improved member morale in recent years.

### **SPECIAL SERVICES**

The cornerstone of DMNA's special services is "GuardHELP," an innovative program to link federal guard resources with current community volunteer, youth activity, and environmental needs. Additionally, the Special Services program includes the activities associated with armory rentals.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	63,650,000	62,411,000	(1,239,000)	16,966,000
Aid To Localities	274,550,000	26,345,000	(248,205,000)	2,272,750,000
Capital Projects	40,600,000	46,000,000	5,400,000	46,850,000
Total	378,800,000	134,756,000	(244,044,000)	2,336,566,000

# MILITARY AND NAVAL AFFAIRS

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
	Administration		
General Fund	62	62	0
Emergency Management			
General Fund	30	21	(9)
Special Revenue Funds - Federal	70	75	5
Special Revenue Funds - Other	18	27	9
Military Readiness			
General Fund	146	152	6
Special Revenue Funds - Federal	222	230	8
Special Service			
Special Revenue Funds - Other	3	3	0
Total	<u>551</u>	<u>570</u>	<u>19</u>

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
	General Fund	16,738,000	
Special Revenue Funds - Federal	34,269,000	34,898,000	629,000
Special Revenue Funds - Other	12,643,000	11,294,000	(1,349,000)
Total	<u>63,650,000</u>	<u>62,411,000</u>	<u>(1,239,000)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
	Administration		
General Fund	3,780,000	3,628,000	(152,000)
Disaster Assistance			
Special Revenue Funds - Federal	3,295,000	4,167,000	872,000
Emergency Management			
General Fund	1,396,000	674,000	(722,000)
Special Revenue Funds - Federal	8,057,000	6,238,000	(1,819,000)
Special Revenue Funds - Other	2,948,000	2,948,000	0
Military Readiness			
General Fund	11,310,000	11,917,000	607,000
Special Revenue Funds - Federal	22,917,000	24,493,000	1,576,000
Special Service			
General Fund	252,000	0	(252,000)
Special Revenue Funds - Other	9,695,000	8,346,000	(1,349,000)
Total	<u>63,650,000</u>	<u>62,411,000</u>	<u>(1,239,000)</u>

# MILITARY AND NAVAL AFFAIRS

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,180,000	(154,000)	3,146,000	(171,000)
Emergency Management	599,000	(519,000)	571,000	(535,000)
Military Readiness	6,400,000	(509,000)	6,376,000	(18,000)
Special Service	0	(199,000)	0	(187,000)
Total	10,179,000	(1,381,000)	10,093,000	(911,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	34,000	17,000
Emergency Management	0	0	28,000	16,000
Military Readiness	23,000	(191,000)	1,000	(300,000)
Special Service	0	(10,000)	0	(2,000)
Total	23,000	(201,000)	63,000	(269,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	448,000	2,000	81,000	2,000
Emergency Management	75,000	(203,000)	9,300	(36,000)
Military Readiness	5,517,000	1,116,000	247,000	88,000
Special Service	0	(53,000)	0	(34,000)
Total	6,040,000	862,000	337,300	20,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	32,000	0	194,000	0
Emergency Management	8,500	(18,000)	55,800	(101,000)
Military Readiness	32,000	0	4,491,000	1,084,000
Special Service	0	(2,000)	0	(17,000)
Total	72,500	(20,000)	4,740,800	966,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	141,000	0	0	0
Emergency Management	1,400	(48,000)	0	0
Military Readiness	7,000	0	740,000	(56,000)
Special Service	0	0	0	0
Total	149,400	(48,000)	740,000	(56,000)

# MILITARY AND NAVAL AFFAIRS

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disaster Assistance	4,167,000	872,000	2,400,000	320,000
Emergency Management	9,186,000	(1,819,000)	4,340,000	(468,000)
Military Readiness	24,493,000	1,576,000	11,799,000	470,000
Special Service	8,346,000	(1,349,000)	636,000	(416,000)
Total	46,192,000	(720,000)	19,175,000	(94,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disaster Assistance	1,767,000	552,000	0	0
Emergency Management	4,846,000	(1,351,000)	0	0
Military Readiness	12,694,000	1,106,000	0	0
Special Service	3,732,000	(933,000)	3,978,000	0
Total	23,039,000	(626,000)	3,978,000	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	60,100,000	0	(60,100,000)
Special Revenue Funds - Federal	211,600,000	23,495,000	(188,105,000)
Special Revenue Funds - Other	2,850,000	2,850,000	0
Total	274,550,000	26,345,000	(248,205,000)

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

Program	Available 2003-04	Recommended 2004-05	Change
Disaster Assistance			
General Fund	60,000,000	0	(60,000,000)
Special Revenue Funds - Federal	200,000,000	0	(200,000,000)
Emergency Management			
Special Revenue Funds - Federal	11,600,000	23,495,000	11,895,000
Special Revenue Funds - Other	2,850,000	2,850,000	0
Military Readiness			
General Fund	100,000	0	(100,000)
Total	274,550,000	26,345,000	(248,205,000)

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

Comprehensive Construction Program	Available 2003-04	Recommended 2004-05	Change	Reappropriations 2004-05
Design and Construction Supervision				
Capital Projects Fund	5,500,000	1,400,000	(4,100,000)	4,300,000
Federal Capital Projects Fund	3,600,000	11,000,000	7,400,000	4,750,000
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	11,100,000	5,600,000	(5,500,000)	12,900,000
Federal Capital Projects Fund	20,400,000	28,000,000	7,600,000	24,900,000
Total	40,600,000	46,000,000	5,400,000	46,850,000





# ***DIVISION OF PAROLE***

## ***MISSION***

The Division of Parole, which consists of the Board of Parole and Division staff, is primarily responsible for community supervision and reintegration of offenders released from prison by action of the Parole Board, or by conditional release.

The Division promotes public safety and protection through the development and implementation of supervision and treatment plans for offenders returning to the community.

## ***ORGANIZATION AND STAFFING***

The 19 members of the Board of Parole are appointed by the Governor, and confirmed by the Senate, for six-year terms. One member is designated by the Governor to serve as the Board's Chair and chief executive officer of the Division. The Board members review the cases of inmates eligible for parole and determine if and when the offender should be released to parole supervision. The Board members establish the conditions the parolee must abide by in the community, and revoke parole in cases where parolees fail to maintain the conditions of their release.

The Division's administrative staff are located in its central office in Albany. Parole operations staff are distributed across the state in 70 correctional facilities and approximately 38 community-based supervision offices.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

In 2004-05, approximately \$144 million in State tax dollars will enable the Division of Parole to promote public safety by preparing inmates for release, supervising offenders in the community, and arranging for treatment services for parolees.

The Budget recommendations also build on prior year initiatives designed to supervise offenders in the community by providing intensive parole officer supervision caseloads for violent felony offenders, sex offenders and for those parolees who graduate from the shock incarceration program or who complete the drug treatment program at the Willard Drug Treatment Campus.

Approximately \$35 million in State tax dollars is recommended to support the Aid to Localities portion of the budget. This funding finances vocational development and relapse prevention programs, and supports initiatives designed to positively impact the revocation process. In order to reduce the impact on localities and speed the return of non-compliant parolees to State prison, the Division has developed several procedural changes that have made the parole revocation process more efficient. These management efficiencies have reduced the amount of time parole violators spend in local jails.

## ***PROGRAM HIGHLIGHTS***

In addition to closely monitoring offenders in the community, the Division helps prevent parolees from reverting to a life of crime by contracting for various rehabilitative services to support their return to society, such as substance abuse counseling, residential treatment and employment training and programming. The Division will also continue the implementation of an information technology initiative that will enhance the provision of these services, as well as improve supervision of parolees in the community.

## ***PAROLE OPERATIONS***

The Parole Operations program, the core of the State parole system, comprises three major areas: preparing inmates for parole, assisting the Board in making parole release determinations and supervising parolees upon release. An inmate must have housing and

## PAROLE

employment prospects before being released from a State prison. Parole officers attempt to obtain housing, employment and other services before an inmate appears before the Board. At the same time, parole staff assigned to prisons assess an inmate's readiness for release by reviewing his or her case history. The staff also summarizes an inmate's rehabilitation progress, family background, and housing and employment prospects for the Board's consideration.

As a result of changes to the Penal Law by the Sentencing Reform Act of 1995 and Jenna's Law, violent felony offenders are subject to determinate sentences and not eligible for early parole release. Those offenders are, however, subject to fixed periods of post-release supervision upon their release from prison. When offenders are released from prison, the Board imposes conditions of release and they are assigned to a parole officer for the balance of their sentence. The supervising parole officer monitors the behavior of parolees in the community, investigates alleged violations, revokes parole when warranted and arranges for services to help parolees remain productive and law-abiding members of the community.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	146,559,000	144,942,000	(1,617,000)	1,921,000
Aid To Localities	42,727,000	42,598,000	(129,000)	5,455,000
Capital Projects	0	0	0	0
Total	189,286,000	187,540,000	(1,746,000)	7,376,000

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	107	107	0
Parole Operations			
General Fund	2,023	1,982	(41)
Total	2,130	2,089	(41)

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	145,234,000	143,617,000	(1,617,000)
Special Revenue Funds - Federal	500,000	500,000	0
Special Revenue Funds - Other	825,000	825,000	0
Total	146,559,000	144,942,000	(1,617,000)

Adjustments:  
Transfer(s) To  
    Criminal Justice Services, Division of  
        Special Revenue Funds - Federal  
Appropriated 2003-04

960,000
147,519,000

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	7,931,000	8,157,000	226,000
Parole Operations			
General Fund	137,303,000	135,460,000	(1,843,000)
Special Revenue Funds - Federal	500,000	500,000	0
Special Revenue Funds - Other	825,000	825,000	0
Total	<u>146,559,000</u>	<u>144,942,000</u>	<u>(1,617,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	6,594,000	136,000	6,461,000	135,000
Parole Operations	108,508,000	(2,805,000)	104,576,000	(2,966,000)
Total	<u>115,102,000</u>	<u>(2,669,000)</u>	<u>111,037,000</u>	<u>(2,831,000)</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	0	133,000	1,000
Parole Operations	80,000	0	3,852,000	161,000
Total	<u>80,000</u>	<u>0</u>	<u>3,985,000</u>	<u>162,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	1,563,000	90,000	20,000	0
Parole Operations	26,952,000	962,000	1,037,000	0
Total	<u>28,515,000</u>	<u>1,052,000</u>	<u>1,057,000</u>	<u>0</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	238,000	0	1,291,000	90,000
Parole Operations	2,929,000	(176,000)	21,704,000	1,138,000
Total	<u>3,167,000</u>	<u>(176,000)</u>	<u>22,995,000</u>	<u>1,228,000</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	14,000	0
Parole Operations	1,282,000	0
Total	<u>1,296,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Parole Operations	1,325,000	0	1,325,000	0
Total	<u>1,325,000</u>	<u>0</u>	<u>1,325,000</u>	<u>0</u>

# PAROLE

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	37,477,000	35,348,000	(2,129,000)
Internal Service Funds	5,250,000	7,250,000	2,000,000
Total	<u>42,727,000</u>	<u>42,598,000</u>	<u>(129,000)</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Parole Operations			
General Fund	37,477,000	35,348,000	(2,129,000)
Internal Service Funds	5,250,000	7,250,000	2,000,000
Total	<u>42,727,000</u>	<u>42,598,000</u>	<u>(129,000)</u>

# OFFICE FOR THE PREVENTION OF DOMESTIC VIOLENCE

## MISSION

The Office for the Prevention of Domestic Violence develops statewide policies to protect victims of domestic violence and conducts domestic violence prevention training for judges, prosecutors, police, attorneys, probation and parole personnel, social services and health care providers.

## ORGANIZATION AND STAFFING

The Office, headed by an Executive Director appointed by the Governor, has its central office in the Capital District and one field office in New York City. The Office will have a workforce of 33 persons in 2004-05.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget continues support for the Office's policy development and training programs. The All Funds appropriation for the Office will be \$2.2 million in 2004-05 to carry out domestic violence prevention activities.

## PROGRAM HIGHLIGHTS

The Office works to improve the response of various State and local public agencies to families affected by domestic violence. In cooperation with other agencies, the Office develops domestic violence policies and provides training and information about domestic violence. These programs clarify professional and legal responsibility to promote the safety of victims of domestic violence and to hold offenders accountable for their actions. Each training program provides an in-depth examination of the nature and dynamics of domestic violence.

The Office also serves as a clearinghouse for information about domestic violence, receiving more than 4,000 calls a year from social service and health care agencies, police departments, domestic violence shelters, local violence prevention programs and domestic violence victims.

Over the past several years, the Office's accomplishments have included development of model county and State domestic violence prevention policies which guide the response to victims and perpetrators of domestic violence in all county and State agencies. Additionally, as a result of the 1997 Welfare Reform legislation, the Office works with the Office of Temporary and Disability Assistance and Office of Children and Family Services to improve procedures for notifying public assistance applicants and recipients about the availability of domestic violence protection and services, and to provide training to social services personnel to recognize the presence of domestic violence.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	1,685,000	1,531,000	(154,000)	0
Aid To Localities	755,000	717,000	(38,000)	0
Capital Projects	0	0	0	0
Total	2,440,000	2,248,000	(192,000)	0

# PREVENTION OF DOMESTIC VIOLENCE

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration			
General Fund	15	15	0
Special Revenue Funds - Federal	18	18	0
Total	33	33	0

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	1,515,000	1,361,000	(154,000)
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	70,000	70,000	0
Total	1,685,000	1,531,000	(154,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	935,000	(154,000)	935,000	(154,000)
Total	935,000	(154,000)	935,000	(154,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	426,000	0	45,000	0
Total	426,000	0	45,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	39,000	0	324,000	0
Total	39,000	0	324,000	0

Program	Equipment	
	Amount	Change
Administration	18,000	0
Total	18,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	170,000	0	170,000	0
Total	170,000	0	170,000	0

# ***PREVENTION OF DOMESTIC VIOLENCE***

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	755,000	717,000	(38,000)
Total	<u>755,000</u>	<u>717,000</u>	<u>(38,000)</u>





# ***DIVISION OF PROBATION AND CORRECTIONAL ALTERNATIVES***

## ***MISSION***

The Division of Probation and Correctional Alternatives oversees county probation departments, providing them with training and technical assistance related to the supervision and treatment of offenders.

## ***ORGANIZATION AND STAFFING***

Headed by a State Director appointed by the Governor, the Division is located in Albany. The Division will operate in 2004-05 with a staff of 28.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

In 2004-05, approximately \$1.9 million in State tax dollars will support the Division's State Operations budget. Aid to Localities funding for Probation Aid, the Intensive Supervision Program, the Juvenile Intensive Supervision Program and a number of alternative to incarceration programs has been transferred to the Division of Criminal Justice Services. This new arrangement will provide improved service to counties and grant recipients through a centralized grant administration process.

## ***PROGRAM HIGHLIGHTS***

The transfer of local grants program administration to the Division of Criminal Justice Services will allow the Division of Probation and Correctional Alternatives to focus on statewide efforts such as improved technology, education and training and the development of performance measurements and standards. The Division of Probation and Correctional Alternatives maintains two automated offender risk assessment-screening instruments, the Youth Assessment and Screening Instrument (YASI) and the Correctional Offender Management Profiling for Alternative Sanctions Instrument (COMPAS), along with Prober, an automated case management tool for counties. The Division will continue to enhance and expand these systems.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	2,153,000	1,888,000	(265,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>2,153,000</b>	<b>1,888,000</b>	<b>(265,000)</b>	<b>0</b>

# PROBATION AND CORRECTIONAL ALTERNATIVES

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Community Corrections			
General Fund	32	28	(4)
Total	<u>32</u>	<u>28</u>	<u>(4)</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Community Corrections			
General Fund	2,153,000	1,888,000	(265,000)
Total	<u>2,153,000</u>	<u>1,888,000</u>	<u>(265,000)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Community Corrections	1,486,000	(262,000)	1,486,000	(262,000)
Total	<u>1,486,000</u>	<u>(262,000)</u>	<u>1,486,000</u>	<u>(262,000)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Community Corrections	402,000	(3,000)	15,000	0
Total	<u>402,000</u>	<u>(3,000)</u>	<u>15,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Community Corrections	41,000	(3,000)	336,000	0
Total	<u>41,000</u>	<u>(3,000)</u>	<u>336,000</u>	<u>0</u>

Program	Equipment	
	Amount	Change
Community Corrections	10,000	0
Total	<u>10,000</u>	<u>0</u>

# **PROBATION AND CORRECTIONAL ALTERNATIVES**

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Total	0	0	0
Adjustments:			
Transfer(s) To			
Criminal Justice Services, Division of			
General Fund	72,383,000		
Appropriated 2003-04	72,383,000		



# ***PUBLIC EMPLOYMENT RELATIONS BOARD***

## ***MISSION***

The Public Employment Relations Board resolves labor disputes between public employers and employees. The Board provides mediation, fact-finding and arbitration in contract disputes for approximately 4,500 negotiating units in New York State. In addition, the Board settles questions of union representation, conducts hearings on charges of improper practices, designates Management/Confidential positions, and acts as a clearinghouse for information on wages, benefits and employment practices.

## ***ORGANIZATION AND STAFFING***

The Board consists of a full-time Chair and two part-time members nominated by the Governor for six-year terms. The Board's jurisdiction includes State, county and local governments, certain special service districts, school districts and public authorities. Central offices are in Albany, with additional staff in Buffalo and Brooklyn.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Board receives 93 percent of its funding from the General Fund, which supports its mediation, fact-finding and arbitration services and administrative costs.

The Executive Budget recommends \$3.4 million in General Fund support for the Board, and the Board's remaining expenses of \$257,000 are financed by fees paid by public employers and unions for filings and publications.

## ***PROGRAM HIGHLIGHTS***

The Board provides three principal services: conciliation, settlement of petitions involving representation and rulings on charges of improper practices.

## ***CONCILIATION***

The Board provided assistance in approximately 317 of the 2,250 State and local contracts negotiated in 2002-2003. The Board has followed many of these cases through the full range of impasse resolution steps: mediation, followed by either fact-finding or arbitration and conciliation.

## ***REPRESENTATION***

Through its Office of Public Employment Practices and Representation, the Board reviews all petitions from public employee unions and employers requesting the creation of new negotiating units or the transfer of members between units. It also reviews requests to remove positions from negotiating units and may designate them management or confidential. In 2002-2003, the Board received 91 petitions raising questions about representation and conducted 6 elections for representation.

## ***EMPLOYMENT PRACTICES***

The Board conducts hearings and renders decisions on improper practice charges, and received petitions on 908 charges of improper employment and negotiating practices in the previous year. In 2002-2003, the agency wrote over 187 decisions and closed, either by

## **PUBLIC EMPLOYMENT RELATIONS**

decision or settlement, over 860 improper practice cases. Each case must be addressed in a pre-hearing conference attended by the affected parties. If a case cannot be resolved, a Board administrative law judge must rule on the charge after conducting a formal hearing.

### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	3,995,000	3,657,000	(338,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>3,995,000</b>	<b>3,657,000</b>	<b>(338,000)</b>	<b>0</b>

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

#### **Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Administration			
General Fund	39	37	(2)
<b>Total</b>	<b>39</b>	<b>37</b>	<b>(2)</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	3,738,000	3,400,000	(338,000)
Special Revenue Funds - Other	257,000	257,000	0
<b>Total</b>	<b>3,995,000</b>	<b>3,657,000</b>	<b>(338,000)</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	3,738,000	3,400,000	(338,000)
Special Revenue Funds - Other	257,000	257,000	0
<b>Total</b>	<b>3,995,000</b>	<b>3,657,000</b>	<b>(338,000)</b>

# PUBLIC EMPLOYMENT RELATIONS

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,950,000	(334,000)	2,619,000	(334,000)
Total	2,950,000	(334,000)	2,619,000	(334,000)

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	331,000	0
Total	331,000	0

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	450,000	(4,000)	72,000	0
Total	450,000	(4,000)	72,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	70,000	0	299,000	(4,000)
Total	70,000	0	299,000	(4,000)

Program	Equipment	
	Amount	Change
Administration	9,000	0
Total	9,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	257,000	0	140,000	83,000
Total	257,000	0	140,000	83,000

Program	Nonpersonal Service	
	Amount	Change
Administration	117,000	(83,000)
Total	117,000	(83,000)





# ***OFFICE OF PUBLIC SECURITY***

## ***MISSION***

The Office of Public Security is responsible for the development and implementation of a comprehensive statewide counter-terrorism strategy designed to detect, protect against and respond to terrorist threats and events. The Office of Public Security directs and coordinates public security matters on behalf of the Governor among relevant State and local agencies, federal security-related agencies including the new Department of Homeland Security and other State homeland security offices.

## ***ORGANIZATION AND STAFFING***

The Office of Public Security is headquartered in Albany with an additional office in New York City. The Office is headed by a Director who is appointed by the Governor and counsels the Governor on counter-terrorism affairs, in coordination with the Governor's Senior Advisor for Counter-Terrorism and the Senior Advisor for Disaster Preparedness and Response. The Office will have a workforce of 73 in 2004-05.

## ***PROGRAM HIGHLIGHTS***

Since its creation in October 2001, the Office of Public Security has implemented a comprehensive, coordinated strategy for domestic counter-terrorism preparedness in the State of New York, bringing together agencies, organizations and associations representing all disciplines in order to better prevent and recover from possible future terrorist events.

The Office of Public Security has implemented a Counter-Terrorism Zone Network. The first of its kind in the nation, the network is used to notify local law enforcement and other government agencies of terrorism and security-related alerts. The Office has also spearheaded a security assessment of critical infrastructure in New York State, including the power grid, banking, transportation, fuel, chemical, electric, water and port industries. The office will supplement these efforts in 2004-05 by conducting a comprehensive review of security measures at all power generation and transmission facilities in New York State. Internal assessments of State agency security measures and protocols have been conducted as well, including first responder preparedness levels.

## ***OFFICE OF CYBER SECURITY AND CRITICAL INFRASTRUCTURE COORDINATION***

In September 2002, Governor Pataki determined a dedicated entity was needed to focus upon the security and disaster-readiness of the State's data and communications systems, and he created the Office of Cyber Security and Critical Infrastructure Coordination (CSCIC) to address this need. CSCIC is responsible for leading New York State's efforts regarding cyber readiness and resilience, coordinating the process by which State critical infrastructure data is collected and maintained, and monitoring the State's networks for malicious cyber activities.

CSCIC is also charged with reducing redundancy between the private sector and State/Federal government initiatives, coordinating with critical industry sectors to examine potential vulnerabilities to catastrophic cyber attack, developing New York State teams to respond to cyber incidents and improving geographic information analysis capabilities for emergency response.

# PUBLIC SECURITY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	11,916,000	14,876,000	2,960,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	11,916,000	14,876,000	2,960,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	25	25	0
Cyber Security and Critical Infrastructure Coordination Program			
General Fund	4	4	0
Special Revenue Funds - Federal	1	4	3
Special Revenue Funds - Other	37	40	3
Total	67	73	6

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	7,258,000	7,258,000	0
Special Revenue Funds - Federal	0	1,000,000	1,000,000
Special Revenue Funds - Other	4,658,000	6,618,000	1,960,000
Total	11,916,000	14,876,000	2,960,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	3,918,000	3,918,000	0
Cyber Security and Critical Infrastructure Coordination Program			
General Fund	3,340,000	3,340,000	0
Special Revenue Funds - Federal	0	1,000,000	1,000,000
Special Revenue Funds - Other	4,658,000	6,618,000	1,960,000
Total	11,916,000	14,876,000	2,960,000

**PUBLIC SECURITY**

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	1,529,000	0	1,529,000	0
Cyber Security and Critical Infrastructure Coordination Program	235,000	(1,130,000)	235,000	(1,130,000)
<b>Total</b>	<b>1,764,000</b>	<b>(1,130,000)</b>	<b>1,764,000</b>	<b>(1,130,000)</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	2,389,000	0	1,278,000	0
Cyber Security and Critical Infrastructure Coordination Program	3,105,000	1,130,000	0	0
<b>Total</b>	<b>5,494,000</b>	<b>1,130,000</b>	<b>1,278,000</b>	<b>0</b>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	1,111,000	0
Cyber Security and Critical Infrastructure Coordination Program	3,105,000	1,130,000
<b>Total</b>	<b>4,216,000</b>	<b>1,130,000</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Cyber Security and Critical Infrastructure Coordination Program	7,618,000	2,960,000	2,474,000	0
<b>Total</b>	<b>7,618,000</b>	<b>2,960,000</b>	<b>2,474,000</b>	<b>0</b>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Cyber Security and Critical Infrastructure Coordination Program	5,144,000	2,960,000
<b>Total</b>	<b>5,144,000</b>	<b>2,960,000</b>



# **GOVERNOR'S OFFICE OF REGULATORY REFORM**

## **MISSION**

The Governor's Office of Regulatory Reform was created in 1995 and charged with the promotion of private sector job growth in New York through the review and reform of State regulations. The Office creates a positive climate for job growth by reviewing and streamlining regulations, expediting permit approvals for new and expanding businesses, and encouraging better understanding between regulators and affected parties. Since 1995, the Office has substantively reviewed and/or eliminated more than 2,500 rules which, together with other regulatory, statutory and permitting reforms, has saved State businesses and localities more than \$3 billion in operating and other expenses.

## **ORGANIZATION AND STAFFING**

Led by a Director appointed by the Governor, the Office is located in Albany. Agency objectives are achieved through its Business Permits Assistance and Regulatory Review programs. The Office will have a workforce of 36 positions for 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends nearly \$3.4 million in State tax dollars to support the Office. Recommended funding will support enhancements to the Online Permit and Licensing System (OPAL) that allows businesses to apply for permits and licenses in one consolidated transaction and improves New York's business climate.

## **PROGRAM HIGHLIGHTS**

### **REGULATORY REVIEW**

The Office reviews the need for proposed new and revised regulations and their economic impact. Staff will continue to review all existing State agency regulations to identify those hampering the growth of business and jobs in New York State. The Office requires regulating agencies to analyze the costs and benefits of any proposed new or amended rule and to consider its effect on job creation and retention, public health, safety and welfare. Recommendations are also made to agencies to help them simplify their regulatory processes. The Office has also played a key role in the innovative SEMI-NY, BUILDNOW-NY, and REBUILDNOW-NY programs to facilitate economic development.

### **BUSINESS PERMITS ASSISTANCE**

The Business Permits Assistance program provides comprehensive information about permits required to operate businesses in New York State, and consults with local governments to better coordinate local permit applications. Program staff also assist agencies in streamlining and simplifying permit procedures required for business and local government undertakings. Since 1995, this program has provided assistance to almost 450,000 individuals or firms interested in starting or growing a business in New York. This effort was facilitated by the development of a master application form for complex business ventures, a comprehensive permit reform program and development of a web site, [www.nys-permits.org](http://www.nys-permits.org), which provides businesses with permit information.

# REGULATORY REFORM

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	3,115,000	3,365,000	250,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,115,000	3,365,000	250,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	36	36	0
Total	36	36	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	3,115,000	3,365,000	250,000
Total	3,115,000	3,365,000	250,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Administration			
General Fund	3,115,000	3,365,000	250,000
Total	3,115,000	3,365,000	250,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,353,000	0	2,348,000	0
Total	2,353,000	0	2,348,000	0

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	5,000	0
Total	5,000	0

# REGULATORY REFORM

STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	1,012,000	250,000	53,000	0
Total	1,012,000	250,000	53,000	0

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	52,000	0	720,000	250,000
Total	52,000	0	720,000	250,000

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	187,000	0
Total	187,000	0





# **DEPARTMENT OF STATE**

## **MISSION**

Established in 1788, the Department of State (DOS) is the State's oldest agency. Historically serving as the State's general recording officer and custodian of the State's "Great Seal", the Department's mission has grown to include a broad range of activities that coordinate programs with, and provide services to, local governments and businesses. The Department protects public safety by managing arson investigation, fire prevention, building and energy code programs; administers programs for community development and local government service activities; and supports businesses through various licensing and registration activities.

## **ORGANIZATION AND STAFFING**

The Department is headed by the Secretary of State, who is appointed by the Governor and confirmed by the Senate. The Department's central office is located in Albany. It also has 19 regional offices across the State and operates the Academy of Fire Science in Montour Falls, Schuyler County. The Department of State will have a workforce of 806 positions for 2004-05.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

Approximately 35 percent of the Department's operations and local aid programs are funded from fees and other income, 54 percent from Federal grants, and 11 percent from State tax dollars from the General Fund. The Executive Budget recommends funding of nearly \$138.5 million for the Department of State: \$123.5 million in Federal funding and fee revenues, and \$15 million in General Fund support. The Department has achieved savings for SFY 2004-05 through personnel controls and implementation of various management efficiencies.

The Department will continue recent technology improvements to provide enhanced internet access and online applications to better serve the State's business customers and ease the filing of documents. Grant funding is also continued for downtown revitalization projects as part of the Governor's Quality Communities Program.

## **PROGRAM HIGHLIGHTS**

- The responsibilities of the Department of State are carried out through three programs:
- The Local Government and Community Services Program consists of several functions, including the Office of Fire Prevention and Control (OFPC), which works with both paid and volunteer firefighters by providing training, technical support and assistance with arson investigations, and conducts fire safety inspections of colleges and state-owned buildings. OFPC trains and equips an urban search and rescue team based in the Capital Region. OFPC also provides low interest loans to fire and ambulance companies through the Emergency Services Revolving Loan Program. The Division of Code Enforcement and Administration manages New York's building and energy code. In addition to these activities, Local Government and Community Services program staff provide ombudsman services to citizens; offer planning and management services to local governments through the Division of Local Government; support land use planning activities in the New York City/Catskill watershed; coordinate New York's coastal resources and waterfront revitalization activities; and administer the Department's Federal grant programs, including the Appalachian Regional Commission and the State Rural Development Council. The

## STATE

federally funded Division of Community Services provides a means for achieving economic self-sufficiency through programs designed to improve opportunities for its low-income participants.

- The Business and Licensing Services Program provides information on credit and debt for individuals, businesses and corporations; tracks all certificates of incorporation; administers qualifying examinations and licensing of 26 occupations; and prepares the State Register and other publications. This unit also oversees the operation of almost 1,900 cemeteries.
- The Administration Program provides the basic executive direction, fiscal, personnel and electronic data processing activities that support the Department's operations.

Additionally, the Department's appropriations contain funds for the Lake George Park Commission, the State Ethics Commission, the State Athletic Commission, the Committee on Open Government, and the Tug Hill Commission.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	59,748,000	59,214,000	(534,000)	17,094,000
Aid To Localities	82,591,000	79,275,000	(3,316,000)	96,220,000
Capital Projects	100,000,000	0	(100,000,000)	100,000,000
Total	242,339,000	138,489,000	(103,850,000)	213,314,000

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	47	47	0
Lake George Park Commission			
Special Revenue Funds - Other	9	9	0
Licensing Services			
Special Revenue Funds - Other	370	382	12
Local Government and Community Services			
General Fund	105	98	(7)
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	178	176	(2)
State Ethics Commission			
General Fund	19	19	0
Tug Hill Commission			
General Fund	17	17	0
Total	803	806	3

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	14,307,000	14,003,000	(304,000)
Special Revenue Funds - Federal	10,980,000	10,980,000	0
Special Revenue Funds - Other	34,461,000	34,231,000	(230,000)
Total	59,748,000	59,214,000	(534,000)

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	5,448,000	5,353,000	(95,000)
Lake George Park Commission			
Special Revenue Funds - Other	1,397,000	1,465,000	68,000
Licensing Services			
Special Revenue Funds - Other	31,299,000	30,401,000	(898,000)
Local Government and Community Services			
General Fund	6,318,000	5,948,000	(370,000)
Special Revenue Funds - Federal	10,980,000	10,980,000	0
Special Revenue Funds - Other	1,712,000	2,312,000	600,000
State Ethics Commission			
General Fund	1,591,000	1,736,000	145,000
Tug Hill Commission			
General Fund	950,000	966,000	16,000
Special Revenue Funds - Other	53,000	53,000	0
Total	<u>59,748,000</u>	<u>59,214,000</u>	<u>(534,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	3,436,000	(337,000)	3,375,000	(340,000)
Local Government and Community Services	4,419,000	(320,000)	4,307,000	(330,000)
State Ethics Commission	1,210,000	73,000	1,210,000	73,000
Tug Hill Commission	865,000	16,000	857,000	16,000
Total	<u>9,930,000</u>	<u>(568,000)</u>	<u>9,749,000</u>	<u>(581,000)</u>
<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	60,000	15,000	1,000	(12,000)
Local Government and Community Services	112,000	10,000	0	0
State Ethics Commission	0	0	0	0
Tug Hill Commission	8,000	0	0	0
Total	<u>180,000</u>	<u>25,000</u>	<u>1,000</u>	<u>(12,000)</u>

# STATE

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,917,000	242,000	392,000	222,000
Local Government and Community Services	1,529,000	(50,000)	72,000	0
State Ethics Commission	526,000	72,000	40,000	0
Tug Hill Commission	101,000	0	12,000	0
Total	4,073,000	264,000	516,000	222,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	60,000	0	1,361,000	20,000
Local Government and Community Services	79,000	9,000	288,000	3,000
State Ethics Commission	20,000	0	455,000	212,000
Tug Hill Commission	7,000	0	80,000	0
Total	166,000	9,000	2,184,000	235,000

Program	Equipment	
	Amount	Change
Administration	104,000	0
Local Government and Community Services	1,090,000	(62,000)
State Ethics Commission	11,000	(140,000)
Tug Hill Commission	2,000	0
Total	1,207,000	(202,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Lake George Park Commission	1,465,000	68,000	578,000	0
Licensing Services	30,401,000	(898,000)	15,650,000	(862,000)
Local Government and Community Services	13,292,000	600,000	4,597,000	0
Tug Hill Commission	53,000	0	0	0
Total	45,211,000	(230,000)	20,825,000	(862,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Lake George Park Commission	887,000	68,000	0	0
Licensing Services	14,476,000	(311,000)	275,000	275,000
Local Government and Community Services	7,145,000	0	1,550,000	600,000
Tug Hill Commission	53,000	0	0	0
Total	22,561,000	(243,000)	1,825,000	875,000

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	4,491,000	1,000,000	(3,491,000)
Special Revenue Funds - Federal	63,700,000	63,700,000	0
Special Revenue Funds - Other	14,400,000	14,575,000	175,000
Total	82,591,000	79,275,000	(3,316,000)

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Licensing Services			
Special Revenue Funds - Other	300,000	475,000	175,000
Local Government and Community Services			
General Fund	4,491,000	1,000,000	(3,491,000)
Special Revenue Funds - Federal	63,700,000	63,700,000	0
Special Revenue Funds - Other	14,100,000	14,100,000	0
Total	<u>82,591,000</u>	<u>79,275,000</u>	<u>(3,316,000)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Local Government and Community Services				
Capital Projects Fund - Authority Bonds	100,000,000	0	(100,000,000)	100,000,000
Total	<u>100,000,000</u>	<u>0</u>	<u>(100,000,000)</u>	<u>100,000,000</u>



# ***DIVISION OF STATE POLICE***

## ***MISSION***

The Division of State Police promotes highway safety and protects our citizens from crime. It is responsible for patrolling roads and highways outside major urban centers, and providing specialty and investigative police services throughout the State. The work of the State Police ranges from the traditional patrol duties to that of specially trained investigators who conduct sophisticated operations against drug traffickers and other criminals.

## ***ORGANIZATION AND STAFFING***

The Division, headed by a Superintendent who is appointed by the Governor, is organized into a Division Headquarters located in Albany and 11 Troops. Each Troop encompasses a geographic area of the State, with the exception of Troop "T" which is dedicated to providing police services on the New York State Thruway. Troop "NYC" provides specialized investigative and support services in the five boroughs of New York City. The remaining nine Troops provide patrol coverage and criminal investigation services appropriate to local conditions. Factors which affect services include population, highway mileage and availability of county and local law enforcement agencies.

Approximately 88 percent of the Division's total staffing of 5,608 for 2004-05 are paid for with State tax dollars, with the remaining 12 percent supported by various other revenue sources, including Federal funds.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

Approximately \$328 million in State tax dollars support the Division's operations budget. The balance is financed by Federal funds and various State revenue sources, including seized assets, a portion of the State's monthly surcharge on cellular telephone bills, fees for accident reports and reimbursement from the New York State Thruway Authority for services rendered on the State Thruway. The cost of Division security for the Niagara Falls casino which opened December 31, 2002 is reimbursed by the Seneca Nation, as are costs for the Mohawk and Oneida casinos at Akwesasne and Turning Stone respectively. Additional revenue raised from the annual fee on insurance policies of all registered motor vehicles will support \$51.3 million of vital State Police public safety operations. The recommendations also include appropriations for Federal grants that support school safety and electronic ticketing initiatives.

New Capital appropriations totaling \$2.8 million will enable the State Police to maintain Troop facilities and advance various projects related to health and safety.

## ***PROGRAM HIGHLIGHTS***

The Division is divided into two principal branches, the Uniform Force and the Bureau of Criminal Investigation. Each of these branches fulfills specific law enforcement assignments and cooperates with local and county law enforcement agencies. In the coming year, the Division will continue to play a significant role in Homeland Security initiatives.

### ***UNIFORM FORCE***

The Uniform Force has two primary responsibilities: protecting life and property and promoting highway safety. In many areas of the State, Uniform Troopers are the primary law enforcement agency, and respond to all types of calls including burglaries, missing children, assaults, robberies and homicides. State Troopers also provide essential support to local police departments.

# STATE POLICE

## BUREAU OF CRIMINAL INVESTIGATION

The Bureau of Criminal Investigation (BCI) is the plain clothes investigative branch of the Division. BCI Investigators concentrate on cases related to narcotics, child abuse, auto theft, consumer product tampering, organized crime, violent crimes and terrorism. In addition to conducting their own investigations, investigators regularly assist local and county law enforcement agencies that lack the resources or expertise needed for major crime investigations.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	518,698,300	507,479,000	(11,219,300)	19,364,000
Aid To Localities	0	0	0	0
Capital Projects	2,800,000	2,800,000	0	5,608,000
Total	521,498,300	510,279,000	(11,219,300)	24,972,000

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	209	209	0
Criminal Investigation Activities			
General Fund	1,096	1,096	0
Special Revenue Funds - Federal	66	66	0
Special Revenue Funds - Other	40	92	52
Patrol Activities			
General Fund	2,886	2,886	0
Special Revenue Funds - Federal	106	106	0
Special Revenue Funds - Other	36	36	0
Patrol Activities			
Special Revenue Funds - Other	4	4	0
Policing the Thruway			
Special Revenue Funds - Other	340	340	0
Technical Police Services			
General Fund	725	767	42
Special Revenue Funds - Other	6	6	0
Total	5,514	5,608	94



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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
General Fund	359,628,700	327,488,000	(32,140,700)
Special Revenue Funds - Federal	11,658,000	16,372,000	4,714,000
Special Revenue Funds - Other	147,411,600	163,619,000	16,207,400
Total	<u>518,698,300</u>	<u>507,479,000</u>	<u>(11,219,300)</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(30,486,700)		
Special Revenue Funds - Other	(5,195,600)		
Transfer(s) To			
Criminal Justice Services, Division of			
Special Revenue Funds - Federal	6,239,000		
Appropriated 2003-04	<u>489,255,000</u>		

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Administration			
General Fund	12,356,244	10,765,000	(1,591,244)
Special Revenue Funds - Other	208,000	208,000	0
Criminal Investigation Activities			
General Fund	97,259,341	92,845,000	(4,414,341)
Special Revenue Funds - Federal	300,000	810,000	510,000
Special Revenue Funds - Other	15,283,000	15,645,000	362,000
Patrol Activities			
General Fund	185,511,030	161,900,000	(23,611,030)
Special Revenue Funds - Federal	11,358,000	15,562,000	4,204,000
Special Revenue Funds - Other	56,114,000	65,258,000	9,144,000
Policing the Thruway			
Special Revenue Funds - Other	39,995,600	45,197,000	5,201,400
Technical Police Services			
General Fund	64,502,085	61,978,000	(2,524,085)
Special Revenue Funds - Other	35,811,000	37,311,000	1,500,000
Total	<u>518,698,300</u>	<u>507,479,000</u>	<u>(11,219,300)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	10,191,000	(1,173,331)	10,191,000	(1,105,930)
Criminal Investigation Activities	87,594,000	(4,285,113)	87,594,000	(4,159,745)
Patrol Activities	209,200,000	(11,223,068)	209,200,000	(8,013,770)
Technical Police Services	36,219,000	(3,214,888)	36,219,000	(3,067,055)
Total	<u>343,204,000</u>	<u>(19,896,400)</u>	<u>343,204,000</u>	<u>(16,346,500)</u>

<u>Program</u>	<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>
Administration	0	(67,401)
Criminal Investigation Activities	0	(125,368)
Patrol Activities	0	(3,209,298)
Technical Police Services	0	(147,833)
Total	<u>0</u>	<u>(3,549,900)</u>

# STATE POLICE

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	574,000	(352,000)	90,000	0
Criminal Investigation Activities	5,251,000	0	86,000	0
Patrol Activities	4,000,000	0	0	0
Technical Police Services	34,859,000	842,000	2,680,000	0
Total	44,684,000	490,000	2,856,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	80,000	0	396,000	0
Criminal Investigation Activities	70,000	0	491,000	0
Patrol Activities	1,320,000	0	626,000	0
Technical Police Services	3,761,000	0	18,284,000	842,000
Total	5,231,000	0	19,797,000	842,000

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Administration	8,000	0	0	(352,000)
Criminal Investigation Activities	4,231,000	0	0	0
Patrol Activities	1,684,000	0	0	0
Technical Police Services	10,134,000	0	0	0
Total	16,057,000	0	0	(352,000)

Program	Maintenance Undistributed	
	Amount	Change
Administration	0	0
Criminal Investigation Activities	373,000	0
Patrol Activities	370,000	0
Technical Police Services	0	0
Total	743,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	208,000	0	0	0
Criminal Investigation Activities	16,455,000	872,000	6,767,000	339,000
Patrol Activities	80,820,000	13,348,000	61,019,000	8,595,000
Policing the Thruway	45,197,000	5,201,400	31,069,000	2,459,000
Technical Police Services	37,311,000	1,500,000	0	0
Total	179,991,000	20,921,400	98,855,000	11,393,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	208,000	0	0	0
Criminal Investigation Activities	9,478,000	323,000	210,000	210,000
Patrol Activities	19,801,000	4,753,000	0	0
Policing the Thruway	14,128,000	2,742,400	0	0
Technical Police Services	33,511,000	0	3,800,000	1,500,000
Total	77,126,000	7,818,400	4,010,000	1,710,000

**STATE POLICE**

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	2,800,000	2,800,000	0	5,329,000
New Facilities				
Capital Projects Fund	0	0	0	279,000
Total	<u>2,800,000</u>	<u>2,800,000</u>	<u>0</u>	<u>5,608,000</u>



# ***DIVISION OF VETERANS' AFFAIRS***

## ***MISSION***

The Division of Veterans' Affairs assists veterans, members of the armed forces and their families and dependents in securing benefits earned through military service. The Division coordinates veterans' programs and services offered by other State agencies, works closely with the Federal Department of Veterans' Affairs and advocates State and Federal actions to meet veterans' needs. The Division serves more than 1.2 million New Yorkers who are veterans, as well as their dependents and those on active duty.

## ***ORGANIZATION AND STAFFING***

The Division is headed by a Director who is appointed by the Governor. The Division's central office is in Albany, with regional offices in New York City and Buffalo. The Division staffs a network of approximately 70 community based access points in nearly all of the State's counties and New York City. The Division will have 113 employees in 2004-05.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Executive Budget recommends \$13.3 million for the Division of Veterans' Affairs to fund administration and veterans' counseling services. The Office of General Services will continue to provide administrative support, permitting the Division to focus on its main mission, serving the State's veterans and their families. The Blind Veteran Annuity Assistance Program will be maintained at the \$5 million level. In addition, State aid is continued for local county and city veterans' service agencies and Federal appropriations for the Veterans' Education Program are maintained.

## ***PROGRAM HIGHLIGHTS***

The largest of the Division of Veterans' Affairs three principal programs, the Veterans' Counseling Program, provides counseling and claims services through a statewide network of State veterans' counselors. The counselors— who are all veterans — and support staff help veterans complete and file applications for benefits and services, and file for Federal, State, local and private veterans' benefits. They also help veterans access the services provided by Veterans' Affairs Medical Centers, senior centers, State Veterans' Homes, local nursing homes and public assistance offices.

The Division of Veterans' Affairs is responsible for securing a substantial portion of the more than \$1 billion annually in recurring Federal VA payments made directly to New York State veterans and their dependents. During the 2002-03 operating period, State veterans' counselors filed 8,000 benefit claims, averaging more than 150 claims per year per counselor. Claims filed by State veterans counselors produce approximately \$61 million in new and recurring Federal benefits annually. On average, each State veterans' counselor generates nearly \$1.4 million a year in new awards for veterans and their dependents. They also assist constituents in obtaining additional veterans benefits, including VA medical care, various other Federal, State and local economic assistance, tax exemptions and a variety of other benefits offered in recognition of military service. Additionally, with the enactment of the New York Patriot Plan in 2003, State veterans' counselors help to ensure that active duty military personnel and their families receive the supplemental benefits to which they are now entitled.

The Division intends to pursue a new partnership with the Federal Department of Veteran's Affairs Health Administration to obtain reimbursement for counseling and outreach services by State veteran's counselors at VA medical centers and clinics.

## VETERANS' AFFAIRS

The Blind Veteran Annuity Program provides visually impaired veterans and eligible surviving spouses with monthly assistance totaling \$1,000 annually for each recipient. In 2004-2005, this program will assist more than 4,000 recipients.

The Veterans' Education Program certifies post-secondary educational and vocational programs as providing quality education and training to veterans eligible for G. I. benefits. During the 2002-03 operating period, more than 800 programs were approved for use by veterans receiving benefits.

The Division of Veterans' Affairs also continues to maintain its community outreach activities through senior citizens' seminars and similar forums for women veterans. It is also the driving force behind the Interagency Veterans' Council, a consortium of Federal, State and local agencies and non-profit organizations that meets periodically to address and resolve problems and concerns within the veteran community. The Division is also collaborating with various state agencies to better identify veterans and their dependents on public assistance, to assist them in securing Federal veterans' benefits to which they are entitled, and to advise senior citizens of veterans' benefits and services that could improve the quality of their lives.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	7,549,000	7,547,000	(2,000)	3,036,000
Aid To Localities	5,575,000	5,775,000	200,000	0
Capital Projects	0	0	0	0
Total	13,124,000	13,322,000	198,000	3,036,000

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

#### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Administration			
General Fund	10	10	0
Higher Education			
Special Revenue Funds - Federal	12	12	0
Veteran Counseling Services Program			
General Fund	91	91	0
Total	113	113	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	5,267,000	5,265,000	(2,000)
Special Revenue Funds - Federal	2,282,000	2,282,000	0
Total	7,549,000	7,547,000	(2,000)

# VETERANS' AFFAIRS

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	723,000	698,000	(25,000)
Higher Education			
Special Revenue Funds - Federal	1,518,000	1,518,000	0
Veteran Counseling Services Program			
General Fund	4,544,000	4,567,000	23,000
Special Revenue Funds - Federal	764,000	764,000	0
Total	<u>7,549,000</u>	<u>7,547,000</u>	<u>(2,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	591,000	(27,000)	591,000	(27,000)
Veteran Counseling Services Program	4,401,000	14,000	4,401,000	14,000
Total	<u>4,992,000</u>	<u>(13,000)</u>	<u>4,992,000</u>	<u>(13,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	107,000	2,000	107,000	2,000
Veteran Counseling Services Program	430,000	9,000	380,000	9,000
Total	<u>537,000</u>	<u>11,000</u>	<u>487,000</u>	<u>11,000</u>

<b>Program</b>	<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>
Administration	0	0
Veteran Counseling Services Program	50,000	0
Total	<u>50,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Higher Education	1,518,000	0	940,000	0
Veteran Counseling Services Program	764,000	0	0	0
Total	<u>2,282,000</u>	<u>0</u>	<u>940,000</u>	<u>0</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Higher Education	578,000	0	0	0
Veteran Counseling Services Program	500,000	0	264,000	0
Total	<u>1,078,000</u>	<u>0</u>	<u>264,000</u>	<u>0</u>

# VETERANS' AFFAIRS

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	5,575,000	5,775,000	200,000
Total	5,575,000	5,775,000	200,000

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration			
General Fund	0	200,000	200,000
Blind Veteran Annuity Assistance			
General Fund	5,000,000	5,000,000	0
Veteran Counseling Services Program			
General Fund	575,000	575,000	0
Total	5,575,000	5,775,000	200,000



# ***WORKERS' COMPENSATION BOARD***

## ***MISSION***

To protect the well-being of New York's labor force, most private and public sector employers in New York are required to carry workers' compensation and disability benefits insurance for their employees or demonstrate their ability to self-insure. The Workers' Compensation Board reviews claims for workers' compensation payments and assists in resolving disputed claims. In performing these responsibilities, the Board administers provisions of the following laws: the Workers' Compensation Law; the Disability Benefits Law; the Civil Defense Volunteers' Law; the Volunteer Firefighters' Benefit Law; and the Volunteer Ambulance Workers' Benefit Law.

Because of its broad mission, the Board is responsible for implementing many of the reforms included in the Governor's New York Employment, Safety and Security Act that made historic reforms in the workers' compensation system. The Act improved workplace safety and reduced average workers' compensation rates by approximately 35 percent since enactment of the reforms.

## ***ORGANIZATION AND STAFFING***

The Board is headed by a Chairperson selected by the Governor and includes 12 additional full-time members nominated by the Governor and confirmed by the Senate for seven year terms. District offices are located in Albany, Binghamton, Brooklyn, Buffalo, Hauppauge, Hempstead, Manhattan, Peekskill, Queens, Rochester and Syracuse, with administrative offices in Albany. To make the hearing process as convenient as possible, the Board has 30 additional customer service centers located throughout the State. The Board will have a workforce of 1,544 positions for 2004-05.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Board is funded through assessments on the Workers' Compensation and Disability Benefits insurance industry and with revenues produced by various services provided by the Board. The assessments paid by insurers are allocated to three major programs: Disability Benefits; Systems Modernization; and Workers' Compensation.

The 2004-05 Executive Budget recommends approximately \$170.2 million in support for the Board. The recommended funding will enable the Board to fulfill the Governor's commitment to improve service to businesses and injured workers.

## ***PROGRAM HIGHLIGHTS***

The Board continues to improve services by resolving claims in the most efficient and equitable manner possible. For instance, the agency continues to refine its formal and informal adjudication tools and resolve more outstanding claims issues for new and reactivated cases.

At the Governor's direction, the Board also created a new Workers' Compensation Fraud Inspector General with staff located across the State. In 2002, investigations by the Inspector General's office resulted in 106 arrests and \$4.6 million in victim restitution, both of which were record high levels.

## ***DISABILITY BENEFITS PROGRAM***

Disability benefits provide cash payments in lieu of lost wages to temporarily disabled employees. Coverage is required for employers of one or more employees with such selected exceptions as agricultural enterprises and public employers.

## **WORKERS' COMPENSATION**

### **SYSTEMS MODERNIZATION PROGRAM**

The Office for Systems Modernization manages a multi-year effort to overhaul the Board's capacity to manage and use information. This program also maintains computerized systems vital to various Board operations and collects and analyzes data that measure performance and identify potential problems. Now that the Board has automated and improved the claims processing operation, its focus continues to be directed to other functional areas in need of automation and re-engineering, including Administration, Research and Compliance and Regulatory Services. When the modernization program is complete, the Board will have a new Workers' Compensation Board Information System that will automate and streamline all business activities. This has already increased productivity by enhancing the Board's capacity to process the millions of pieces of information it receives each year.

### **WORKERS' COMPENSATION PROGRAM**

The Workers' Compensation Board reviews workers' claims for benefits, reports of injury filed by employers and medical reports from physicians and other health care providers. The Board adjudicates all issues and law judges make awards and findings to ensure that an entitled claimant promptly receives benefits and medical treatment. The decisions by the law judges may subsequently be appealed to Board panels and eventually to the courts. The Board, through its Bureau of Compliance, also monitors employers to ensure that they properly provide coverage for their employees and imposes penalties on those employers who fail to do so. In addition, the Board's Regulatory Services Bureau authorizes physicians to treat compensation cases, awards licenses to medical providers and arbitrates disputed medical bills.

#### **ALL FUNDS APPROPRIATIONS (dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	167,507,000	170,257,000	2,750,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>167,507,000</b>	<b>170,257,000</b>	<b>2,750,000</b>	<b>0</b>

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

<b>Program</b>	<b>Full-Time Equivalent Positions (FTE)</b>		
	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Disability Benefits			
Special Revenue Funds - Other	51	51	0
Systems Modernization			
Special Revenue Funds - Other	81	81	0
Workers Compensation			
Special Revenue Funds - Other	1,412	1,412	0
<b>Total</b>	<b>1,544</b>	<b>1,544</b>	<b>0</b>

# WORKERS' COMPENSATION

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	167,507,000	170,257,000	2,750,000
Total	<u>167,507,000</u>	<u>170,257,000</u>	<u>2,750,000</u>

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

Program	Available 2003-04	Recommended 2004-05	Change
Disability Benefits			
Special Revenue Funds - Other	6,727,000	6,861,000	134,000
Systems Modernization			
Special Revenue Funds - Other	35,616,000	35,694,000	78,000
Workers Compensation			
Special Revenue Funds - Other	125,164,000	127,702,000	2,538,000
Total	<u>167,507,000</u>	<u>170,257,000</u>	<u>2,750,000</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2004-05 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	6,861,000	134,000	3,492,000	(55,000)
Systems Modernization	35,694,000	78,000	4,209,000	(66,000)
Workers Compensation	127,702,000	2,538,000	65,941,000	(1,029,000)
Total	<u>170,257,000</u>	<u>2,750,000</u>	<u>73,642,000</u>	<u>(1,150,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	3,369,000	189,000	0	0
Systems Modernization	31,485,000	144,000	0	0
Workers Compensation	61,145,000	3,567,000	616,000	0
Total	<u>95,999,000</u>	<u>3,900,000</u>	<u>616,000</u>	<u>0</u>



***MISCELLANEOUS***



# MISCELLANEOUS

## ALL STATE DEPARTMENTS AND AGENCIES

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	0	0	0	0
Aid To Localities	200,000,000	0	(200,000,000)	200,000,000
Capital Projects	0	0	0	0
Total	200,000,000	0	(200,000,000)	200,000,000

## ALL STATE DEPARTMENTS AND AGENCIES SERVICES, EXPENSES OR GRANTS

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	0	0	0	0
Aid To Localities	0	0	0	6,416,000
Capital Projects	0	0	0	0
Total	0	0	0	6,416,000

## AUTOMATED SPEED ENFORCEMENT IN WORK ZONES

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	0	3,000,000	3,000,000
Total	0	3,000,000	3,000,000

## COLLECTIVE BARGAINING AGREEMENTS

### PROGRAM HIGHLIGHTS

Negotiations for successor collective bargaining agreements began in January 2003. A \$21.5 million General Fund appropriation is recommended to continue certain programs until new agreements are reached with the unions. A total of \$6.5 million in reappropriations is also recommended.

A total of \$250,000 in Special Revenue-Other funding is again recommended for the administrative costs of the NYS Flex Spending Accounts. These costs are funded by those employees who participate in this program, which allows participating employees to make pre-tax payroll deductions for child and elder care expenses.

# MISCELLANEOUS

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	2,460,700	21,750,000	19,289,300	6,555,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,460,700	21,750,000	19,289,300	6,555,000

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

### Full-Time Equivalent Positions (FTE)

Program	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Labor Management Programs			
General Fund	53	53	0
Total	53	53	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	2,085,700	21,500,000	19,414,300
Special Revenue Funds - Other	375,000	250,000	(125,000)
Total	2,460,700	21,750,000	19,289,300
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(85,700)		
Appropriated 2003-04	2,375,000		

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

Program	Available 2003-04	Recommended 2004-05	Change
Labor Management Programs			
General Fund	2,085,700	21,500,000	19,414,300
Special Revenue Funds - Other	375,000	250,000	(125,000)
Total	2,460,700	21,750,000	19,289,300



## MISCELLANEOUS

STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Labor Management Programs	21,500,000	19,414,300	0	(75,000)
Total	21,500,000	19,414,300	0	(75,000)

Program	General State Charges		Maintenance Undistributed	
	Amount	Change	Amount	Change
Labor Management Programs	0	(10,700)	21,500,000	19,500,000
Total	0	(10,700)	21,500,000	19,500,000

STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Labor Management Programs	250,000	(125,000)	250,000	(125,000)
Total	250,000	(125,000)	250,000	(125,000)

## COMMUNITY SERVICE PROVIDER ASSISTANCE PROGRAM

ALL FUNDS  
APPROPRIATIONS  
(dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	0	0	0	0
Aid To Localities	0	0	0	33,300,000
Capital Projects	0	0	0	0
Total	0	0	0	33,300,000

## DEFERRED COMPENSATION BOARD

### MISSION

The Deferred Compensation Board oversees the administration of public employee Deferred Compensation Plan assets.

### ORGANIZATION AND STAFFING

The Board consists of three members, one each appointed by the Governor, the Senate Majority Leader and the Assembly Speaker. The Board has four staff and contracts with a law firm, a financial management firm and an accounting firm which collectively advise the Board on plan administration. In addition, the Board contracts with a third-party administrator to operate the Plan and serve as its record keeper.

## MISCELLANEOUS

### FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommendations for 2004-05 will provide continued support for the current operations of the Deferred Compensation Board. The recommended funding includes \$152,000 in State tax dollars from the General Fund for the costs of providing legal advice and assistance to local governments on the establishment and maintenance of deferred compensation plans. The balance of funds needed to operate the Plan are derived from a participant fee and administrative rebates that the Plan receives from the investment firms. An amount of \$585,000 in Special Revenue funding is included to pay for the Plan's operating expenses.

### PROGRAM HIGHLIGHTS

The Board continues to pursue the highest and safest return for Plan assets that total more than \$5 billion. The State Deferred Compensation Plan has experienced numerous changes due to the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). The Board will continue to provide guidance to local governments on compliance issues related to Federal statutory changes and the State's Model Deferred Compensation Plan. The Board introduced several improvements to the statewide Deferred Compensation Plan for public employees during the 2003-04 fiscal year, including investment advice and education for participants, and new investment options.

#### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2003-04	Appropriations Recommended 2004-05	Change	Reappropriations Recommended 2004-05
State Operations	737,000	737,000	0	158,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	737,000	737,000	0	158,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2003-04 Estimated FTEs 03/31/04	2004-05 Estimated FTEs 03/31/05	FTE Change
Operations			
Special Revenue Funds - Other	4	4	0
Total	4	4	0

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	152,000	152,000	0
Special Revenue Funds - Other	585,000	585,000	0
Total	737,000	737,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	585,000	0	284,000	2,000
Total	585,000	0	284,000	2,000

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Operations	301,000	(2,000)
Total	301,000	(2,000)

**GENERAL STATE CHARGES**

General State Charges are primarily the costs of providing fringe benefits to most State employees, which are authorized in collective bargaining agreements and various statutes. The General State Charges budget also includes miscellaneous fixed costs such as litigation settlements and taxes on State-owned lands.

**BUDGET AND PROGRAM HIGHLIGHTS**

Pension fund investment losses and the continued escalation of health care costs are causing significant increases in spending for employee pension benefits and health insurance. Absent policy changes, the State's pension contribution rate for 2004-05 is scheduled to increase by 8 percent of State workforce salaries and 2004 health insurance premiums are rising 13 percent. In an effort to contain these costs, the 2004-05 Executive Budget includes legislation to support more reasonable pension funding requirements, and changes in health benefits are being pursued in collective bargaining with State employee unions. Recommended appropriations for General State Charges total \$2.6 billion in 2004-05 — a \$332 million or 14.6 percent increase over the prior fiscal year. This amount will be augmented by \$554 million initially appropriated to the State University of New York for employee fringe benefits.

**FRINGE BENEFITS**

The State provides a comprehensive fringe benefits package to its employees. These benefits are supported primarily by General Fund revenues and supplemented with revenue from fringe benefit assessments on Federal and other dedicated revenue programs.

**Health Insurance:** Through the New York State Health Insurance Program (NYSHIP), State employees and retirees have the option to participate in the Empire Plan, a health insurance program designed exclusively for New York's public employees, or one of 14 health maintenance organizations. Approximately 80 percent of State employees and retirees are enrolled in the Empire Plan.

The recommended 2004-05 General Fund appropriation of \$1.6 billion reflects a 13 percent average increase in the State's cost for employee health insurance premiums. At this time, the State is actively seeking savings from health benefit changes in collective bargaining with the State employee unions.

**Pension Benefits:** Most State employees are members of the New York State and Local Retirement Systems, which consist of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. With approximately \$111 billion in combined assets, these systems administer retirement benefits to State and local government employees. Funding for the benefits is supported by employer contributions, bi-weekly contributions from certain employees with less than ten years of service, and pension fund investment earnings.

## **MISCELLANEOUS**

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Under current pension funding policies, investment losses experienced in prior years are causing steep increases in employer contributions. The State's 2004-05 pension contribution rate is scheduled to increase from 4.5 percent of salary to 12.5 percent. Legislation approved in 2003 avoided a similar increase during 2003-04 by authorizing a one-year billing lag. This law also enacted a minimum contribution requirement and a one-time borrowing opportunity to defer a portion of 2004-05 employer contributions.

The 2004-05 budget proposes more comprehensive pension funding reforms that will maintain a conservatively funded retirement system, avoid the need for borrowing and result in more gradually phasing in higher pension contribution levels. Specific proposals would:

- Change the method of recognizing investment experience and lengthen the amortization period for recent benefit improvements as allowable under government accounting standards;
- Limit the amount pension contribution rates can increase in any given year consistent with past practice;
- Offer additional fiscal relief to local governments by making a minor change to the payment due date, broadening the use of reserves and refinancing opportunities;
- Use actual instead of projected salaries as a basis for billing employers;
- Provide for a periodic actuarial review of the minimum contribution requirement;
- Strengthen the retirement system with strict rules on funding new benefits; and
- Require better reporting from the retirement systems to improve budget planning and financial disclosure.

The proposed changes conform to the tenets of the Government Accounting Standards Board (GASB), are practices used by other public pension systems and/or represent actions taken in the past by the New York State and Local Retirement Systems.

Local governments and the State will realize substantial fiscal relief from these proposals with estimated savings in 2004-05 totaling \$500 million for the State and \$800 million for local governments and other participating employers. This savings assumes the 2004-05 base contribution rate will be 6.5 percent for the Employees' Retirement System and 7.5 percent for the Police and Fire Retirement System.

The recommended \$546 million General Fund appropriation for 2004-05 assumes the General State Charges share of savings from the proposed reforms.

**Social Security and Medicare Taxes:** In addition to employer contributions made to the retirement systems, the State makes weekly tax payments to the Federal government for the Social Security and Medicare benefit programs. The Social Security tax rate is 6.20 percent, applied on wages up to \$87,900 in 2004, and the Medicare tax rate is 1.45 percent on all wages.

The recommended General Fund appropriation for Social Security and Medicare taxes in 2004-05 is \$446 million.

**Workers' Compensation:** The State reimburses the State Insurance Fund for actual compensation and medical claims incurred by State employees for job-related injuries. The statutory workers' compensation benefit is two-thirds of salary up to a maximum of \$400 per week. Some State employees are paid supplemental benefits pursuant to collective bargaining agreements.

The recommended General Fund appropriation for workers' compensation benefits in 2004-05 is \$208 million. Efforts to contain costs and improve program management will continue through funding the automated Accident Reporting System, a dispute resolution program, and the One Card Rx initiative.

**Dental, Vision and Other Employee Benefits:** State employees receive dental insurance and vision benefits either through State administered programs or benefit funds operated by public employee unions. Premiums for the State administered programs are covered in full by the State. The employee union benefit funds are supported by quarterly contributions from the State based on per capita rates authorized in collective bargaining agreements. In addition, the State funds an assortment of other benefit programs to cover losses due to death, disability and unemployment.

A total of \$123 million in General Fund appropriations are recommended in 2004-05 to fund dental, vision and other employee benefits.

**Fringe Benefits for State University Employees:** In 2004-05, \$554 million to support fringe benefits for employees of the State University will be appropriated to the State University and suballocated to the General State Charges program, to be centrally administered along with the benefit programs for all State employees. The tables that follow make a similar adjustment in 2003-04 available appropriations for comparison purposes.

**FIXED COSTS**

In addition to employee fringe benefits, the State pays for a variety of fixed costs from the General State Charges budget. These costs are supported in full by General Fund revenues and include:

**Taxes and Other Property Assessments on State-Owned Lands:** Real Property Tax Law authorizes local governments to tax certain parcels of State-owned land. Presently, the State provides financial support to local governments by paying local and/or school property taxes on approximately 22,000 parcels covering four million acres of land throughout the State as well as transition assessments on tax-exempt State-owned lands. Other property expenses include assessments for improvements on State-owned lands and payments in lieu of taxes on certain property in the City of Albany, Cattaraugus County and Putnam County.

A total of \$154 million in appropriations is recommended in 2004-05 for payment of taxes and various other property assessments on State lands.

**Court of Claims Judgments and Other Litigation Costs:** Annual appropriations are authorized to pay for expenses related to the settlement of lawsuits and court judgments against the State. Most litigation against the State is adjudicated in the Court of Claims and involves contract disputes and tort liabilities. Other appropriations in this category support: the defense and indemnification of State employees for actions that arise in the course of their official duties; litigation expenses related to Indian land claims; and payments to the Property Casualty Insurance Security Fund in accordance with the terms of a multi-year settlement with the insurance industry.

A total of \$137 million in appropriations is recommended in 2004-05 for these litigation expenses. As part of the State's reform agenda, legislation is recommended to change the interest rate paid by the State and other governmental jurisdictions in court judgments. The proposal would calculate interest charges using a variable market-based index instead of the fixed 9 percent rate required under current law.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<u>Category</u>	<u>Available 2003-04</u>	<u>Appropriations Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations Recommended 2004-05</u>
State Operations	2,279,158,900	2,610,816,000	331,657,100	16,785,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>2,279,158,900</u>	<u>2,610,816,000</u>	<u>331,657,100</u>	<u>16,785,000</u>

## MISCELLANEOUS

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
General Fund	2,279,158,900	2,610,816,000	331,657,100
Total	2,279,158,900	2,610,816,000	331,657,100
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(2,566,900)		
Transfer(s) To			
State University of New York			
General Fund	481,000,000		
Appropriated 2003-04	2,757,592,000		

## GOVERNMENTAL ACCOUNTING STANDARDS BOARD

### ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2003-04</u>	<u>Appropriations Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations Recommended 2004-05</u>
State Operations	0	0	0	2,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	0	0	2,000,000

## GREEN THUMB PROGRAM

The Green Thumb Program provides income-eligible elderly citizens with part-time employment in State agencies through the not-for-profit organization, Green Thumb Environmental Beautification, Inc. The 2004-05 Executive Budget recommends a General Fund appropriation of \$2,394,000, the same level of funding provided in 2003-04.

### ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2003-04</u>	<u>Appropriations Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations Recommended 2004-05</u>
State Operations	2,394,000	2,394,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,394,000	2,394,000	0	0

## THE GREENWAY HERITAGE CONSERVANCY OF THE HUDSON RIVER VALLEY

The Greenway Heritage Conservancy of the Hudson River Valley was established in the Hudson River Valley Greenway Act of 1991 to promote the preservation of natural and cultural resources in the Valley, serve as a land trust in the acquisition of lands important to

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the Greenway, and designate and develop the Hudson River Valley Greenway Trail. The 2004-05 Executive Budget recommends total funding of \$190,000 from the General Fund for operational support of the Conservancy.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	250,000	190,000	(60,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>250,000</b>	<b>190,000</b>	<b>(60,000)</b>	<b>0</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Operations			
General Fund	250,000	190,000	(60,000)
<b>Total</b>	<b>250,000</b>	<b>190,000</b>	<b>(60,000)</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	190,000	(60,000)	190,000	(60,000)
<b>Total</b>	<b>190,000</b>	<b>(60,000)</b>	<b>190,000</b>	<b>(60,000)</b>

**HEALTH INSURANCE CONTINGENCY RESERVE**

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	430,022,000	410,184,000	(19,838,000)
<b>Total</b>	<b>430,022,000</b>	<b>410,184,000</b>	<b>(19,838,000)</b>

**HEALTH INSURANCE RESERVE RECEIPTS FUND**

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Fiduciary Funds	192,400,000	192,400,000	0
<b>Total</b>	<b>192,400,000</b>	<b>192,400,000</b>	<b>0</b>

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**HIGHER EDUCATION**

This appropriation provides funds for the Higher Education Services Corporation and the Office of the State Comptroller to jointly administer the College Choice Tuition Savings Program. This program helps families save for their children's education at accredited public and private colleges anywhere in the country with accompanying tax benefits on contributions made to, and interest earned on, college savings accounts.

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	717,400	723,000	5,600
Total	717,400	723,000	5,600

**HIGHER EDUCATION FACILITIES  
CAPITAL MATCHING GRANTS PROGRAM**

In addition to the new multi-year capital plans for SUNY and CUNY, recommendations for 2004-05 include a new \$350 million higher education facilities capital matching grant program for both public and private colleges in New York. This program will require a three to one (non-State to State) match by institutions that compete for grants for facility projects or equipment.

Grants will be awarded by a new Higher Education Capital Investment Review Board consisting of seven members appointed by the Governor. Grants may only be used for new capital projects and will be targeted for priorities that include economic development/high technology (including wet labs), critical academic facilities, and urban renewal/historic preservation.

This program would leverage over \$1 billion in external funds to match the State's \$350 million investment, thereby providing for a combined capital program totaling \$1.4 billion. The State's share of the program will be financed through the issuance of bonds.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	350,000,000	350,000,000	0
Total	0	350,000,000	350,000,000	0

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Higher Education Capital Matching Grants				
Capital Projects Fund - Authority Bonds	0	350,000,000	350,000,000	0
Total	0	350,000,000	350,000,000	0



**HOMELAND SECURITY**

Since fall 2001, State agencies have deployed numerous resources to detect and protect against domestic security threats. The 2004-05 Executive Budget provides appropriations of approximately \$262 million to support a continuation of homeland security activities throughout New York State, including a \$75 million contingency appropriation for costs of security measures implemented during periods of heightened threat alerts. State personnel and other resources will provide increased security at potential terrorist targets and other public safety needs will continue to be addressed, including testing of potential biological agents and upgrades for communications and technology systems.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	130,178,000	131,943,000	1,765,000	3,400,000
Aid To Localities	182,940,000	125,000,000	(57,940,000)	202,890,000
Capital Projects	12,500,000	5,000,000	(7,500,000)	27,000,000
Total	325,618,000	261,943,000	(63,675,000)	233,290,000

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

Fund Type	Available 2003-04	Recommended 2004-05	Change
Special Revenue Funds - Other	3,000,000	3,000,000	0
All Funds	127,178,000	128,943,000	1,765,000
Total	130,178,000	131,943,000	1,765,000

Adjustments:

Prior Year Deficiency	
Homeland Security	
All Funds	8,000,000
Appropriated 2003-04	138,178,000

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

Program	Available 2003-04	Recommended 2004-05	Change
Domestic Anti-Terrorism Program			
Special Revenue Funds - Other	3,000,000	3,000,000	0
All Funds	127,178,000	128,943,000	1,765,000
Total	130,178,000	131,943,000	1,765,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Domestic Anti-Terrorism Program	131,943,000	1,765,000	131,943,000	1,765,000
Total	131,943,000	1,765,000	131,943,000	1,765,000

## MISCELLANEOUS

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Federal	182,940,000	125,000,000	(57,940,000)
Total	182,940,000	125,000,000	(57,940,000)
Adjustments:			
Recommended Deficiency			
Homeland Security			
Special Revenue Funds - Federal	(100,590,000)		
Appropriated 2003-04	82,350,000		

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Domestic Anti-Terrorism Program			
Special Revenue Funds - Federal	182,940,000	125,000,000	(57,940,000)
Total	182,940,000	125,000,000	(57,940,000)

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Homeland Security				
Capital Projects Fund	12,500,000	5,000,000	(7,500,000)	27,000,000
Total	12,500,000	5,000,000	(7,500,000)	27,000,000

## HUDSON RIVER VALLEY GREENWAY COMMUNITIES COUNCIL

The Hudson River Valley Greenway Communities Council is a 25-member advisory board, created in 1991, which is responsible for promoting the preservation of natural and cultural resources in the Hudson River Valley.

The Council's operations are funded with State tax dollars from the General Fund. The Executive Budget recommends total funding of \$575,000 in 2004-05 to support the Council's administration, technical assistance, and local planning grants programs.

### ALL FUNDS APPROPRIATIONS (dollars)

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	371,000	371,000	0	0
Aid To Localities	204,000	204,000	0	621,000
Capital Projects	0	0	0	0
Total	575,000	575,000	0	621,000

**MISCELLANEOUS**

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

Full-Time Equivalent Positions (FTE)

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Operations			
General Fund	5	5	0
Total	<u>5</u>	<u>5</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Operations			
General Fund	371,000	371,000	0
Total	<u>371,000</u>	<u>371,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	298,000	0	298,000	0
Total	<u>298,000</u>	<u>0</u>	<u>298,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	73,000	0	73,000	0
Total	<u>73,000</u>	<u>0</u>	<u>73,000</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Operations			
General Fund	204,000	204,000	0
Total	<u>204,000</u>	<u>204,000</u>	<u>0</u>

## MISCELLANEOUS

### INSURANCE AND SECURITIES FUNDS RESERVE GUARANTEE

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
General Fund	1,672,000,000	1,619,000,000	(53,000,000)
Total	<u>1,672,000,000</u>	<u>1,619,000,000</u>	<u>(53,000,000)</u>

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Aggregate Trust Fund			
General Fund	220,000,000	220,000,000	0
Stock Workmen's Compensation Security Fund			
General Fund	67,000,000	14,000,000	(53,000,000)
Property/Casualty Insurance Security Fund			
General Fund	90,000,000	90,000,000	0
State Insurance Fund			
General Fund	<u>1,295,000,000</u>	<u>1,295,000,000</u>	<u>0</u>
Total	<u>1,672,000,000</u>	<u>1,619,000,000</u>	<u>(53,000,000)</u>

### LOCAL GOVERNMENT ASSISTANCE

The following appropriations provide unrestricted aid to all classes of local governments. Of the total miscellaneous local government assistance, only 3.9 percent is appropriated from the General Fund. The remaining 96.1 percent is appropriated primarily as fiduciary funds with no General Fund impact.

Executive budget recommendations for 2004-05 are as follows:

- General Purpose Local Government Aid funding for cities, towns and villages is continued at the SFY 2003-04 level of \$561.6 million. Aid to New York City is also continued at the current year level.
- Emergency Financial Assistance to Eligible Municipalities and Emergency Financial Aid to Certain Cities are continued at SFY 2003-04 levels: \$20.8 million and \$26.4 million, respectively.
- Supplemental Municipal Aid for cities is continued at the SFY 2003-04 level of \$182.8 million.
- The statutory authorization for Local Government Aid to Counties (\$17 million) expired in 2003-04 and, therefore, such aid is not recommended for 2004-05.
- \$55 million is appropriated for the City of Yonkers in accordance with the terms of the settlement agreement that ended two decades of contentious litigation and Federal intervention in the City's public schools.
- The final \$15 million payment of a total \$100 million aid package to the Nassau County Interim Finance Authority is now planned to be made over two years, at \$7.5 million per year.
- Fiduciary appropriations totaling more than \$26 billion are continued for the Municipal Assistance State Aid Fund, the Municipal Assistance Tax Fund, and the Stock Transfer Tax Fund to ensure that New York City and the city of Troy have adequate Municipal Assistance Corporation debt service coverage.

**MISCELLANEOUS**

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	3,086,000	3,189,200	103,200	0
Aid To Localities	25,151,994,002	27,652,395,002	2,500,401,000	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>25,155,080,002</b>	<b>27,655,584,202</b>	<b>2,500,504,200</b>	<b>0</b>

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

**Full-Time Equivalent Positions (FTE)**

<b>Program</b>	<b>2003-04 Estimated FTEs 03/31/04</b>	<b>2004-05 Estimated FTEs 03/31/05</b>	<b>FTE Change</b>
Financial Control Board, New York State			
Special Revenue Funds - Other	18	18	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Special Revenue Funds - Other	3,086,000	3,189,200	103,200
<b>Total</b>	<b>3,086,000</b>	<b>3,189,200</b>	<b>103,200</b>

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

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Financial Control Board, New York State			
Special Revenue Funds - Other	3,086,000	3,189,200	103,200
<b>Total</b>	<b>3,086,000</b>	<b>3,189,200</b>	<b>103,200</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Financial Control Board, New York State	3,189,200	103,200	1,789,000	0
<b>Total</b>	<b>3,189,200</b>	<b>103,200</b>	<b>1,789,000</b>	<b>0</b>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Financial Control Board, New York State	1,400,200	103,200
<b>Total</b>	<b>1,400,200</b>	<b>103,200</b>

## MISCELLANEOUS

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
General Fund	1,073,694,002	1,074,095,002	401,000
Fiduciary Funds	24,078,300,000	26,578,300,000	2,500,000,000
Total	<u>25,151,994,002</u>	<u>27,652,395,002</u>	<u>2,500,401,000</u>

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Local Government Aid to Counties			
General Fund	17,000,000	0	(17,000,000)
Emergency Financial Aid to Certain Cities			
General Fund	26,474,000	26,474,000	0
Emergency Financial Assistance to Eligible Municipalities			
General Fund	20,814,000	20,814,000	0
General Purpose Local Government Aid			
General Fund	781,322,000	781,322,000	0
Miscellaneous Financial Assistance			
General Fund	210,000	111,000	(99,000)
Municipal Assistance State Aid Fund			
Fiduciary Funds	563,300,000	563,300,000	0
Municipal Assistance Tax Fund			
Fiduciary Funds	13,515,000,000	15,015,000,000	1,500,000,000
Nassau County Interim Finance Authority			
General Fund	15,000,000	7,500,000	(7,500,000)
Stock Transfer Tax Fund			
Fiduciary Funds	10,000,000,000	11,000,000,000	1,000,000,000
Supplemental Municipal Aid			
General Fund	182,874,002	182,874,002	0
Yonkers Settlement			
General Fund	30,000,000	55,000,000	25,000,000
Total	<u>25,151,994,002</u>	<u>27,652,395,002</u>	<u>2,500,401,000</u>

## MISCELLANEOUS GUARANTEE APPROPRIATIONS

### ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2003-04</u>	<u>Appropriations Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations Recommended 2004-05</u>
State Operations	1,070,028,000	65,000,000	(1,005,028,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>1,070,028,000</u>	<u>65,000,000</u>	<u>(1,005,028,000)</u>	<u>0</u>

## NATIONAL AND COMMUNITY SERVICE

### MISSION

The Office of National and Community Service provides staff support to the New York State Commission on National and Community Service. The Commission qualifies the State for Federal community service grants for local not-for-profit agencies.

**ORGANIZATION AND STAFFING**

The Office of National and Community Service is housed and staffed within the Office of Children and Family Services.

**FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2004-05 Executive Budget recommends an appropriation of \$30 million in anticipation of the receipt of continued Federal funding for this program. In addition, State funding of \$332,000 is recommended to meet match requirements for the Office's administration grant.

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
General Fund	332,000	332,000	0
Special Revenue Funds - Federal	30,000,000	30,000,000	0
Total	30,332,000	30,332,000	0

**NORTHEASTERN QUEENS NATURE AND  
HISTORICAL PRESERVE COMMISSION**

The Northeastern Queens Nature and Historical Preserve Commission was created in 1973 to coordinate the use of publicly owned lands and wetlands in portions of Queens County. The Executive Budget recommends elimination of State support for the Commission's operations in 2004-05.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<u>Category</u>	<u>Available 2003-04</u>	<u>Appropriations Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations Recommended 2004-05</u>
State Operations	92,000	0	(92,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	92,000	0	(92,000)	0

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

<u>Program</u>	<u>Full-Time Equivalent Positions (FTE)</u>		
	<u>2003-04 Estimated FTEs 03/31/04</u>	<u>2004-05 Estimated FTEs 03/31/05</u>	<u>FTE Change</u>
	Administration		
General Fund	2	0	(2)
Total	2	0	(2)

## MISCELLANEOUS

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(60,000)	0	(60,000)
Total	0	(60,000)	0	(60,000)

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(32,000)	0	(32,000)
Total	0	(32,000)	0	(32,000)

## PETROLEUM STORAGE TANKS – COPS REPAYMENT

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available</b>	<b>Appropriations Recommended</b>	<b>Change</b>	<b>Reappropriations Recommended</b>
	<b>2003-04</b>	<b>2004-05</b>		<b>2004-05</b>
State Operations	1,301,000	0	(1,301,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,301,000	0	(1,301,000)	0

## RESERVE FOR FEDERAL AUDIT DISALLOWANCES

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

<b>Fund Type</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
General Fund	50,000,000	50,000,000	0
Total	50,000,000	50,000,000	0



**SPECIAL EMERGENCY APPROPRIATION**

ALL FUNDS  
APPROPRIATIONS  
(dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	50,000,000	50,000,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	50,000,000	50,000,000	0	0

**SPECIAL FEDERAL EMERGENCY APPROPRIATION**

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

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
Special Revenue Funds - Federal	1,000,000,000	1,000,000,000	0
Total	1,000,000,000	1,000,000,000	0

**STATEWIDE WIRELESS NETWORK**

The Statewide Wireless Network Task Force is responsible for the development and deployment of the new statewide emergency communications system network. The Executive Budget recommends a total of \$22.3 million for 2004-05 to support the development of a multi-agency radio communications network. The funding for the network is fully supported by a monthly surcharge on cellular telephones.

Many of the existing radio systems in New York State are antiquated, difficult to maintain and incapable of communicating with neighboring jurisdictions. The Statewide Wireless Network Task Force is working cooperatively with State and local agencies to establish a statewide communications system. The new statewide emergency communications system will provide an integrated emergency communications network that will enable public safety agencies at all levels of government to coordinate emergency responses.

ALL FUNDS  
APPROPRIATIONS  
(dollars)

Category	Available	Appropriations	Change	Reappropriations
	2003-04	Recommended 2004-05		Recommended 2004-05
State Operations	8,818,000	22,282,000	13,464,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	8,818,000	22,282,000	13,464,000	0

## MISCELLANEOUS

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Special Revenue Funds - Other	8,818,000	22,282,000	13,464,000
Total	8,818,000	22,282,000	13,464,000

## TRIBAL STATE COMPACT REVENUE

ALL FUNDS  
APPROPRIATIONS  
(dollars)

<u>Category</u>	<u>Available 2003-04</u>	<u>Appropriations Recommended 2004-05</u>	<u>Change</u>	<u>Reappropriations Recommended 2004-05</u>
State Operations	0	0	0	0
Aid To Localities	13,750,000	7,667,000	(6,083,000)	13,750,000
Capital Projects	0	0	0	0
Total	13,750,000	7,667,000	(6,083,000)	13,750,000

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

<u>Program</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
Tribal-State Compact Revenue Program			
Special Revenue Funds - Other	13,750,000	7,667,000	(6,083,000)
Total	13,750,000	7,667,000	(6,083,000)

## WORKERS' COMPENSATION RESERVE

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

<u>Fund Type</u>	<u>Available 2003-04</u>	<u>Recommended 2004-05</u>	<u>Change</u>
General Fund	31,295,000	31,994,000	699,000
Total	31,295,000	31,994,000	699,000

**WORLD TRADE CENTER  
REBUILDING AND REVITALIZATION**

The recommended reappropriations will facilitate the continuation of New York State's and New York City's efforts to revitalize the World Trade Center property and lower Manhattan. These reappropriations provide ongoing authorization for payments related to captive insurance; hazard mitigation; concluding State recovery efforts; and initial design, engineering and construction of State capital projects in lower Manhattan.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	0	0	0	359,000,000
Aid To Localities	0	0	0	5,265,500,000
Capital Projects	0	0	0	331,680,000
Total	0	0	0	5,956,180,000

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

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
World Trade Center				
Federal Capital Projects Fund	0	0	0	331,680,000
Total	0	0	0	331,680,000



# ***PART II***

## ***STATE DEBT SERVICE***



# **STATE DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS**

## **DEBT SERVICE APPROPRIATIONS CONTINUE TO REFLECT DEBT MANAGEMENT INITIATIVES THAT HAVE REDUCED COSTS**

Debt service appropriations for 2004-05 reflect ongoing efforts to reduce taxpayer costs by effectively managing bond financed capital programs, modernizing the financing structure of State-supported bonds, and implementing recently enacted legislation to diversify the State's debt portfolio. As part of those efforts, the State and its Authorized Issuers have refunded over \$13 billion (30 percent) of outstanding State-supported bonds to generate present value savings of approximately \$818 million. Those extraordinary savings were achieved by:

- Using variable rate bonds and interest rate exchange agreements within the limitations and guidelines imposed by legislation enacted in 2002 to reduce costs and broaden the investor base;
- Modernizing bond resolutions to eliminate unnecessary debt service reserve funds and debt levels; and
- Issuing traditional fixed rate, convertible refunding bonds, swaps and variable rate bonds to maximize savings opportunities in a low interest rate environment.

Recommended appropriations also reflect the use of lower-cost State Personal Income Tax (PIT) Revenue Bonds to finance capital projects.

Total State-supported debt service costs remain within the caps imposed by the Debt Reform Act of 2000. The Governor will resubmit his Constitutional Debt Reform bill to make the statutory caps and other debt limitations imposed by the Debt Reform Act permanent:

- Constitutionally mandate the State-supported debt outstanding and debt service caps now imposed by the Debt Reform Act;
- Ban "back door" borrowing;
- Constitutionally authorize a limited amount of revenue-backed debt and require that at least one-half of all new debt be approved by the voters; and
- Authorize multiple general obligation bond act proposals.

## **DEBT SERVICE APPROPRIATIONS FOR 2004-05**

The recommended debt service appropriations reflect the maximum estimated debt service payments for outstanding bonds, including payments due on outstanding variable rate debt and interest rate exchange agreements, as required by various bond documents, as well as new State-supported bond issuances, in order to satisfy all of the State's potential obligations to bondholders.

## **GENERAL DEBT SERVICE FUND**

The General Debt Service Fund provides for principal, interest and related payments due on fixed and/or variable rate general obligation bonds, revenue bonds, lease-purchase and contractual obligation payments to public authorities and municipalities, and payments for interest rate exchange and similar agreements. The General Debt Service Fund's moneys are provided from the General Fund and other available transfers and revenues.

Total appropriations of \$2.7 billion are recommended from the General Debt Service Fund, of which \$480 million are recommended for the Revenue Bond Tax Fund. Appropriations from the General Debt Service Fund for general obligation bonds are

## ***DEBT SERVICE***

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recommended at \$485 million and reflect payments on outstanding fixed rate and variable rate general obligation bonds, and estimated payments on new bonds anticipated to be issued in 2004-05.

Appropriations of \$2.2 billion to the following public authorities are recommended from the General Debt Service Fund for lease purchase and other financing agreement payments, including variable rate and interest rate exchange agreement payments, due on outstanding State appropriation-backed bonds:

- Thruway Authority, for Local Highway and Bridge service contract bonds for local transportation purposes (\$208 million). Spending from this appropriation is financed by transfers from the Dedicated Highway and Bridge Trust Fund;
- Environmental Facilities Corporation, for State Revolving Loan Fund service contract bonds, the Jobs 2000 Pipeline for Jobs program, and the financing of parks and other environmental programs (\$60 million);
- Urban Development Corporation (UDC), for financing the construction and rehabilitation of correctional facilities, State facilities, youth facilities, stadium facilities, the pine barrens land acquisition, economic development and natural resources preservation, projects at various university technology centers, the Higher Education Applied Technology program, and the Onondaga Convention Center (\$378 million);
- Dormitory Authority (DA), for the State University of New York (SUNY) educational and athletic facilities and upstate community colleges, State Education Department facilities, City University of New York senior and community colleges, RESCUE school construction, child care facilities, the Department of Health's Axelrod Laboratory, Albany Airport, the Library for the Blind and the Judicial Training Institute (\$735 million);
- DA and UDC, for financing the construction of the Department of Audit and Control building, and the Empire State Plaza East Garage (\$7 million);
- Housing Finance Agency, pursuant to agreements to finance the State's housing programs (\$85 million);
- Triborough Bridge and Tunnel Authority, for the financing of the Javits Convention Center in New York City (\$43 million);
- Bonds authorized to be issued by various authorities, including UDC and the DA, to finance the Community Enhancement Facilities Assistance Program (\$35 million);
- Lease-purchase payments for various State facilities (\$21 million), including the 50 Wolf Road building in Albany, the Department of Environmental Conservation building at 625 Broadway in Albany and the Department of Transportation Region One headquarters building in Schenectady;
- Metropolitan Transportation Authority, for service contracts payments on bonds issued to finance transit and commuter rail projects (\$165 million);
- Energy Research Development Authority, for service contract payments on bonds issued to finance the West Valley Project (\$17 million);
- DA, for contingent contractual obligations related to distressed hospitals that are available in the event that hospital repayments and other available funds are inadequate to meet debt service (\$95 million). The recommended appropriation reflects the State's potential liability on debt service payable on DA bonds. Legislative authorization for new projects in this program expired in March 1998, and State payments are not expected to be required for this program in 2004-05; and
- Tobacco Settlement Financing Corporation (TSFC), for contingent contractual obligations related to TSFC Asset-Backed Revenue Bonds (i.e., Tobacco Bonds) that are available to pay principal and interest on Tobacco Bonds only in the event that the tobacco receipts sold to TSFC are insufficient to make such payments. As required by the contingent contract, the debt service bill includes a recommended appropriation that is equal to the debt service payable by TSFC on the Bonds in 2004-05 of \$343 million. The State expects that tobacco receipts will be sufficient to meet all of the obligations of TSFC and, thus, does not expect to make any contingent contractual payments in 2004-05.



New State-supported issuances are anticipated to be financed under the State's revenue credits, including the State PIT Revenue Bond program, Dedicated Highway and Bridge Trust Fund program, the Mental Hygiene program, Department of Health and the SUNY Dormitory Facilities program.

**REVENUE BOND TAX FUND**

Appropriations of \$480 million from the Revenue Bond Tax Fund, an account within the General Debt Service Fund, are provided for State PIT Revenue Bonds. PIT Revenue Bonds are secured by the pledge of payments from the Revenue Bond Tax Fund, which receives 25 percent of State personal income tax receipts. Personal income tax receipts in excess of debt service requirements are transferred back to the General Fund.

The following appropriations, which may be made to each of the authorized issuers of State PIT Revenue Bonds (UDC, Thruway Authority, EFC, Housing Finance Agency and the DA), are provided:

- Economic Development and Housing (\$200 million);
- Education (\$100 million);
- Environment (\$20 million);
- State Facilities and Equipment (\$85 million);
- Transportation (\$70 million); and
- Related expenses (\$5 million).

**HOUSING DEBT FUND**

Payments from local governments and housing companies that benefit from housing and urban renewal projects funded with State general obligation bonds are deposited in the Housing Debt Fund, and are used to pay debt service on such bonds. A \$25 million appropriation is recommended for 2004-05.

**STATE UNIVERSITY DORMITORY INCOME FUND**

This Fund receives payments for dormitory rentals and other fees at dormitories operated by SUNY. Debt service on bonds issued by the DA for the construction and rehabilitation of SUNY dormitories has first claim on all dormitory revenues deposited in the Fund. An appropriation of \$70 million is recommended for lease-purchase payments to the DA.

**MENTAL HEALTH SERVICES FUND**

The DA is authorized to issue bonds to finance capital programs for the Department of Mental Hygiene. Revenues received for the care and treatment of patients at State mental health facilities are deposited in this Fund, and are used to make lease-purchase payments to the DA for debt service on mental health services bonds. These rental payments have the first claim on moneys in the Fund. The DA also makes loans to eligible not-for-profit agencies providing mental health services. In return, these voluntary agencies make rental payments equal to the amount of debt service on bonds issued to finance their projects. These payments are also deposited in the Mental Health Services Fund. The recommended appropriation from this Fund, which includes variable rate and interest rate exchange agreement payments, is \$276 million.

**HEALTH INCOME FUND**

The Department of Health (DOH) has entered into contractual agreements with the DA to finance the construction and rehabilitation of State hospitals and veterans' homes. These agreements require DOH to make lease-purchase rental payments to the DA. Such payments have first claim on revenues received in this Fund from patient care at DOH

## ***DEBT SERVICE***

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facilities. Consistent with existing bonding pledges and statutory requirements, the Roswell Park Cancer Institute Corporation's moneys continue to flow into the Fund as security for and payment to bondholders. As a result, the State's Financial Plan reflects the portion of the Corporation's receipts that are attributable to debt service. Lease-purchase obligations during 2004-05 require appropriations of \$37 million.

### ***CENTRALIZED SERVICES FUND***

Certificates of Participation (COPs) have been issued to finance the purchase of equipment on an installment or lease-purchase basis for State departments, agencies, and public authorities. Moneys from the operating budgets of participating agencies are deposited to the Centralized Services Fund for payment to the trustees of COPs issuances. Such obligations' maturities are predominantly short-term in nature, reflecting the useful life of the equipment financed. An appropriation of \$35 million is recommended to pay debt service on outstanding COPs. The Capital Program and Financing Plan anticipates that the more cost effective State PIT Revenue Bond Program will be used to finance equipment acquisitions, which are essential to the mission of various State agencies.

### ***LOCAL GOVERNMENT ASSISTANCE TAX FUND***

To eliminate the State's annual spring cash flow borrowing, 1990 legislation authorized the Local Governments Assistance Corporation (LGAC) to issue bonds to finance payments to local governments previously funded by the State. LGAC has issued its entire \$4.7 billion net authorization. Revenues equal to the first cent of the four and one-quarter cent State sales and use tax are deposited into the Local Government Assistance Tax Fund and used to pay debt service on LGAC obligations. The recommended appropriation of \$323 million represents anticipated debt service on all outstanding fixed and variable rate bonds, interest rate exchange agreement payments and related expenses. Moneys not needed for debt service are transferred to the State's General Fund.

### ***SCHOOL CAPITAL FACILITIES FINANCING RESERVE FUND***

An appropriation of \$40 million is recommended from the School Capital Facilities Financing Reserve Fund, a fiduciary fund, to pay debt service on bonds issued by the DA on behalf of special act and certain other authorized local school districts. The districts have assigned State local assistance payments to the DA, which are deposited into the Fund and used to make debt service payments.

### ***DEDICATED HIGHWAY AND BRIDGE TRUST FUND***

An appropriation of \$750 million is recommended for 2004-05 debt service payments to the Thruway Authority for Dedicated Highway and Bridge Trust Fund bonds, which support the Department of Transportation capital plan. Debt service payments for the highway program are supported by the statutory dedication of revenues to the Fund.

### ***GENERAL FUND – STATE PURPOSES ACCOUNT***

An appropriation of \$20 million is recommended for the State's potential liability to rebate arbitrage earnings on general obligation bonds to the Federal government. A \$225 million appropriation is recommended for the redemption of general obligation serial bonds, should this become necessary to maintain the exemption from Federal taxation of the interest paid to bondholders. This appropriation would only be used if the State received payments from any party found to be responsible for site contamination for which 1986 Hazardous Waste and

1996 Clean Water/Clean Air bonds were sold and disbursed to finance site clean-up. Since every effort is made to find the responsible party prior to the issuance of bonds, the potential use of this appropriation is unlikely and no disbursements from it are anticipated.

### ***ALL FUNDS***

An All Funds appropriation of \$2.31 billion provides appropriation authority for a maximum interest rate of 18 percent on both the maximum amount of variable rate bonds and the notional amount of interest rate exchange agreements which may be entered into under the authorization provided by Chapter 81 of the Laws of 2002. This appropriation is available to all Authorized Issuers of State-supported debt, and provides assurances to bondholders and counterparties of interest rate exchange agreements that sufficient authorization is available to pay the maximum amounts which may become due on such variable rate instruments. In addition, it provides the State the flexibility needed to manage such instruments, including the ability to terminate agreements and effectively manage risk.

# ***DEBT SERVICE***

## ALL FUNDS FISCAL REQUIREMENTS DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS (dollars)

<b>Fund</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
<b>General Fund</b>			
State Purposes Account			
Rebates to Federal Government	20,000,000	20,000,000	0
Redemption of General Obligation Bonds	225,000,000	225,000,000	0
Subtotal	<u>245,000,000</u>	<u>245,000,000</u>	<u>0</u>
<b>Internal Service Funds</b>			
Centralized Services Fund			
Financing Agreements	60,000,000	35,000,000	(25,000,000)
Subtotal	<u>60,000,000</u>	<u>35,000,000</u>	<u>(25,000,000)</u>
<b>Fiduciary Funds</b>			
School Capital Facilities Financing Reserve Fund			
Trust and Agency Financing	40,000,000	40,000,000	0
Subtotal	<u>40,000,000</u>	<u>40,000,000</u>	<u>0</u>
<b>Debt Service Funds</b>			
Debt Reduction Reserve Fund			
Debt Reduction	55,000,000	0	(55,000,000)
Mental Health Services Fund			
Financing Agreements	270,000,000	276,000,000	6,000,000
General Debt Service Fund			
General Obligation Bonds	505,000,000	485,000,000	(20,000,000)
Financing Agreements	1,928,550,000	2,130,100,000	201,550,000
Revenue Bond Payments	405,000,000	480,000,000	75,000,000
Lease Purchase Payments	61,750,000	61,700,000	(50,000)
Housing Debt Fund			
General Obligation Bonds	32,000,000	25,000,000	(7,000,000)
Health Income Fund			
Financing Agreements	35,000,000	34,500,000	(500,000)
Financing Agreements	2,000,000	2,500,000	500,000
State University Dormitory Income Fund			
Financing Agreements	55,000,000	70,000,000	15,000,000
Local Government Assistance Tax Fund			
Financing Agreements	335,000,000	323,000,000	(12,000,000)
Subtotal	<u>3,684,300,000</u>	<u>3,887,800,000</u>	<u>203,500,000</u>
<b>Capital Projects Funds - Other</b>			
Dedicated Highway and Bridge Trust Fund			
Financing Agreements	700,000,000	750,000,000	50,000,000
Subtotal	<u>700,000,000</u>	<u>750,000,000</u>	<u>50,000,000</u>
<b>Unspecified Funds</b>			
All Funds			
Contingent Appropriation	2,260,000,000	2,310,000,000	50,000,000
Subtotal	<u>2,260,000,000</u>	<u>2,310,000,000</u>	<u>50,000,000</u>
<b>Total Fiscal Year</b>	<u>6,989,300,000</u>	<u>7,267,800,000</u>	<u>278,500,000</u>
Appropriated 2003-04	<u>6,989,300,000</u>		

# ***PART III***

## ***APPROPRIATIONS REQUESTED BY THE JUDICIARY AND THE LEGISLATURE***



# ***COMMENTARY OF THE GOVERNOR ON THE JUDICIARY***

In accordance with Article VII, Section One of the State Constitution, I am transmitting herewith the appropriations requested by the Judiciary for fiscal year 2004-05. As required by the Constitution, I am presenting the Judiciary budget as it has been submitted by the Office of Court Administration.

The Judiciary's All Funds appropriation request is \$1.9 billion, a \$117 million, or 6.5 percent increase over the current year. Of this amount, \$1.7 billion is requested from the State tax dollar supported General Fund, an increase of \$86.9 million or 5.35 percent over 2003-04. The Judiciary is seeking 2003-04 deficiency appropriations in the amount of \$20.2 million. When the deficiency appropriations are considered, the All Funds increase is 5.3 percent and the State tax dollar supported General Fund increase is 4.5 percent.

The requested General Fund increase includes:

- \$70 million for increased fringe benefit costs;
- \$17.4 million for negotiated salary increments;
- \$7.2 million for contracts and other fixed cost increases, including legal reference and the Law Guardian Program;
- \$5.9 million for annualization of current year initiatives, primarily for security enhancements; and
- \$5.9 million for new or expanded activities, including security equipment, continued expansion of Drug Treatment Courts and night court in New York City, a shift of information technology funding to the General Fund from the Data Processing Fund, and for the Court Appointed Special Advocates Program.

These General Fund increases are partially offset by recurring savings totaling \$19.5 million from personal service and non-personal service, resulting in a net increase of \$86.9 million.

The All Funds appropriation growth reflects a new appropriation of \$25 million for the increase in reimbursement rates for law guardians pursuant to Chapter 62 of the Laws of 2003 and a \$4 million increase in Federal funding for problem solving courts.

From 2000-01 to 2002-03, General Fund-State Operations spending for the Judiciary increased by 7.9 percent. In that same period, the General Fund-State Operations spending for Executive branch agencies decreased by 1.2 percent. In addition, the Judiciary's workforce has grown by 3.8 percent since 2001, compared to an Executive branch workforce decline of 3.7 percent for that period.

In light of the magnitude of the fiscal crisis facing the State, and the economies effected by the rest of State government, I call upon the Chief Judge to take all possible steps to reduce both spending and staffing levels.





# **THE JUDICIARY**

## **INTRODUCTION**

### **THE UNIFIED COURT SYSTEM**

The Judiciary is one of the three branches of New York State Government. Article VI of the State Constitution establishes a Unified Court System, defines the organization and jurisdiction of the courts and provides for the administrative supervision of the courts by a Chief Administrator on behalf of the Chief Judge of the State of New York.

The objectives of the Judiciary are to: (1) provide a forum for the peaceful, fair and prompt resolution of civil claims and family disputes, criminal charges and charges of juvenile delinquency, disputes between citizens and their government, and challenges to government actions; (2) supervise the administration of estates of decedents, consider adoption petitions, and preside over matters involving the dissolution of marriages; (3) provide legal protection for children, mentally ill persons and others entitled by law to the special protection of the courts; and (4) regulate the admission of lawyers to the Bar and their conduct and discipline.

The New York State court system is one of the largest and busiest in the Western World. It consists of over 1,200 state-paid judges, 2,200 town and village justices and nearly 15,000 nonjudicial employees. Pursuant to the Unified Court Budget Act, the cost of operating the Unified Court System, excluding town and village courts, is borne by the State.

### **STRUCTURE AND JURISDICTION OF THE COURTS**

The Unified Court System is structured as follows:

#### **APPELLATE COURTS**

Court of Appeals  
Appellate Divisions of the Supreme Court  
Appellate Terms of the Supreme Court  
County Courts (acting as appellate courts)

#### **TRIAL COURTS OF SUPERIOR JURISDICTION**

Statewide:  
Supreme Court  
Court of Claims  
Family Court  
Surrogate's Court  
Outside New York City:  
County Court

#### **TRIAL COURTS OF LIMITED JURISDICTION**

New York City:  
Criminal Court  
Civil Court  
Outside New York City:  
City Courts  
District Courts  
Town Courts\*  
Village Courts\*

\*Locally funded courts

## **JUDICIARY**

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The jurisdiction of each court is established by Article VI of the Constitution or by statute. The courts of original jurisdiction, or trial courts, hear cases in the first instance, and the appellate courts hear and determine appeals from the decisions of the trial courts.

The Court of Appeals, the State's highest court, hears cases on appeal from the other appellate courts and, in some instances, from the courts of original jurisdiction. In most cases, its review is limited to questions of law. The Court also reviews determinations of the Commission on Judicial Conduct.

There are four Appellate Divisions of the Supreme Court, one in each of the State's four judicial departments. The Appellate Divisions hear appeals concerning civil and criminal cases. In the First and Second Departments, Appellate Terms have been established to hear appeals in criminal and civil cases determined in the Criminal and Civil Courts of the City of New York and civil and criminal cases determined in district, city, town, and village courts outside the City. In the Third and Fourth Departments, appeals from city, town and village courts are heard initially in the appropriate County Court.

The Supreme Court, which functions in each of the State's 12 judicial districts, is a trial court of unlimited, original jurisdiction, but it generally hears cases outside the jurisdiction of other courts. It exercises its civil jurisdiction statewide; in the City of New York and some other parts of the State, it also exercises jurisdiction over felony charges.

The Court of Claims is a statewide court having jurisdiction over claims for money damages against the State. Certain Judges of the Court of Claims; i.e., Judges appointed pursuant to paragraphs (b), (d), and (e) of subdivision 2 of section 2 of the Court of Claims Act, are assigned temporarily to the Supreme Court, primarily as trial justices in the criminal terms.

There are three county-level superior courts. The County Court is established in each county outside the City of New York. It is authorized to handle the prosecution of crimes committed within the county, although in practice, arraignments and other preliminary proceedings on felonies, misdemeanors and minor offenses are handled by courts of limited jurisdiction while the County Court presides over felony trials and supervises the Grand Jury. The County Court also has limited jurisdiction in civil cases, with authority to entertain those involving amounts up to \$25,000.

The Family Court is established in each county and in the City of New York. It has jurisdiction over matters involving children and families. Its caseload consists largely of proceedings involving support of dependent relatives, juvenile delinquency, child protection, persons in need of supervision, review and approval of foster-care placements, paternity determinations, and family offenses.

The Surrogate's Court is established in every county and hears cases involving the affairs of decedents, including the probate of wills and the administration of estates. Family Court and Surrogate's Court have concurrent jurisdiction in adoption proceedings.

The Civil Court of the City of New York tries civil cases involving amounts up to \$25,000 and other civil matters referred to it by the Supreme Court (pursuant to section 325 of the CPLR). It includes a Housing Part for landlord-tenant matters and housing code violations. It also includes a Small Claims Part and a Commercial Small Claims Part for matters not exceeding \$3,000. The Criminal Court of the City of New York has jurisdiction over misdemeanors and violations. Judges of the Criminal Court also act as arraigning magistrates and conduct preliminary hearings in felony cases.

There are four kinds of courts of limited jurisdiction outside the City of New York: District (established in Nassau County and in the five western towns of Suffolk County), City, Town and Village Courts. All have jurisdiction over minor criminal matters. They also have jurisdiction over minor civil matters, including small claims and summary proceedings, although their monetary ceilings vary: \$15,000 in District and City Courts, and \$3,000 in Town and Village Courts.

The civil courts of limited jurisdiction in 31 counties are making use of compulsory arbitration with lawyer arbitrators to resolve minor civil disputes, that is, civil actions where the amount sought is \$6,000 or less in courts outside the City of New York and \$10,000 or less in courts in the City.

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**ADMINISTRATIVE STRUCTURE OF THE UNIFIED COURT SYSTEM**

Section 28 of Article VI of the State Constitution provides that the Chief Judge of the Court of Appeals is the Chief Judge of the State and its chief judicial officer. The Chief Judge appoints a Chief Administrator of the Courts (who is called the Chief Administrative Judge of the Courts if the appointee is a judge) with the advice and consent of the Administrative Board of the Courts. The Administrative Board consists of the Chief Judge, as chair, and the Presiding Justices of the four Appellate Divisions of the Supreme Court.

The Chief Judge establishes statewide standards and administrative policies after consultation with the Administrative Board of the Courts and promulgates them after approval by the Court of Appeals.

The Chief Administrative Judge, on behalf of the Chief Judge, is responsible for supervising the administration and operation of the trial courts and for establishing and directing an administrative office for the courts, called the Office of Court Administration (OCA). In this task, the Chief Administrative Judge is assisted by two Deputy Chief Administrative Judges, who supervise the day-to-day operations of the trial courts in New York City and in the rest of the State, respectively; a Deputy Chief Administrative Judge for Justice Initiatives, a Deputy Chief Administrative Judge for Management Support, who supervises the operations of the units that compose the Office of Management Support; a Deputy Chief Administrative Judge for Court Operations and Planning, and a Counsel, who directs the legal and legislative work of the Counsel's Office.

The Office of Management Support consists of eight operational divisions, with overall policy guidance and management directed by the Chief Administrative Judge, assisted by the Deputy Chief Administrative Judge for Management Support. The Division of Human Resources is responsible for the administration of the Unified Court System's workforce diversity programs; labor management relations; career development services; employee benefits administration; and a broad range of personnel services dealing with job classification, compensation and examination issues. The Division of Financial Management coordinates the preparation and implementation of the Judiciary budget and is responsible for payroll processing as well as for promulgation of fiscal policies and procedures; revenue and expenditure monitoring, control and reporting; and the coordination of the fiscal aspects of the Court Facilities Aid Program. The Division of Technology is responsible for the development, implementation and oversight of all central and local automation and telecommunication services which support court operations and administrative functions. The Division of Legal Information and Records Management is responsible for overseeing all of the Judiciary's automated and printed media legal reference services and for coordination of records retention and management programs. The Division of Court Operations provides centralized support for day-to-day court operations through its oversight of streamlining initiatives, procedural manual development and training programs, and alternative dispute resolution programs.

The services provided by these operational divisions are further supplemented by a Public Affairs Office which coordinates communications with other governmental entities, the press, public and bar. The Office of Court Research compiles UCS workload statistics for the courts, management and the public and conducts operational improvement studies. The Administrative Services Office provides a broad range of general support services to the courts including, but not limited to, central accounting and revenue management; attorney registration administration, centralized procurement, supply and printing, and professional development. The Education and Training Office administers educational programs and oversees the operation of the Judicial Training Institute at Pace University. The Office of Public Safety administers the Judiciary's court security and disaster preparedness activities. Finally, an Office of Internal Affairs, reporting directly to the Chief Administrative Judge, conducts internal audits and investigations to support the attainment of management's long term goals and priorities.

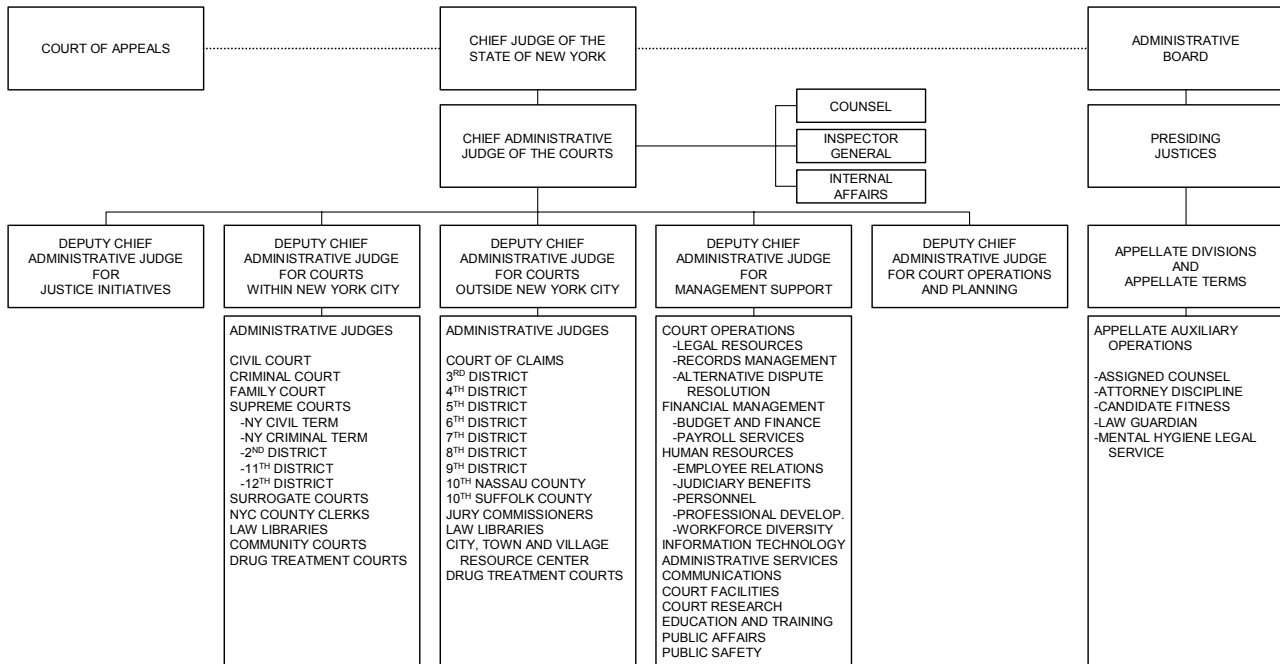
# JUDICIARY

Counsel's Office prepares and analyzes legislation, represents the Unified Court System in litigation, and provides various other forms of legal assistance to the Chief Administrative Judge.

Responsibility for on-site management of the trial courts and agencies is vested with the Administrative Judges. Upstate, in each of the eight judicial districts established outside the City of New York, there is a District Administrative Judge who is responsible for all courts and agencies operating within the judicial district. In the City of New York, Administrative Judges supervise each of the major trial courts, and the Deputy Chief Administrative Judge provides for management of the complex of courts and court agencies within the City. The Administrative Judges manage not only court caseload, but are responsible as well for general administrative functions including personnel and budget administration and all fiscal procedures.

The Appellate Divisions are responsible for the administration and management of their respective courts, and of the several Appellate Auxiliary Operations: Candidate Fitness, Attorney Discipline, Assigned Counsel, Law Guardians, and Mental Hygiene Legal Service.

## Unified Court System Administrative Structure



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## **EXECUTIVE SUMMARY**

### **THE COURT SYSTEM'S RESPONSE TO THE STATE'S FISCAL CHALLENGES**

The Judiciary's budget request for fiscal year 2004-2005 carefully and appropriately balances the courts' need for the resources necessary to fulfill their Constitutional mandate and the need to respond to the State's precarious economic condition. Recognizing the State's continuing fiscal problems, this budget – like the budget for 2003-2004 – seeks no additional nonjudicial positions. Moreover, the proposed budget seeks no funding for half of the positions left vacant from the early retirement program of last year, and leaves unfunded more than 500 positions that the court system is authorized to fill.

The request for Court Operations-General Fund is \$1.36 billion, an increase of 1.26 percent, following a year in which the court system's ever increasing caseload rose by 4.8 percent. The increase is less than statutory and other mandated increases. This modest increase is made possible by the cost savings actions and case management improvements that courts across the State have implemented. The most substantial savings come from reduced salary costs, the result of a strict vacancy control program that for the past 23 months has carefully monitored the level of nonjudicial staffing. In addition, the courts have reduced overtime expenditures and significantly limited equipment, travel and other operating costs.

As a result of these and other cost savings measures, the court system will be able to attain a cost savings of approximately \$20 million for 2004-2005. These savings will allow the Judiciary to offset much of the mandated increased costs for fiscal year 2004-05. Absorbing these mandated cost increases through operational efficiencies represents a commitment by the court system to meet the challenges posed by the State's fiscal condition while still providing timely and fair justice to the public.

### **COURT SYSTEM INNOVATIONS – IMPROVED JUSTICE, SAFER SOCIETY, LOWER COSTS**

The New York Judiciary has earned a reputation as a national leader in developing improved and more effective means of providing justice. Over the past decade, the court system has implemented case processing innovations in civil, criminal and family courts, and established specialized drug treatment courts, domestic violence courts, and community courts throughout the State.

Experience has proven that these problem-solving courts provide better results on a case-by-case basis. There is now also empirical evidence that these courts generate significant savings to governments at all levels by addressing the underlying social, health and other problems that generate much of the court system's workload.

#### **DRUG TREATMENT COURTS**

A recently-released study of New York's Drug Treatment Court Program proves the success of the problem-solving approach. In drug courts, non-violent, drug-addicted offenders participate in judicially-monitored drug treatment, as an alternative to incarceration. Since 1995, specialized drug court parts have grown from only a few in NYC and major upstate urban courts to over 100 court programs that now serve urban and rural communities in nearly every county. Next year the court system will complete the implementation of the statewide drug court initiative, with a treatment court program available to provide services in every county. The goal is to end drug dependence and the resulting cycle of addiction and criminal activity.

## **JUDICIARY**

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An exhaustive study, funded by the U.S. Department of Justice and produced by the Center for Court Innovation, demonstrates that Drug Treatment Courts work. Specifically, the study found that these courts reduced the post-program recidivism rate by an average of 32 percent during the one year period after completion of the program. Research also showed that for the six oldest programs in New York, participation in drug courts reduced recidivism in all locations as compared to conventional case processing. The study also showed a direct correlation between the seriousness of the charge and drug court retention – defendants facing more serious charges (and, therefore, longer prison terms) were shown to be more likely to remain in the drug court program. The study also showed that graduates of drug treatment programs are less likely to recidivate, and that judge-supervised treatment programs produce higher retention and graduation rates than traditional treatment programs.

The study thus vindicates the main premise of drug treatment courts – court-supervised intervention greatly increases the chances that an addict will remain in and successfully complete treatment – demonstrating the effectiveness of drug courts in breaking the cycle of criminality and addiction. With over 18,000 individuals in New York having participated in drug court programs since its inception, the sharp reduction in recidivism will save many millions of dollars just in reduced incarceration costs. There are, in addition, other significant cost savings when an addict is rehabilitated, including foster care, public assistance and other social services costs.

The court system budget seeks to continue this problem-solving approach to resolving disputes and to integrate successful programs into the mainstream of court operations. Among the other successful problem-solving programs continued in this budget plan are:

### **COMMUNITY COURTS**

Community Courts work closely with members of communities affected by crime on the local level and feature restitution and treatment programs that seek to address the needs of victims, offenders and the community. Community Courts use a variety of mechanisms for involving the community in the criminal justice process, including public restitution projects, community mediation, victim-offender panels, use of treatment and social service interventions and input from neighborhood leaders through advisory panels and other participatory processes.

There are three community courts operating in New York City, and community court programs operate in the Nassau District Court and Syracuse City Court. In New York City, the Midtown Community Court provides supervised community service sanctions and resources for defendants to end the cycle of criminal behavior. The community court in the Red Hook Justice Center is a multi-jurisdictional court handling Criminal, Family and Housing matters and providing an array of services to restore community safety and quality of life. The third court, the Harlem Community Justice Center, offers a coordinated response to youth crime and housing issues.

### **INTEGRATED DOMESTIC VIOLENCE (IDV) COURTS**

IDV Courts follow the “one Family, one Judge” model, in which one judge presides over all Criminal, Family, and Supreme Court matters involving the same parties. This administrative response to the complex trial court structure in New York State allows one judge to address related family problems in a comprehensive manner. The IDV courts not only eliminate artificial jurisdictional barriers, thereby simplifying the process for litigants, but they also lower court operational costs by eliminating overlap and delay among related cases that IDV courts handle together. The new IDV division has developed case-management and community-service coordination methods that enhance protection of victims of domestic violence and increase offender accountability.

IDV Courts operate in six counties. By the end of 2003, five new model IDV Courts will begin operation: Richmond (2<sup>nd</sup> JD), Clinton, Franklin, and Essex Counties (4<sup>th</sup> JD), Tompkins County: City of Ithaca (6<sup>th</sup> JD), Erie County: City of Buffalo (8<sup>th</sup> JD), and Queens County (11<sup>th</sup> JD). Additional sites will be added next fiscal year to achieve the goal of at least one IDV court in each judicial district of the state by the end of 2004.

## **COURT RESTRUCTURING**

The innovations discussed above are administrative attempts to work within the confines of the existing trial court structure. Simplification of this structure through Constitutional amendment remains the highest priority for the court system.

The New York State Constitution provides for one of the most complex court system structures in the nation. New York's trial court system consists of eleven separate courts – the Supreme Court, the Court of Claims, the County Court, the Family Court, the Surrogate's Court, the New York City Civil and Criminal Courts, the District Courts on Long Island, the City Courts outside of New York City and the Town and Village Justice Courts. This complex structure produces many inefficiencies. The complexity of the current court structure is also confusing to litigants and can be a barrier to ensuring access to justice and promoting trust and confidence in the judicial system.

The Unified Court System's restructuring proposal addresses these problems by reconfiguring the nine State-funded trial courts (i.e., all trial courts except the Town and Village Courts) into a three-tiered structure, consisting of a Supreme Court, a Surrogate's Court and a District Court. In addition, the Court System's proposal gives the Supreme Court responsibility for presiding over most domestic violence cases, and enhances the Court's ability to hear these cases along with matrimonial and other related cases involving the parties.

A simplified and consolidated structure will also result in substantial savings for the taxpayers of the State of New York because it is more efficient and less expensive to run a court system with three trial courts than a system with nine courts. Savings will be realized by the public and litigants from streamlined courts that try related cases before a single judge in a single court. An analysis, which considered both the savings and costs of restructuring the trial courts, identifies a cost savings potential of \$131 million in the first five years of trial court operation under the new organizational structure.

## **SAFETY AND SECURITY**

Like all public entities, the New York State courts are aware of the importance of meeting safety and security needs of the public. Security-related expenses now account for over \$300 million, or about 20 percent, of the Judiciary budget.

Over the past year, the court system has continued to systematically upgrade court security and improve emergency preparedness. Improvements have been made through reallocated and increased levels of security staffing and through the use of enhanced equipment and technology. At many courthouses additional magnetometer and x-ray scanning systems and other electronic security systems have been installed. These staffing and equipment improvements, combined with new policies and procedures, are ensuring thorough and careful screening of those entering court facilities. The court system also is implementing changes to court facility access and design standards to accommodate new building safety and security requirements. Additionally, each court has developed comprehensive emergency preparedness and recovery plans. Such plans are essential for the protection of the public and the courts and to ensure the continuation of crucial functions in times of crisis.

## **JUDICIARY**

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### **OTHER PRIORITIES**

The proposed Judiciary budget also continues funding to support a number of other court system priorities including:

#### **ACCESS TO JUSTICE**

The Unified Court System has developed a statewide strategy to improve access to justice. Access efforts reflect numerous actions and initiatives ranging from enlarging jury pools to providing assistance to self-represented litigants. Access also means making sure that people receive fair and equal treatment by the justice system regardless of their economic status. Too often those with limited resources do not have access to the justice system. Thus, the court system remains committed to providing services at convenient times in the community, with satellite courts, night court parts to meet the needs of working families, expanded mediation and alternative dispute resolution programs, and services to self-represented litigants within the courthouses. The court system has also created an Access to Justice Center to concentrate on promoting ideas to improve the delivery of services and on identifying permanent funding sources, programs and legislation that will ensure meaningful access to justice for all civil litigants.

A major impediment to access to justice has been removed with passage of new hourly rates for New York's court-appointed attorneys. The provisions of Chapter 62 of the Laws of 2003 increased the rates of compensation to \$75 per hour for representation of criminal defendants charged with a felony and for representation of indigent adults and children in Family Court to \$60 per hour for non-felony criminal representation. The new law also necessitated the creation of the Indigent Legal Services Fund, through which the UCS and local governments will be reimbursed for the increased representation costs. These new hourly rates take effect on January 1, 2004. The adoption of these rate increases, especially in this difficult fiscal climate, is an acknowledgment of the critical importance of adequate compensation for legal representation in Criminal and Family matters.

Community education and outreach is also a central component of the Judiciary's access to justice efforts. Outreach to the public has involved a variety of programs and educational efforts, including development of the court system's new Web site that has been created to provide 24-hour access to vital court information. The redesigned site – <http://www.nycourts.gov> – also features a Court Help page with easy to understand information for the self-represented about the courts. The new Web site also acts as a portal linking the public to web pages of individual courts and to information about court programs, jury service, career opportunities and attorney registration. Important diversity initiatives also will continue in the coming fiscal year to improve access to justice and are included in the Judiciary's budget request. One of the key diversity initiatives for the coming year is the year-long fellowship program for law school graduates interested in pursuing careers in court system public service. Also, the court system will continue its Justiceworks program which specifies the various resources and services available to court users and outlines a strategy for eliminating barriers to justice in New York.

#### **CIVIL JUSTICE**

The Comprehensive Civil Justice Program was initiated to move civil cases through the system more efficiently by means of more active court management of cases. This program has been instrumental in reducing the pending inventory of trial-ready cases to the lowest level in many years. Efforts continue on greater attention to getting cases ready for trial, ensuring case milestones are met in a timely fashion. The program features technological innovations, including pilot locations for the electronic filing of court papers.

Designating cases as expedited, standard or complex and active standards and goals compliance monitoring by the court also plays an important role in ensuring timely case processing. For Supreme Court civil matters, three standards are used to measure the length



of time from case filing to disposition. The first, or “pre-note” standard, measures the time from filing the Request for Judicial Intervention to filing the trial note of issue. The second, or “note” standard, measures the time from filing the trial note of issue to disposition. The third, or “overall” standard, covers the entire period from filing of the RJI to disposition.

Expedited cases must meet the first standard within 8 months, the second within 15 months and the third within 23 months. Standard cases (which include most tort and contract matters) must meet the first standard within 12 months, the second within 15 months, and the third within 27 months. Complex cases (e.g., medical malpractice cases) must meet the first standard within 15 months, the second within an additional 15 months, and the third within 30 months.

Specialized parts for specific case types have proven successful, including commercial parts, matrimonial parts, motor vehicle parts, and dedicated parts for cases in which New York City is a defendant. The use of specialized parts will continue with appropriate support. In matrimonial parts, for example, the addition of social workers to assist families in addressing related custody and visitation disputes has improved the quality and the timeliness of the case resolution. For commercial cases, the Commercial Division operates in Albany, New York, Erie, Monroe, Nassau, Suffolk and Westchester County Supreme Courts.

### **COURT TECHNOLOGY**

Technology continues to play a central role in allowing the Judiciary to effectively manage and process its high-volume caseloads and in improving public access to court information. The Statewide intranet (CourtNet) provides the technology, intranet web-based information and applications that support automated case management, administrative functions and internal communications through e-mail and video-conferencing. The court system has also used its technology network to facilitate Internet access by the public to vital court information.

The court system’s automation program will continue investments in a number of ongoing projects to upgrade and modernize centralized computer operations and to replace basic office and courtroom technology such as desktop computers, servers, network devices, storage systems and printers. This budget request also reflects annual funding for these projects and new State supported bond funding authorization to finance certain hardware and software equipment replacements and upgrades. This combination of base budget and State supported bond funding will ensure the reliability and efficiency of operations statewide. Among the critical automation services that will be maintained through the resources proposed in this budget are the maintenance of CourtNet, the court system’s statewide intranet system; continued development of the court system’s Universal Case Management System to replace existing automated and manual case processing applications; and design of a case management application for the 2,300 Town and Village Courts and for specialized drug treatment courts, domestic violence courts and community courts.

As part of the court system’s automation program, efforts also will continue to streamline and improve human resource information applications and processes. The budget request continues funding for the human resource and timekeeping applications that were recommended as part of the recently completed comprehensive human resource business process analysis. The uniform automated timekeeping system, now in the implementation phase, will streamline time and leave functions. Funding will also support work to design and implement new automated systems to support various other personnel functions including position management, employee histories, leave management and regulatory records requirements.

### **TOWN AND VILLAGE COURTS**

The Justice Court Assistance Program, enacted by the Legislature during the 1999 session, provides financial assistance for various purposes, including automation, training for judges and court staff, purchasing of legal reference materials, and improvement of court facilities. Magistrates Associations, which represent town and village justices, also may apply for funds to be used toward judicial training programs. In the current fiscal year, the Unified

## JUDICIARY

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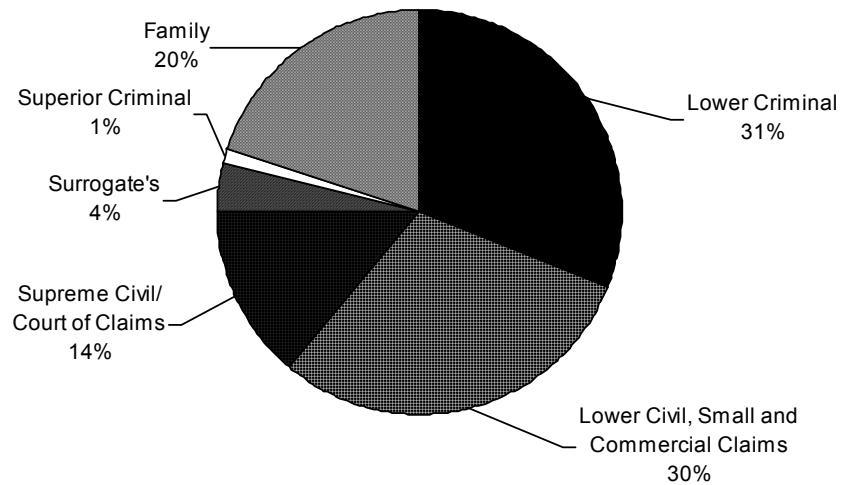
Court System will disburse \$500,000 in grants to these local courts across the state. Funding for grants will be capped at a maximum of \$20,000 for any one court or association. The grants being made available under the program will supplement local funding to address specific needs, such as automation and training of court personnel. This initiative is intended to increase the efficiency of Town and Village Court operations and enhance the administration of justice on a local level. The proposed budget for the Judiciary continues funding for this program of grant assistance at the current year level.

### **COURT SYSTEM WORKLOAD**

The court system is handling record level caseloads. In 2002, there were 3,568,074 new cases filed in the trial courts of the Unified Court System, excluding traffic and parking cases, an increase of over 850,000 filings, or 32 percent, since 1993.

Filings and dispositions in 2002, by case type, were as follows:

### Trial Court Filings by Case Type - 2002

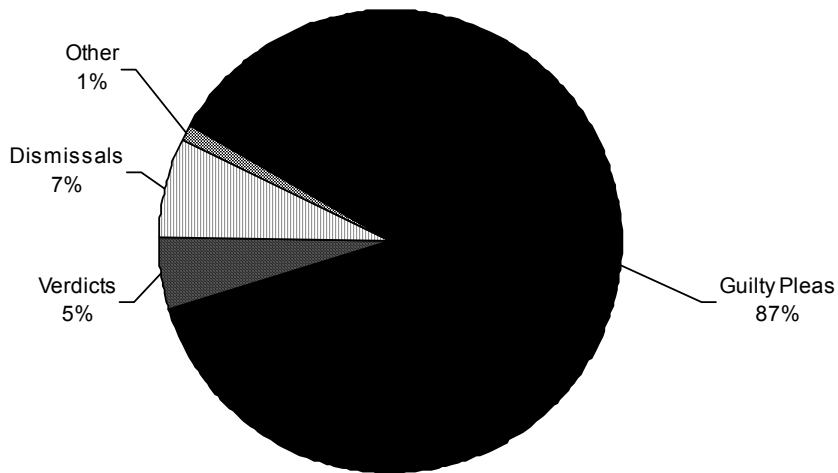


**CRIMINAL CASES**

***Criminal Term of Supreme and County Courts***

- Felony Filings - 53,274
- Felony Dispositions - 56,127

**Felony Dispositions  
by Type of Disposition - 2002**



***Criminal Court of the City of New York***

- Filings (arrest cases) - 324,679
- Dispositions (arrest cases) - 325,193
- Filings (summons cases) - 473,748
- Dispositions (summons cases) - 339,792

***City and District Courts Outside New York City***

- Filings - 289,982
- Dispositions - 281,461

# JUDICIARY

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## CIVIL CASES

### *Civil Term of Supreme Court*

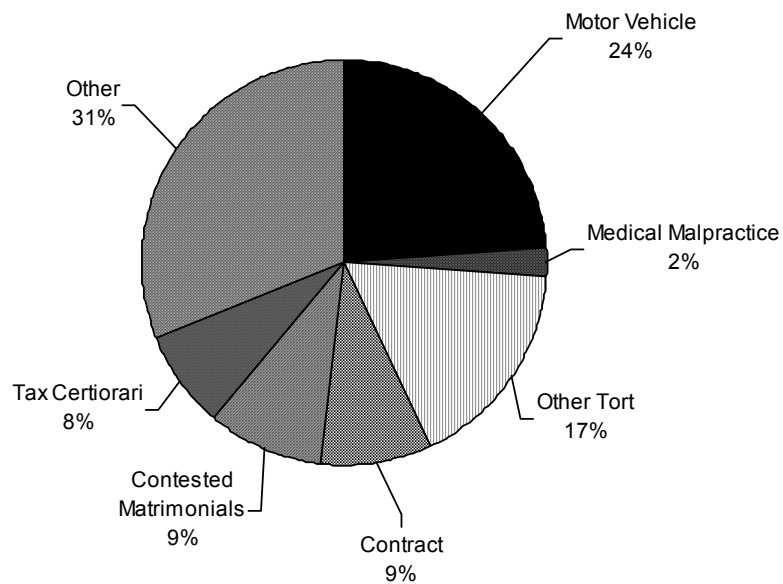
#### Civil Actions

- Filings - 422,022
- Dispositions - 432,136

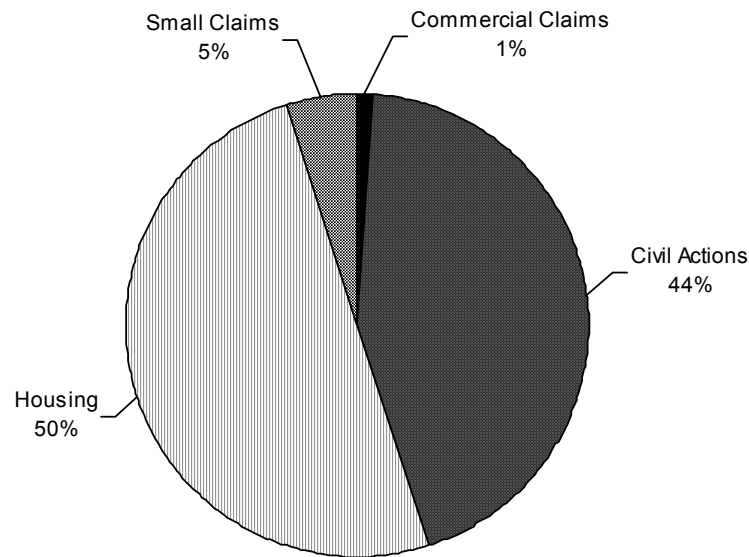
#### Small Claims Assessment Review Program (SCAR)

- Filings - 51,218
- Dispositions - 66,656

Supreme Civil New Case Filings  
by Case Type - 2002



## NYC Civil Court Filings by Case Type - 2002



### ***Civil Court of the City of New York***

#### Civil Actions

- Filings - 339,564
- Dispositions - 150,114

#### Small Claims/Commercial Claims

- Filings - 45,520
- Dispositions - 47,097

#### Housing Court

- Filings - 385,593
- Dispositions - 304,546

### ***City and District Courts Outside New York City***

#### Civil Actions

- Filings - 153,013
- Dispositions - 116,676

#### Small Claims/Commercial Claims

- Filings - 49,729
- Dispositions - 50,114

## JUDICIARY

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### Landlord/Tenant

- Filings - 80,682
- Dispositions - 77,527

### County Courts

- Filings - 25,978
- Dispositions - 26,124

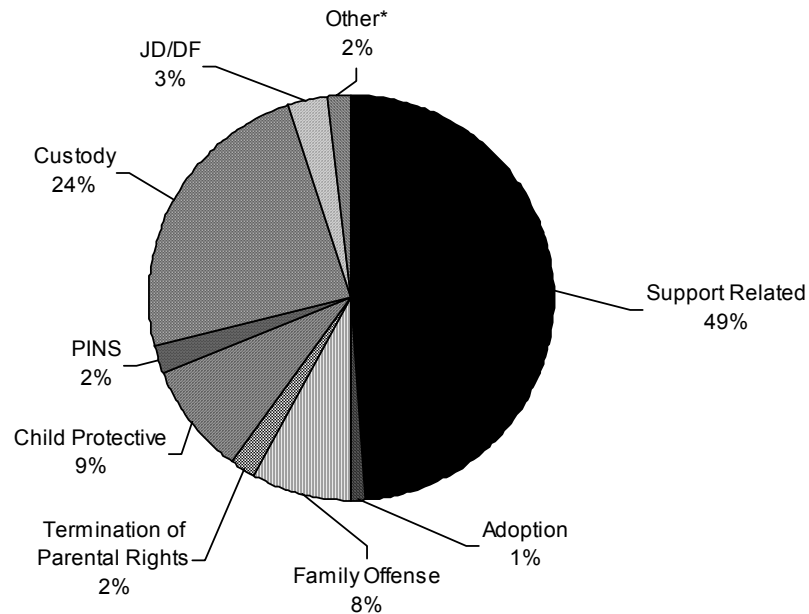
### Court of Claims

- Filings - 1,826
- Dispositions - 2,000

### Arbitration Program

- Filings - 18,622
- Dispositions - 17,397

## Family Court Filings by Case Type - 2002



\*Includes Guardianship, Foster Care, Physically Handicapped, Consent to Marry, and Other.

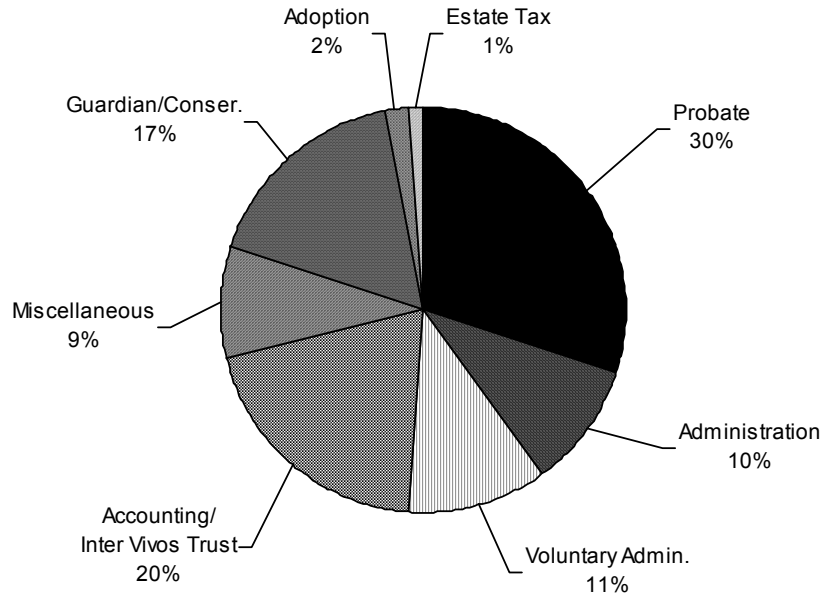
### Family Courts

- Filings - 712,726
- Dispositions - 708,131

Surrogate's Courts

- Filings - 158,520
- Dispositions - 127,816

Surrogate's Court Filings  
Proceedings by Case Type - 2002



## **2004-05 JUDICIARY BUDGET REQUEST**

The budget request for the Judiciary General Fund Court and Agency Operations for fiscal year 2004-2005 is \$1.36 billion, a 1.26 percent increase over the current year. The All Funds Court and Agency portion of the request, including the General Fund as well as Special Revenue and Federal Funds, is \$1.45 billion, a 2.7 percent increase over the current year fiscal appropriation of \$1.41 billion.

The Unified Court System continues to strive for efficiencies and economies in all aspects of court and agency operations. These initiatives are manifested in this budget request in the form of real savings to offset much of the increase in costs mandated for fiscal 2004-05. The \$16.9 million General Fund Operations increase is actually far less than the mandatory increases of more than \$28 million for next fiscal year; in fact, the cost for the continuation of salary increments as required by statute alone (\$17.4 million) exceeds the overall requested increase. This is possible by attaining real savings of almost \$20 million from the continuation of a strict vacancy control and position management program, elimination of all but essential travel, consolidation of sites for required judicial and nonjudicial training, restrictions on purchasing, and using the resultant savings to offset a significant portion of the mandated costs.

The budget request includes full funding for all authorized judicial positions and funding for targeted nonjudicial positions. The personal service request also includes funding for salary increments for eligible nonjudicial employees pursuant to statute. Adjustments are also reflected for certificated justices and staff changes and annualization of costs for security and drug treatment court positions that were partially funded in the current year. In nonpersonal service, funds provide for jury per diem payments consistent with projected workload levels; legal reference materials and electronic research services at contractually agreed to rates; contractual security services with increases related to collective bargaining agreements for locally provided security; judicial hearing officer support, and other requisite per diem payments for trial-related services; finance payments for prior year equipment financing programs; and other necessary support for basic costs such as office supplies, telephones, space and equipment rentals associated with the day-to-day operations of the courts and court-related agencies. Judicial education and training programs for court administrators and employees are also continued to improve the quality of justice.

### **RECOMMENDED DEFICIENCY REQUEST**

The fiscal 2003-2004 Judiciary budget request included a pension payment to the New York State Retirement System in the amount of \$51 million based on the estimate provided by the State Comptroller's Office in October 2002. The actual amount for which the Unified Court System was ultimately billed was \$64.4 million in September 2003. At that time, only \$51 million of the total obligation was paid, consistent with the amount requested and appropriated. Accordingly, a fiscal 2003-04 deficiency in the amount of \$13.95 million is recommended allowing payment in full of the September billing and avoiding additional late payment interest charges. In addition, legislation enacted during the 2003 legislative session provides for a long overdue increase to the assigned counsel and law guardian rates, effective January 1, 2004. While the legislation designated the Indigent Legal Services Fund as the source of such payments, no appropriation authority for the Judiciary to begin payment of the higher rates to state paid Law Guardians was included. Accordingly, a deficiency request in the amount of \$6.25 million is recommended from the Indigent Legal Services Fund.



**ANALYSIS OF CHANGE**

The Judiciary's 2004-05 Court and Agency Operations - General Fund budget increase totals \$16.9 million. The major components of the General Fund Operations change include:

- \$17.4 million for salary increments for eligible nonjudicial employees in accordance with collective bargaining contracts and administrative provision.
- \$.7 million for certificated justices and staff on 1/1/2004 and 1/1/2005 - a net increase of 2 justices pursuant to section 115 of the Judiciary Law.
- \$1.2 million for the continued operations of the Drug Treatment Courts.
- \$2.1 million in security enhancements including the establishment of previously authorized lines for increased coverage necessitated with the opening of new and rehabilitated court facilities.
- \$.2 million for expansion of night court sessions in the New York City Family Court.
- \$2.6 million in savings efficiencies associated with overtime expenses.
- \$10.7 million in personal service savings attributable to the continuation of a strict vacancy control and position management program.
- \$3.5 million for the annualization of contractual security enhancements approved in the current year and for collective bargaining changes that will take effect in the coming year.
- \$3.3 million for Law Guardian Program increases for Legal Aid contracts and panel usage to address increases in law guardian assignments and contractual obligations.
- \$1.0 million attributable to the transfer of Information Technology funding to the General Fund from the Judicial Data Processing Offset Fund.
- \$.3 million for jury per diem costs including \$75,000 associated with the rate increase for Town and Village courts.
- \$.2 million for a modest expansion of the CASA program.
- \$.1 million for increases in the Alternate Dispute Resolution program.
- \$3.1 million for legal reference increases (automation and print).
- \$3.3 million for replacement security equipment and furnishings necessitated by the lack of funding in several previous years.
- \$6.2 million in nonpersonal service efficiency savings.

## JUDICIARY

### THE JUDICIARY BUDGET - 2004-2005

The following is a Summary of the 2004-2005 fiscal requirements of the Judiciary including the financial plan in support of the budget proposals.

UNIFIED COURT SYSTEM  
2004-05 BUDGET REQUEST  
ALL FUNDS APPROPRIATION REQUIREMENTS  
MAJOR PURPOSE/FUND SUMMARY  
(dollars)

Category/Fund/Major Purpose	2003-2004 Available	2004-2005 Requested	Change
<b>Court and Agency Operations:</b>			
Courts of Original Jurisdiction	1,164,438,029	1,175,237,583	10,799,554
Court of Appeals	13,251,535	13,256,293	4,758
Appellate Court Operations	59,121,171	60,437,947	1,316,776
Appellate Auxiliary Operations	76,947,019	81,490,784	4,543,765
Administration and General Support	18,563,864	18,860,299	296,435
Judiciary Wide Maintenance Undistributed	8,895,227	8,837,678	(57,549)
<b>Court and Agency Operations – General Fund Total</b>	<b>1,341,216,845</b>	<b>1,358,120,584</b>	<b>16,903,739</b>
<b>Special Revenue Fund-Federal</b>	<b>6,500,000</b>	<b>10,500,000</b>	<b>4,000,000</b>
<b>Special Revenue Fund-Other</b>			
NYC County Clerks Operations Offset Fund	18,476,447	18,389,928	(86,519)
Judiciary Data Processing Offset Fund	12,933,484	12,015,501	(917,983)
Miscellaneous Special Revenue Fund	3,000,000	2,500,000	(500,000)
Attorney Licensing Fund	19,785,734	19,849,980	64,246
Indigent Legal services Fund	6,250,000	25,000,000	18,750,000
Court Facilities Incentive Aid Fund	2,183,275	2,083,451	(99,824)
<b>Court and Agency Operations – All Funds Total</b>	<b>1,410,345,785</b>	<b>1,448,459,444</b>	<b>38,113,659</b>
<b>Lawyers' Fund for Client Protection</b>			
Lawyers' Fund for Client Protection	9,776,788	9,798,180	21,392
<b>Lawyers' Fund for Client Protection –Total</b>	<b>9,776,788</b>	<b>9,798,180</b>	<b>21,392</b>
<b>Aid to Localities</b>			
General Fund-Courts of Original Jurisdiction	500,000	500,000	0
Court Facilities Incentive Aid Fund	87,095,749	88,164,224	1,068,475
<b>Aid to Localities – All Funds Total</b>	<b>87,595,749</b>	<b>88,664,224</b>	<b>1,068,475</b>

**UNIFIED COURT SYSTEM  
2004-05 BUDGET REQUEST  
ALL FUNDS APPROPRIATION REQUIREMENTS  
MAJOR PURPOSE/FUND SUMMARY  
(FUND DETAIL)  
(dollars)**

<u>Category/Fund/Major Purpose</u>	<u>2003-2004 Available</u>	<u>2004-2005 Requested</u>	<u>Change</u>
<b><u>Court and Agency Operations:</u></b>			
<b>Courts of Original Jurisdiction</b>			
General Fund	1,164,313,029	1,175,237,583	10,924,554
Special Revenue Funds	41,442,098	43,969,902	2,527,804
<b>Total – All Funds</b>	<b>1,205,755,127</b>	<b>1,219,207,485</b>	<b>13,452,358</b>
<b>Court of Appeals</b>			
General Fund	13,251,535	13,256,293	4,758
Special Revenue Funds	0	0	0
<b>Total – All Funds</b>	<b>13,251,535</b>	<b>13,256,293</b>	<b>4,758</b>
<b>Appellate Court Operations</b>			
General Fund	59,121,171	60,437,947	1,316,776
Special Revenue Funds	0	0	0
<b>Total – All Funds</b>	<b>59,121,171</b>	<b>60,437,947</b>	<b>1,316,776</b>
<b>Appellate Auxiliary Operations</b>			
General Fund	77,072,019	81,490,784	4,418,765
Special Revenue Funds	23,601,094	42,164,722	18,563,628
<b>Total – All Funds</b>	<b>100,673,113</b>	<b>123,655,506</b>	<b>22,982,393</b>
<b>Administration and General Support</b>			
General Fund	18,563,864	18,860,299	296,435
Special Revenue Funds	2,698,798	2,666,707	(32,091)
<b>Total – All Funds</b>	<b>21,262,662</b>	<b>21,527,006</b>	<b>264,344</b>
<b>Judiciary Wide Maintenance Undistributed</b>			
General Fund	8,895,227	8,837,678	(57,549)
Special Revenue Funds	1,386,950	1,537,529	150,579
<b>Total – All Funds</b>	<b>10,282,177</b>	<b>10,375,207</b>	<b>93,030</b>
<b>Court and Agency Operations – Total</b>			
General Fund	1,341,216,845	1,358,120,584	16,903,739
Special Revenue Funds	69,128,940	90,338,860	21,209,920
<b>Total – All Funds</b>	<b>1,410,345,785</b>	<b>1,448,459,444</b>	<b>38,113,659</b>
<b><u>Lawyer's Fund for Client Protection</u></b>			
General Fund	0	0	0
Special Revenue Funds	9,776,788	9,798,180	21,392
<b>Total – All Funds</b>	<b>9,776,788</b>	<b>9,798,180</b>	<b>21,392</b>
<b><u>Aid to Localities</u></b>			
General Funds	500,000	500,000	0
Special Revenue Funds	87,095,749	88,164,224	1,068,475
<b>Total – All Funds</b>	<b>87,595,749</b>	<b>88,664,224</b>	<b>1,068,475</b>

# JUDICIARY

UNIFIED COURT SYSTEM  
2004-05 BUDGET REQUEST  
ALL FUNDS DISBURSEMENT REQUIREMENTS  
(millions of dollars)

Category/Fund	2003-2004 Projected	2004-2005 Projected	Change
<b><u>Court and Agency Operations:</u></b>			
<i>General Fund</i>	1,310.6	1,310.5	(0.1)
<i>Special Revenue Funds-Federal</i>	7.2	7.7	0.5
<b><i>Special Revenue Funds-Other</i></b>			
NYC County Clerks Operations Offset Fund	17.2	17.5	0.3
Judiciary Data Processing Offset Fund	11.3	11.5	0.2
Indigent Legal Services Fund	3.0	25.0	22.0
Miscellaneous Special Revenue	20.8	21.1	0.3
Court Facilities Incentive Aid Fund	2.1	2.1	0.0
<b><i>Court and Agency Operations – All Funds Total</i></b>	<b><u>1,372.2</u></b>	<b><u>1,395.4</u></b>	<b><u>23.2</u></b>
<b><u>Lawyers' Fund for Client Protection</u></b>			
Lawyers' Fund for Client Protection	7.7	9.3	1.6
<b><i>Lawyers' Fund for Client Protection – Total</i></b>	<b><u>7.7</u></b>	<b><u>9.3</u></b>	<b><u>1.6</u></b>
<b><u>Aid to Localities</u></b>			
General Fund - Courts of Original Jurisdiction	0.5	0.5	0.0
Court Facilities Incentive Aid Fund	94.2	100.9	6.7
<b><i>Aid to Localities – All Funds Total</i></b>	<b><u>94.7</u></b>	<b><u>101.4</u></b>	<b><u>6.7</u></b>
<b><u>Capital Projects</u></b>			
Courthouse Improvements	15.7	3.5	(12.2)
<b><i>Capital Construction – All Funds Total</i></b>	<b><u>15.7</u></b>	<b><u>3.5</u></b>	<b><u>(12.2)</u></b>

# ***THE LEGISLATURE***

The New York State Constitution vests the State's law-making power in a two-house Legislature composed of a 62-member Senate and a 150-member Assembly. Each representative is elected for two-year terms, with all 212 being elected every two years. The Legislature convenes annually on the first Wednesday after the first Monday in January and remains in session until it concludes its business.

The Legislature has many powers set by the State Constitution. These responsibilities include:

- the ability to propose laws;
- the power to override a gubernatorial veto if two-thirds of the Senate and Assembly vote to do so;
- the reapportionment of legislative and congressional districts every ten years after the national census;
- the confirmation by the Senate of gubernatorial appointments of non-elected state officials and court judges;
- the proposition of amendments to the State Constitution;
- voting on ratification of proposed amendments to the Federal Constitution; and
- the creation, regulation and, in some limited cases, abolition of local governments.

Subject to the limitations and prohibitions imposed by the Federal Constitution, certain Federal statutes and treaties, and the State Constitution, the law-making powers of the Legislature are practically unlimited. The principal purposes of bills considered by the Legislature are to:

- enact or amend laws relating to the government of the State and its various subdivisions;
- appropriate funds for the operation of the various agencies and functions of State government and for State aid to local governments, and to provide adequate revenue-producing sources for these purposes;
- provide for and regulate the operation of a judicial system, including the practices and procedures for the system;
- define acts or omissions that constitute crimes, and to provide penalties for these crimes;
- promote the public welfare, including the care of the State's indigent, mentally ill, unemployed, etc.; and
- correct, clarify, amend or repeal obsolete, conflicting, uncertain or invalidated statutes.

In addition to the Senate and Assembly, the Legislature's Budget authorizes funding for several other components, which support the operations of the two houses, including:

- part of the Lieutenant Governor's office;
- fiscal committees operating in each house; and
- joint entities, including the Legislative Ethics Committee, Legislative Library, Legislative Health Services, Legislative Messenger Service, Legislative Bill Drafting Commission and the Legislative Task Force on Demographic Research and Reapportionment.

Each of these Legislative components will be discussed in separate sections below.

## ***LEGISLATIVE BUDGET HIGHLIGHTS***

The recommended General Fund appropriation of \$200,534,804 for fiscal year 2004-05 for the Legislature represents no change from the amount appropriated for FY 2003-04, and follows a 3 percent budget decrease in FY 2003-04 below the amount appropriated in FY 2002-03. The Legislature's budget request for FY 2004-05 represents an overall increase of 9.33 percent over the past fourteen years. Over this same period, the Consumer Price Index will have increased by 45.7 percent.

# LEGISLATURE

## LEGISLATIVE BUDGET SUMMARY GENERAL FUND APPROPRIATIONS

Entity	Available FY 03-04	Recommended FY 04-05	Change
Lt. Governor	\$277,409	\$277,409	\$0
Senate	\$79,636,489	\$79,636,489	\$0
Assembly	\$94,646,577	\$94,646,577	\$0
Fiscal Committees	\$10,465,222	\$10,465,222	\$0
Joint Legislative Entities	\$15,509,107	\$15,509,107	\$0
<b>LEGISLATURE TOTAL</b>	<b>\$200,534,804</b>	<b>\$200,534,804</b>	<b>\$0</b>

## LEGISLATIVE BUDGET HISTORY FISCAL YEAR 1990-91 TO 2004-05 GENERAL FUND APPROPRIATIONS

FY 90-91 Approp.	FY 03-04 Approp.	FY 04-05 Recommended	Change from FY 03-04 Approp. (%)	Change from FY 90-91 Approp. (%)
\$183,405,313	\$200,534,804	\$200,534,804	\$0 (0%)	+\$17,129,491 (+9.33%)

## LEGISLATIVE BUDGET GENERAL FUND APPROPRIATIONS COMPARISON TO CONSUMER PRICE INDEX FISCAL YEAR 1990-91 THROUGH FISCAL YEAR 2004-2005

	FY 1990-91	FY 2003-04	FY 2004-05	% Change 90-91 to 04-05
Legislative Budget	\$183,405,313	\$200,534,804	\$200,534,804	+12.72%
Consumer Price Index	138.5	197.5*	201.8*	+45.7%

\* estimated

The recommended Special Revenue Fund-Other appropriation of \$1,600,000 for FY 2004-05 represents no change from the amount appropriated for FY 2003-04. No tax revenues are required for Special Revenue Funds.

The recommended Grants and Bequests Fund appropriation of \$500,000 for FY 2004-05 represents no change from the amount appropriated for FY 2003-04. No tax revenues are required for Grants and Bequests Funds.

## LIEUTENANT GOVERNOR

The Lieutenant Governor serves as the Senate's President and has a casting vote. The Lieutenant Governor's salary of \$151,500 appears as part of the Legislative Budget. The Legislature also funds a part of the Lieutenant Governor's Office.

## BUDGET HIGHLIGHTS

The recommended appropriation of \$277,409 for fiscal year 2004-05 for the Lieutenant Governor represents no change from the amount appropriated for FY 2003-04.

## SENATE

The Senate is composed of 62 Members elected for two-year terms from districts around the state. Each Senator represents approximately 306,000 constituents. The Senate conducts its legislative business through the operation of 33 Standing Committees.

The Senate elects from among its Members for a two-year term a Temporary President who directs and guides the business of the Senate, appoints Members to Senate Standing Committees, and appoints the Senate's staff. The Temporary President serves as the presiding officer in the absence of the Lieutenant Governor or may delegate this duty to

another Member. In addition, the Temporary President serves as the Majority Leader of the majority party, while the minority party of the Senate chooses a Minority Leader from among its membership.

Senate Members have staff to assist them in carrying out their legislative duties, delivering constituent services and, where applicable, in fulfilling their responsibilities as committee chairs or leaders of the Senate. Members are also provided with office space both in Albany and the district, as well as office equipment, furnishings and supplies, in order to serve their constituents. Travel expenses for approved official Senate business are reimbursable. The Majority and Minority Leaders each have staff to provide counsel, policy analysis, program development and Washington, D.C. representation. The Temporary President, through the Secretary of the Senate, employs staff to operate the Senate Chamber during session and to handle the legislative process during the remainder of the year, furnish research and computer services, and provide administrative services such as personnel, fiscal, maintenance, and printing services for the Senate. The Temporary President also has staff to deliver communications services for the Senate. Finally, the Senate operates a program for college students which includes a Session Assistant program for undergraduates and a Student Fellows program for post-graduates who wish to learn about and experience the legislative process by working with Senate Members.

In addition to the Senate's General Fund appropriation, a Special Revenue Fund (Senate Recyclable Materials, Information Services and Conference Fund) has been established to collect revenues from the sale of recyclable materials, distribution of documents, materials and computerized information, and fees charged for conferences sponsored by the Senate. These revenues may be used to pay for waste disposal, production and distribution of Senate documents, materials and computerized information, and expenses related to conferences sponsored by the Senate. A Grants and Bequests Fund has also been established to receive non-state grants which may be used to pay for services and expenses related to the restoration of the Senate Chamber.

### **BUDGET HIGHLIGHTS**

The recommended appropriation for the Senate of \$79,636,489 for FY 2004-05 represents no change from the amount appropriated for FY 2003-04. This "no growth" budget follows a 2.66 percent budget decrease in FY 2003-04 and a "no growth" budget in FY 2002-03.

As detailed in the Table below, the Senate (including the Legislative Commissions for which funding was eliminated in the FY 1995-96 budget) has seen its budget increase by \$8,772,022 or 12.38 percent from the \$70,864,467 appropriated in FY 1990-91. Over the same fourteen-year period, the consumer price index has increased by 45.7 percent.

In the past eight years, the Senate has reduced its staff by 357 employees or 19.5 percent, eliminated its Washington, D.C. and New York City office leases, closed many district offices, and reduced the number of district-wide mailings allowed each Member. The Senate has also granted an across-the-board cost-of-living increase for its staff in only nine of the past fourteen years. The Senate continued to tightly control its non-personal service expenses by restraining the purchasing of office supplies and furnishings, severely restricting travel, delaying essential equipment upgrades and reducing expenditures in other ways while the costs of these have continued to rise, often above the rate of inflation.

## LEGISLATURE

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### SENATE BUDGET HISTORY FISCAL YEAR 1990-91 TO 2004-05 GENERAL FUND APPROPRIATIONS

	FY 90-91 Approp.	FY 03-04 Available	FY 04-05 Recommended	Change from FY 03-04 (%)	Change from FY 90-91 (%)
Senate Budget	\$67,238,167	\$79,636,489	\$79,636,489		
Senate Commissions	\$3,626,300	\$0	\$0		
<b>TOTAL</b>	<b>\$70,864,467</b>	<b>\$79,636,489</b>	<b>\$79,636,489</b>	<b>\$0 (0%)</b>	<b>+\$8,772,022 (+12.38%)</b>

## ASSEMBLY

The Assembly is composed of 150 members elected for two-year terms from districts around the state. Each Member of Assembly represents approximately 127,000 constituents. The Assembly conducts its legislative business through the operation of 36 standing committees.

The Assembly elects from among its members a Speaker who directs and guides the business of the Assembly, and appoints members to Assembly Standing Committees and Assembly leadership positions. The Speaker serves as the presiding officer of the Assembly. The minority party of the Assembly chooses a Minority Leader from their membership.

Each Member of Assembly is entitled to employ staff to assist them in carrying out their legislative duties and, where applicable, their responsibilities as Committee Chairs or leadership. Members are also provided with office space both in Albany and the district, as well as office equipment, furnishings and supplies, in order to serve their constituents. The State Constitution provides for reimbursement to Assembly Members for travel to the Capitol from their district, and Members and staff are also eligible for reimbursement of other travel related to legislative business. The Speaker of the Assembly and the Assembly Minority Leader employ staff to provide counsel, legislative program development and policy analysis. The Assembly also employs staff to serve the needs of the house, including the operation of the Assembly Chamber during session, the management of the legislative process, and research, communications and administrative services. The Assembly also administers an Intern Program to provide opportunities to undergraduate and graduate college students to learn about the legislative process while utilizing their skills to assist the Assembly Members in fulfilling their constitutional responsibilities.

In addition to the Assembly's General Fund appropriation, a Special Revenue Fund (Assembly Recyclable Materials, Information Services and Conference Fund) has been established to collect revenues from the sale of recyclable materials, distribution of documents, materials and computerized information, and fees charged for conferences sponsored by the Assembly. These revenues may be used to pay for waste disposal, production and distribution of Assembly documents, materials and computerized information, and expenses related to conferences sponsored by the Assembly. A Grants and Bequests Fund has also been established to receive non-state grants which may be used to pay for services and expenses related to the restoration of the Assembly Chamber.

## BUDGET HIGHLIGHTS

The recommended appropriation for FY 2004-05 of \$94,646,577 represents no change from the amount appropriated for FY 2003-04. This "no growth" budget request follows a 2.66 percent budget decrease in FY 2003-04, and a "no growth" budget in FY 2002-03.

Over the past fourteen years, as detailed below, the Assembly's budget (including Assembly Commissions for which funding was eliminated in FY 1995-96) has increased by 12.27 percent while over the same period, the Consumer Price Index has increased by 45.7 percent. The Assembly has been able to keep its spending over the past fourteen years well below inflation by reducing the payroll for Assembly controlled entities by over 390 positions, the elimination of regional offices, and other operational savings.



**ASSEMBLY BUDGET HISTORY  
FISCAL YEAR 1990-91 TO 2004-05  
GENERAL FUND APPROPRIATIONS**

	<b>FY 90-91 Approp.</b>	<b>FY 03-04 Available</b>	<b>FY 04-05 Recommended</b>	<b>Change from FY 03-04 (%)</b>	<b>Change from FY 90-91 (%)</b>
Assembly Budget	\$80,732,868	\$94,646,577	\$94,646,577		
Assembly Commissions	\$3,569,700	\$0	\$0		
<b>TOTAL</b>	<b>\$84,302,568</b>	<b>\$94,646,577</b>	<b>\$94,646,577</b>	<b>\$0 (0%)</b>	<b>+\$10,344,009 (+12.27%)</b>

**FISCAL COMMITTEES**

The Governor’s annual budget bills and the budgetary proposals for the Legislature and Judiciary are referred to these committees when introduced and are reported by them, with recommendations, to the Legislature. Designated representatives of the committees are entitled, by constitutional provisions, to attend the required hearings for the preparation of the budget and to make inquiry concerning any part thereof. These committees also consider all bills introduced in the Legislature carrying appropriations or providing for the expenditures of public money.

In addition, pursuant to the provisions of section 122-a of the State Finance Law, the Chairmen and ranking Minority Members of the Senate Finance Committee and the Assembly Ways and Means Committee function as an Audit Committee. The responsibilities of the Audit Committee include the selection of an independent certified public accountant to conduct an independent audit of the state’s annual financial statements, receiving the results of such independent audit, and submitting the certification received from the independent certified public accountant to the State Comptroller for inclusion in the annual financial report required pursuant to section 8 of the State Finance Law.

**BUDGET HIGHLIGHTS**

The recommended appropriation of \$5,232,611 for fiscal year 2004-05 for both the Senate Finance Committee and the Assembly Ways and Means Committee represents no increase from the amount appropriated for FY 2003-04.

**JOINT ENTITIES AND DUES PAYMENTS**

**LEGISLATIVE ETHICS COMMITTEE**

The Legislative Ethics Committee was created by Chapter 813 of the laws of 1987 and is a joint bipartisan committee authorized by law to act on matters arising out of Public Officers Law Sections 73, 73-a and 74, as applied to the legislative branch, and Legislative Law Section 80. The Committee is authorized by law to distribute, collect and review financial disclosure statements from legislators, employees and candidates for legislative office. The Committee renders formal advice on the law and investigates violations of the law, which are subject to civil and criminal penalties. The Legislative Ethics Committee is also required to adopt policies, guidelines, rules, and regulations to interpret and administer the legislative ethics laws. The eight-member committee is comprised of two members each from the Senate and Assembly majority and minority parties.

## ***LEGISLATURE***

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### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$358,900 for FY 2004-05 for the Legislative Ethics Committee represents no increase from the amount appropriated for FY 2003-04.

### ***LEGISLATIVE HEALTH SERVICE***

Section 7-b of the Legislative Law provides for a legislative emergency health station for the use of members and employees of the Legislature and legislative correspondents. This station is to be under the direction of a registered nurse and suitably and adequately equipped to administer first aid whenever needed.

### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$178,838 for FY 2004-05 for the Legislative Health Service represents no change from the amount appropriated for FY 2003-04.

### ***LEGISLATIVE LIBRARY***

Section 7-a of the Legislative Law provides for a Legislative Library to be located in the State Capitol, conveniently accessible to the members of both houses of the Legislature. The Legislative Library is the Library of Record for the Legislature. The Legislative Library is open throughout the year and all hours that the Legislature is actively in session, and provides general information services to legislators and their staffs with a collection emphasis on legal materials.

### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$663,375 for FY 2004-05 for the Legislative Library represents no change from the amount appropriated for FY 2003-04.

### ***LEGISLATIVE MESSENGER SERVICE***

The Legislative Messenger Service provides a communications network throughout the Empire State Plaza and neighboring state buildings for Senate and Assembly legislators and their staffs. The service employs and trains individuals with disabilities as office personnel and messengers, and is located in the Legislative Office Building.

### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$688,524 for FY 2004-05 represents no change from the amount appropriated for FY 2003-04.

### ***LEGISLATIVE BILL DRAFTING COMMISSION***

The Legislative Bill Drafting Commission is composed of two commissioners jointly appointed by the Temporary President of the Senate and the Speaker of the Assembly. The Commission is mandated to draft or aid in the drafting of legislative bills and resolutions at the request of members or committees of either house of the Legislature. The Commission, upon research and examination, may advise as to the constitutionality, consistency or effect

of proposed legislation upon request of a member or committee of either house of the Legislature. The Commissioners direct a legal staff of attorneys and are supported by a data processing and technical staff.

The Commission also maintains and operates centralized data processing systems, programs and equipment for the operation of a bill status and statutory and other miscellaneous information retrieval system for the Legislature, including the creation of a databank containing the official statutes of the state and the text of the rules and regulations of state agencies as filed with the Secretary of State. The Commission's budget is used to pay for the cost of the Legislature's printing contract for the printing of bills, session laws, the classification of appropriations book (Black Book), Senate and Assembly Journals, and other miscellaneous legislative documents, and the printing, publication and distribution of the Legislative Digest.

The Commission receives revenues from the private sale of subscriptions to the Legislative Digest and to the Legislative Retrieval Service (LRS), which are deposited in a Special Revenue Fund known as the Legislative Computer Services Fund. These revenues are used to offset the costs of operating the Commission's data processing systems.

### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$11,657,549 for fiscal year 2004-05 for the Legislative Bill Drafting Commission represents no change from the amount appropriated for FY 2003-04.

An appropriation of \$1,500,000 for FY 2004-05 is recommended for the Legislative Computer Services Fund. This recommended appropriation represents no change from the amount appropriated for FY 2003-04. No tax revenues are required for this Fund.

### ***LEGISLATIVE TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT***

The Task Force on Demographic Research and Reapportionment was established by Chapter 45 of the laws of 1978 to research and study the techniques and methodologies used by the U.S. Commerce Departments' Bureau of the Census in carrying out the decennial federal census. The Task Force aids the Legislature by providing technical plans for meeting the requirements of legislative timetables for the reapportionment of Senate, Assembly and Congressional districts. Using its Geographic Information System database, it also conducts research projects relating to the collection and use of census data and other statistical information.

The Task Force is also authorized to receive revenues from the sale of computer-generated data and services for deposit in the Special Revenue Fund known as the Legislative Computer Services Fund. These funds may be used to offset the Task Force's cost of operating its data processing systems.

### ***BUDGET HIGHLIGHTS***

The total recommended appropriation of \$1,668,166 for fiscal year 2004-05 for the Legislative Task Force on Demographic Research and Reapportionment represents no change from the amount available for FY 2003-04.

## ***LEGISLATURE***

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### ***NATIONAL CONFERENCE OF STATE LEGISLATURES DUES***

The National Conference of State Legislatures (NCSL) is a bi-partisan organization created to serve the legislators and staff of each State Legislature. NCSL provides research, technical assistance and the opportunity for policy makers to exchange ideas on the most pressing state issues.

New York's involvement with the NCSL is through the Assembly on the Legislature (AOL) and State-Federal Assembly (SFA). The AOL promotes the exchange of ideas and information on state issues among state legislatures. SFA informs legislators of developments in state-federal relations, identifies issues of critical concern and serves as a forum for discussion among its 50-state membership. All state legislators and their staff members are eligible to participate in the Conference and are entitled to the full use of its services.

NCSL is supported from dues assessed to each State Legislature, on the basis of state population totals.

### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$293,755 for fiscal year 2004-05 for the National Conference of State Legislatures dues represents no change from amount appropriated for FY 2003-04.

**ALL FUNDS REQUIREMENTS FOR THE LEGISLATURE**

<b>Fund/Entity/Major Purpose</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Lt. Governor	\$277,409	\$277,409	\$0
Senate	79,636,489	79,636,489	0
Assembly	94,646,577	94,646,577	0
Senate Finance Committee	5,232,611	5,232,611	0
Assembly Ways and Means Committee	5,232,611	5,232,611	0
Joint Entities:			
Legislative Ethics Commission	358,900	358,900	0
National Conference of State Legislatures Dues	293,755	293,755	0
Legislative Health Service	178,838	178,838	0
Legislative Library	663,375	663,375	0
Legislative Messenger Service	688,524	688,524	0
Legislative Bill Drafting Commission	11,657,549	11,657,549	0
Legislative Task Force on Demographic Research and Reapportionment	1,668,166	1,668,166	0
<b>Joint Entities Total</b>	<b>\$15,509,107</b>	<b>\$15,509,107</b>	<b>\$0</b>
<b>GENERAL FUND TOTAL</b>	<b>\$200,534,804</b>	<b>\$200,534,804</b>	<b>\$0</b>
Special Revenue Fund - Other:			
Legislative Computer Services Fund	\$1,500,000	\$1,500,000	\$0
Senate Recyclable Materials, Information Services and Conference Fund	50,000	50,000	0
Assembly Recyclable Materials, Information Services and Conference Fund	50,000	50,000	0
<b>SPECIAL REVENUE FUND TOTAL</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$0</b>
Grants and Bequests Fund:			
Restoration of Senate Chamber	250,000	250,000	0
Restoration of Assembly Chamber	250,000	250,000	0
<b>GRANTS AND BEQUESTS FUND TOTAL</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>

# LEGISLATURE

## SCHEDULE OF APPROPRIATIONS

Title of Appropriation	Appropriated for 2003-04	Requested for 2004-05	Change
<b>OFFICE OF THE LIEUTENANT GOVERNOR</b>			
Lieutenant Governor.....	\$151,500	\$151,500	\$0
<b>Administration</b>			
For personal service of employees and for temporary and expert services.....	\$111,000	\$111,000	\$0
<b>Maintenance and Operation</b>			
For services and expenses of maintenance and operation (including liabilities incurred prior to April 1, 2004) .....	\$14,909	\$14,909	\$0
Total—Office of Lieutenant Governor .....	\$277,409	\$277,409	\$0
<b>THE SENATE</b>			
<b>Personal Service</b>			
For payment of salaries to Members, 62, pursuant to section five of the Legislative Law.....	\$4,929,000	\$4,929,000	\$0
For payment of allowances to members designated by the temporary president, pursuant to the schedule of such allowances set forth in section 5-a of the legislative law .....	\$1,289,500	\$1,289,500	\$0
For personal service of employees and for temporary and expert services of majority leader and minority leader operations .....	\$9,193,807	\$9,193,807	\$0
For personal service of employees and for temporary and expert services of members' offices and of standing committees .....	\$27,906,841	\$27,906,841	\$0
For personal service of employees and for temporary and expert services for administrative support operations .....	\$13,625,611	\$13,625,611	\$0
For personal service of employees and for temporary and expert services for the senate student program office.....	\$465,266	\$465,266	\$0
For personal service of employees and for temporary and expert services for the senate select committee on interstate cooperation .....	\$77,601	\$77,601	\$0
For personal service of employees and for temporary and expert services for the senate special committee on the culture industry .....	\$77,601	\$77,601	\$0
For personal service of employees and for temporary and expert services for the senate select committee on the disabled .....	\$114,117	\$114,117	\$0
Total Personal Service .....	\$57,679,344	\$57,679,344	\$0
<b>Nonpersonal Service</b>			
For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2004)			
Non-employee services .....	\$300,000	\$300,000	\$0
Supplies and Materials .....	\$2,100,000	\$2,100,000	\$0
Travel.....	\$1,300,000	\$1,300,000	\$0
Rentals.....	\$1,400,000	\$1,400,000	\$0
Equipment maintenance and repairs .....	\$1,400,000	\$1,400,000	\$0
Office and space leases .....	\$3,400,000	\$3,400,000	\$0
Utilities .....	\$950,000	\$950,000	\$0
Postage and shipping .....	\$4,500,000	\$4,500,000	\$0
Printing.....	\$200,000	\$200,000	\$0

Title of Appropriation	Appropriated for 2003-04	Requested for 2004-05	Change
Telephone and telegraph.....	\$2,262,000	\$2,262,000	\$0
Miscellaneous contractual services.....	\$300,000	\$300,000	\$0
Equipment.....	\$2,900,000	\$2,900,000	\$0
Total Nonpersonal Service .....	\$21,012,000	\$21,012,000	\$0
<b>Maintenance Undistributed</b>			
For services and expenses, including travel outside the state.....	\$945,145	\$945,145	\$0
Grand Total—The Senate .....	<u>\$79,636,489</u>	<u>\$79,636,489</u>	<u>\$0</u>

**THE ASSEMBLY**

<b>Personal Service</b>			
Members, 150, payment of salaries pursuant to section five of the legislative law.....	\$11,925,000	\$11,925,000	\$0
For payment of allowances to members designated by the speaker .....	\$1,592,500	\$1,592,500	\$0
For personal service of employees and for temporary and expert services of members' offices and of standing committees and subcommittees .....	\$26,993,579	\$26,993,579	\$0
For personal service of employees and for temporary and expert services for administrative and program support operations.....	\$30,683,714	\$30,683,714	\$0
For the Assembly Intern and Youth Participation Program for personal service of employees and for temporary and expert services.....	\$777,976	\$777,976	\$0
Total Personal Service .....	<u>\$71,972,769</u>	<u>\$71,972,769</u>	<u>\$0</u>
<b>Nonpersonal Service</b>			
For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2004)			
Non-employee services .....	\$65,000	\$65,000	\$0
Supplies and Materials .....	\$2,300,000	\$2,300,000	\$0
Travel.....	\$2,550,000	\$2,550,000	\$0
Rentals.....	\$1,050,000	\$1,050,000	\$0
Equipment maintenance and repairs.....	\$1,200,000	\$1,200,000	\$0
Office and space leases .....	\$5,100,000	\$5,100,000	\$0
Utilities .....	\$700,000	\$700,000	\$0
Postage and shipping .....	\$4,200,000	\$4,200,000	\$0
Printing.....	\$113,000	\$113,000	\$0
Telephone and telegraph.....	\$2,300,000	\$2,300,000	\$0
Miscellaneous contractual services .....	\$550,000	\$550,000	\$0
Equipment.....	\$1,100,000	\$1,100,000	\$0
Total Nonpersonal Service .....	<u>\$21,228,000</u>	<u>\$21,228,000</u>	<u>\$0</u>
<b>Maintenance Undistributed</b>			
For services and expenses, including travel outside the state.....	\$1,445,808	\$1,445,808	\$0
Grand Total—The Assembly .....	<u>\$94,646,577</u>	<u>\$94,646,577</u>	<u>\$0</u>

# LEGISLATURE

Title of Appropriation	Appropriated for 2003-04	Requested for 2004-05	Change
<b>SENATE FINANCE COMMITTEE</b>			
For personal service, temporary and special services (including liabilities incurred prior to April 1, 2004) .....	\$5,232,611	\$5,232,611	\$0
<b>ASSEMBLY WAYS &amp; MEANS COMMITTEE</b>			
For personal service, temporary and special services (including liabilities incurred prior to April 1, 2004) .....	\$5,232,611	\$5,232,611	\$0
<b><u>SENATE AND ASSEMBLY JOINT ENTITIES</u></b>			
<b>LEGISLATIVE ETHICS COMMITTEE</b>			
For services and expenses of the legislative ethics committee pursuant to section 80 of the legislative law .....	\$358,900	\$358,900	\$0
<b>NATIONAL CONFERENCE OF STATE LEGISLATURES</b>			
For a contribution to the National Conference of State Legislatures .....	\$293,755	\$293,755	\$0
<b>LEGISLATIVE HEALTH SERVICE</b>			
For services and expenses for the operation of the legislative health service.....	\$178,838	\$178,838	\$0
<b>LEGISLATIVE LIBRARY</b>			
For services and expenses and for temporary and special services for the operation of the legislative library.....	\$663,375	\$663,375	\$0
<b>LEGISLATIVE MESSENGER SERVICE</b>			
For services and expenses for the operation of the legislative messenger service.....	\$688,524	\$688,524	\$0
<b>LEGISLATIVE BILL DRAFTING COMMISSION</b>			
For services and expenses, temporary and special services, and for expenses of maintenance and operation			
<b>Schedule</b>			
Personal Service-Regular & Temporary .....	\$7,806,500	\$7,806,500	\$0
Nonpersonal Service .....	\$3,814,018	\$3,814,018	\$0
Legislative Digest Contract Administration .....	\$253,642	\$253,642	\$0
Legislative Printing Contract Administration .....	\$733,389	\$733,389	\$0
Total.....	\$12,607,549	\$12,607,549	\$0
Less Transfer from Legislative Computer Services Fund.....	(\$950,000)	(\$950,000)	\$0
Total available .....	\$11,657,549	\$11,657,549	\$0
<b>LEG. TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT</b>			
<b>Maintenance Undistributed</b>			
For services and expenses (including liabilities incurred prior to April 1, 2004) of the task force for senate purposes ....	\$321,583	\$321,583	\$0
For services and expenses (including liabilities incurred prior to April 1, 2004) of the task force for assembly pur- poses .....	\$321,583	\$321,583	\$0
For services and expenses (including liabilities incurred prior to April 1, 2004) of the task force for joint operations .....	\$1,025,000	\$1,025,000	\$0
Amount available .....	\$1,668,166	\$1,668,166	\$0
Grand Total—Senate and Assembly Joint Entities.....	\$15,509,107	\$15,509,107	\$0



# LEGISLATURE

Title of Appropriation	Appropriated for 2003-04	Requested for 2004-05	Change
<b>SPECIAL REVENUE FUND - OTHER LEGISLATIVE COMPUTER SERVICES FUND</b>			
For services and expenses of the legislative computer services fund.....	\$1,500,000	\$1,500,000	\$0
<b>SENATE RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND</b>			
For services and expenses of the senate recyclable materials, information services and conference fund .....	\$50,000	\$50,000	\$0
<b>ASSEMBLY RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND</b>			
For services and expenses of the assembly recyclable materials, information services and conference fund .....	\$50,000	\$50,000	\$0
<b>GRANTS AND BEQUESTS FUND LEGISLATURE</b>			
<b>THE SENATE</b>			
<b>Maintenance Undistributed</b>			
For services and expenses relative to restoration of the Senate Chamber and other purposes as funded by non-state grants .....	\$250,000	\$250,000	\$0
<b>THE ASSEMBLY</b>			
<b>Maintenance Undistributed</b>			
For services and expenses relative to restoration of the Assembly Chamber and other purposes as funded by non-state grants.....	\$250,000	\$250,000	\$0



# ***PART IV***

## ***SUMMARY OF APPROPRIATIONS***



# SUMMARY OF APPROPRIATIONS

ALL FUNDS  
RECOMMENDED 2004-05  
COMPARED TO 2003-04 AVAILABLE  
(dollars)

	Available 2003-04	State Operations Recommended 2004-05	Aid to Localities Recommended 2004-05	Capital Projects Recommended 2004-05	Total Recommended 2004-05	Change From 2003-04
Adirondack Park Agency	5,127,000	4,177,000	50,000	0	4,227,000	(900,000)
Advocate for Persons with Disabilities, Office of	1,593,000	4,275,000	0	0	4,275,000	2,682,000
Aging, Office for the	183,653,945	12,841,000	170,974,300	0	183,815,300	161,355
Agriculture and Markets, Department of	143,032,000	109,214,000	32,162,000	3,000,000	144,376,000	1,344,000
Alcoholic Beverage Control, Division of	13,297,500	13,502,000	0	0	13,502,000	204,500
Arts, Council on the	46,239,700	20,755,000	37,850,000	0	58,605,000	12,365,300
Audit and Control, Department of	235,246,000	208,934,000	39,424,000	0	248,358,000	13,112,000
Banking Department	73,288,000	80,247,000	0	0	80,247,000	6,959,000
Budget, Division of the	57,670,000	56,020,000	0	0	56,020,000	(1,650,000)
Capital Defender Office	13,095,000	12,650,000	0	0	12,650,000	(445,000)
Children and Family Services Office of	3,698,720,100	409,158,500	3,191,231,000	20,025,000	3,620,414,500	(78,305,600)
City University of New York	2,102,576,000	1,365,899,000	744,397,000	1,115,000,000	3,225,296,000	1,122,720,000
Civil Service, Department of	58,816,000	57,853,000	0	0	57,853,000	(963,000)
Consumer Protection Board, State	4,998,000	3,408,000	0	0	3,408,000	(1,590,000)
Correction, Commission of	2,529,000	2,433,000	0	0	2,433,000	(96,000)
Correctional Services, Department of	2,266,495,000	2,064,859,000	11,400,000	205,000,000	2,281,259,000	14,764,000
Criminal Justice Services, Division of	533,273,000	312,268,000	270,217,000	0	582,485,000	49,212,000
Developmental Disabilities Planning Council	4,550,000	4,560,000	0	0	4,560,000	10,000
Economic Development, Department of	39,281,900	35,099,900	8,077,000	0	43,176,900	3,895,000
Education Department, State	22,126,495,200	426,138,200	22,392,426,000	90,300,000	22,908,864,200	782,369,000
Elections, State Board of	3,455,000	23,770,000	160,000,000	0	183,770,000	180,315,000
Empire State Development Corporation	75,362,100	0	88,362,100	250,000,000	338,362,100	263,000,000
Employee Relations, Office of	5,628,000	5,680,000	0	0	5,680,000	52,000
Energy Research and Development Authority, New York State	28,023,000	14,656,000	0	11,467,000	26,123,000	(1,900,000)
Environmental Conservation, Department of	782,829,800	419,999,900	5,770,800	547,652,000	973,422,700	190,592,900
Environmental Facilities Corporation	10,024,000	9,942,000	0	292,000	10,234,000	210,000
Executive Chamber	14,171,000	13,466,000	0	0	13,466,000	(705,000)
General Services, Office of	416,215,600	309,448,000	0	43,450,000	352,898,000	(63,317,600)
Health, Department of	40,594,566,100	4,646,664,000	36,612,241,600	97,600,000	41,356,505,600	761,939,500
Higher Education Services Corporation, New York State	1,010,713,000	105,697,000	660,347,000	0	766,044,000	(244,669,000)
Housing and Community Renewal, Division of	316,743,500	88,020,000	147,654,000	74,200,000	309,874,000	(6,869,500)
Mortgage Agency, State of New York	248,809,000	76,800,000	212,694,000	0	289,494,000	40,685,000
Hudson River Park Trust	16,000,000	0	0	0	0	(16,000,000)
Human Rights, Division of	18,224,000	17,869,000	0	0	17,869,000	(355,000)
Inspector General, Office of the	5,910,000	5,885,000	0	0	5,885,000	(25,000)
Insurance Department	147,398,000	162,155,100	0	0	162,155,100	14,757,100
Interest on Lawyer Account	14,588,000	1,633,000	12,000,000	0	13,633,000	(955,000)
Investigation, Temporary State Commission of	3,181,000	3,050,000	0	0	3,050,000	(131,000)
Judicial Commissions	2,426,000	2,557,000	0	0	2,557,000	131,000
Labor, Department of	6,150,502,000	5,450,666,000	323,821,000	0	5,774,487,000	(376,015,000)
Law, Department of	188,427,000	197,291,000	0	0	197,291,000	8,864,000
Lieutenant Governor, Office of the	490,000	465,500	0	0	465,500	(24,500)
Lobbying, Temporary State Commission on	1,287,000	1,303,000	0	0	1,303,000	16,000
Lottery, Division of the	118,296,000	123,305,000	0	0	123,305,000	5,009,000
Mental Health, Office of	2,193,331,000	1,130,776,000	861,775,000	138,494,000	2,131,045,000	(62,286,000)
Mental Retardation and Developmental Disabilities, Office of	2,701,344,000	1,266,096,000	1,546,841,000	89,136,000	2,902,073,000	200,729,000
Alcoholism and Substance Abuse Services, Office of	507,737,000	76,582,000	397,951,000	36,904,000	511,437,000	3,700,000
Metropolitan Transportation Authority	536,100,000	0	540,100,000	0	540,100,000	4,000,000
Military and Naval Affairs, Division of	378,800,000	62,411,000	26,345,000	46,000,000	134,756,000	(244,044,000)
Motor Vehicles, Department of	238,626,000	92,332,800	13,400,000	138,184,000	243,916,800	5,290,800
Olympic Regional Development Authority	7,750,000	7,750,000	0	0	7,750,000	0
Parks, Recreation and Historic Preservation, Office of	226,242,300	164,896,000	15,190,000	38,950,000	219,036,000	(7,206,300)
Parole, Division of	189,286,000	144,942,000	42,598,000	0	187,540,000	(1,746,000)
Prevention of Domestic Violence, Office for Probation and Correctional Alternatives, Division of	2,153,000	1,888,000	0	0	1,888,000	(265,000)
Public Employment Relations Board	3,995,000	3,657,000	0	0	3,657,000	(338,000)
Public Security, Office of	11,916,000	14,876,000	0	0	14,876,000	2,960,000
Public Service Department	66,212,000	69,318,000	400,000	0	69,718,000	3,506,000
Quality of Care for the Mentally Disabled, Commission on	12,566,000	14,110,000	588,000	0	14,698,000	2,132,000
Racing and Wagering Board, State	19,512,000	21,717,000	0	0	21,717,000	2,205,000
Real Property Services, Office of	58,264,000	40,088,200	23,044,000	0	63,132,200	4,868,200
Regulatory Reform, Governor's Office of	3,115,000	3,365,000	0	0	3,365,000	250,000

# SUMMARY OF APPROPRIATIONS

**ALL FUNDS  
RECOMMENDED 2004-05  
COMPARED TO 2003-04 AVAILABLE  
(dollars)**

	Available 2003-04	State Operations Recommended 2004-05	Aid to Localities Recommended 2004-05	Capital Projects Recommended 2004-05	Total Recommended 2004-05	Change From 2003-04
Science, Technology and Academic Research, Office of	67,845,000	3,325,000	65,765,000	0	69,090,000	1,245,000
State, Department of	242,339,000	59,214,000	79,275,000	0	138,489,000	(103,850,000)
State Police, Division of	521,498,300	507,479,000	0	2,800,000	510,279,000	(11,219,300)
State University of New York	6,110,156,000	5,254,486,000	362,400,000	1,787,000,000	7,403,886,000	1,293,730,000
State University Construction Fund	11,003,000	12,225,000	0	0	12,225,000	1,222,000
Taxation and Finance, Department of	433,838,000	407,492,000	0	0	407,492,000	(26,346,000)
Tax Appeals, Division of	3,085,000	3,085,000	0	0	3,085,000	0
Temporary and Disability Assistance, Office of	4,782,870,000	441,175,000	4,313,906,900	30,000,000	4,785,081,900	2,211,900
Technology, Office for	279,368,000	254,700,000	0	0	254,700,000	(24,668,000)
Thruway Authority, New York State	2,000,000	0	0	4,000,000	4,000,000	2,000,000
Transportation, Department of	5,299,694,000	39,928,000	1,795,671,000	3,380,550,000	5,216,149,000	(83,545,000)
Veterans Affairs, Division of	13,124,000	7,547,000	5,775,000	0	13,322,000	198,000
Welfare Inspector General, Office of	1,083,000	1,083,000	0	0	1,083,000	0
Workers Compensation Board	167,507,000	170,257,000	0	0	170,257,000	2,750,000
Subtotal	<u>106,878,045,045</u>	<u>27,162,946,100</u>	<u>75,212,840,700</u>	<u>8,150,004,000</u>	<u>110,525,790,800</u>	<u>3,647,745,755</u>
Miscellaneous--All State Departments and Agencies						
All State Agencies - Community Projects	200,000,000	0	0	0	0	(200,000,000)
Automated Speed Enforcement	0	3,000,000	0	0	3,000,000	3,000,000
Deferred Compensation Board	737,000	737,000	0	0	737,000	0
General State Charges	2,279,158,900	2,610,816,000	0	0	2,610,816,000	331,657,100
Green Thumb	2,394,000	2,394,000	0	0	2,394,000	0
Greenway Heritage Conservancy for the Hudson River Valley	250,000	190,000	0	0	190,000	(60,000)
Health Insurance Contingency Reserve	430,022,000	410,184,000	0	0	410,184,000	(19,838,000)
Health Insurance Reserve Receipts Fund	192,400,000	192,400,000	0	0	192,400,000	0
Higher Education - Miscellaneous	717,400	723,000	0	0	723,000	5,600
Higher Education Facilities Capital Matching Grants Program	0	0	0	350,000,000	350,000,000	350,000,000
Homeland Security	325,618,000	131,943,000	125,000,000	5,000,000	261,943,000	(63,675,000)
Hudson River Valley Greenway Communities Council	575,000	371,000	204,000	0	575,000	0
Insurance and Securities Funds Reserve Guarantee	1,672,000,000	1,619,000,000	0	0	1,619,000,000	(53,000,000)
Labor Management Committees	2,460,700	21,750,000	0	0	21,750,000	19,289,300
Local Government Assistance	25,155,080,002	3,189,200	27,652,395,002	0	27,655,584,202	2,500,504,200
Miscellaneous Guarantee Appropriations	1,070,028,000	65,000,000	0	0	65,000,000	(1,005,028,000)
National and Community Service	30,332,000	30,332,000	0	0	30,332,000	0
Northeastern Queens Nature and Historical Preserve Commission	92,000	0	0	0	0	(92,000)
Petroleum Storage Tanks - COPs Repayment	1,301,000	0	0	0	0	(1,301,000)
Reserve for Federal Audit Disallowances	50,000,000	50,000,000	0	0	50,000,000	0
Statewide Wireless Network	8,818,000	22,282,000	0	0	22,282,000	13,464,000
Tribal State Compact Revenue	13,750,000	0	7,667,000	0	7,667,000	(6,083,000)
Workers Compensation Reserve	31,295,000	31,994,000	0	0	31,994,000	699,000
Subtotal	<u>31,467,029,002</u>	<u>5,196,305,200</u>	<u>27,785,266,002</u>	<u>355,000,000</u>	<u>33,336,571,202</u>	<u>1,869,542,200</u>
Judiciary	1,792,301,944	1,788,627,990	88,664,224	0	1,877,292,214	84,990,270
Legislature	202,634,774	202,634,774	0	0	202,634,774	0
Total	<u>140,340,010,765</u>	<u>34,350,514,064</u>	<u>103,086,770,926</u>	<u>8,505,004,000</u>	<u>145,942,288,990</u>	<u>5,602,278,225</u>
Debt Service	6,989,300,000	0	0	0	7,267,800,000	278,500,000
Grand Total	<u>147,329,310,765</u>	<u>34,350,514,064</u>	<u>103,086,770,926</u>	<u>8,505,004,000</u>	<u>153,210,088,990</u>	<u>5,880,778,225</u>
Special Emergency Appropriation	<u>50,000,000</u>				<u>50,000,000</u>	
Special Federal Emergency Appropriation	<u>1,000,000,000</u>				<u>1,000,000,000</u>	

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS RECAPITULATION OF 2004-05 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Enterprise	Internal Service	Fiduciary	Total
Adirondack Park Agency	4,177,000	0	0	0	0	0	4,177,000
Advocate for Persons with Disabilities, Office of	829,000	3,060,000	361,000	25,000	0	0	4,275,000
Aging, Office for the	2,241,000	10,250,000	250,000	100,000	0	0	12,841,000
Agriculture and Markets, Department of	25,410,000	24,932,000	37,070,000	20,105,000	0	1,697,000	109,214,000
Alcoholic Beverage Control, Division of	0	0	13,502,000	0	0	0	13,502,000
Arts, Council on the	7,055,000	800,000	12,900,000	0	0	0	20,755,000
Audit and Control, Department of	123,952,000	0	5,394,000	0	3,274,000	76,314,000	208,934,000
Banking Department	0	0	80,247,000	0	0	0	80,247,000
Budget, Division of the	35,120,000	0	19,350,000	0	1,550,000	0	56,020,000
Capital Defender Office	12,650,000	0	0	0	0	0	12,650,000
Children and Family Services Office of	199,167,500	76,760,000	132,631,000	500,000	100,000	0	409,158,500
City University of New York	0	0	153,700,000	0	0	1,212,199,000	1,365,899,000
Civil Service, Department of	23,212,000	0	1,400,000	0	33,241,000	0	57,853,000
Consumer Protection Board, State	368,000	0	3,040,000	0	0	0	3,408,000
Correction, Commission of	2,433,000	0	0	0	0	0	2,433,000
Correctional Services, Department of	1,875,292,000	36,610,000	16,000,000	65,426,000	71,531,000	0	2,064,859,000
Criminal Justice Services, Division of	43,861,000	256,900,000	11,507,000	0	0	0	312,268,000
Developmental Disabilities Planning Council	0	4,550,000	0	10,000	0	0	4,560,000
Economic Development, Department of	28,690,000	1,000,000	5,409,900	0	0	0	35,099,900
Education Department, State	35,520,600	255,929,500	113,855,100	0	20,833,000	0	426,138,200
Elections, State Board of	3,650,000	20,000,000	120,000	0	0	0	23,770,000
Employee Relations, Office of	3,321,000	0	479,000	0	1,880,000	0	5,680,000
Energy Research and Development Authority, New York State	0	0	14,656,000	0	0	0	14,656,000
Environmental Conservation, Department of	99,653,900	83,018,000	237,283,000	0	45,000	0	419,999,900
Environmental Facilities Corporation	0	0	9,942,000	0	0	0	9,942,000
Executive Chamber	13,366,000	0	100,000	0	0	0	13,466,000
General Services, Office of	121,707,000	7,600,000	16,027,000	1,172,000	162,692,000	250,000	309,448,000
Health, Department of	170,066,000	4,049,572,000	427,016,000	10,000	0	0	4,646,664,000
Higher Education Services Corporation, New York State	0	7,203,000	98,494,000	0	0	0	105,697,000
Housing and Community Renewal, Division of	27,977,000	8,700,000	51,343,000	0	0	0	88,020,000
Mortgage Agency, State of New York	76,800,000	0	0	0	0	0	76,800,000
Human Rights, Division of	13,054,000	4,700,000	115,000	0	0	0	17,869,000
Inspector General, Office of the	4,147,000	0	1,738,000	0	0	0	5,885,000
Insurance Department	0	0	162,155,100	0	0	0	162,155,100
Interest on Lawyer Account	0	0	1,633,000	0	0	0	1,633,000
Investigation, Temporary State Commission of	2,864,000	0	186,000	0	0	0	3,050,000
Judicial Commissions	2,557,000	0	0	0	0	0	2,557,000
Labor, Department of	3,401,000	520,303,000	126,962,000	4,800,000,000	0	0	5,450,666,000
Law, Department of	112,778,000	31,216,000	53,297,000	0	0	0	197,291,000
Lieutenant Governor, Office of the	465,500	0	0	0	0	0	465,500
Lobbying, Temporary State Commission on	1,003,000	0	300,000	0	0	0	1,303,000
Lottery, Division of the	0	0	123,305,000	0	0	0	123,305,000
Mental Hygiene, Department of	(200,000,000)	0	200,000,000	0	0	0	0
Mental Health, Office of	606,415,000	1,272,000	512,325,000	8,349,000	2,415,000	0	1,130,776,000
Mental Retardation and Developmental Disabilities, Office of	144,312,000	230,000	1,119,054,000	2,350,000	150,000	0	1,266,096,000
Alcoholism and Substance Abuse Services, Office of	46,783,000	6,367,000	23,432,000	0	0	0	76,582,000
Military and Naval Affairs, Division of	16,219,000	34,898,000	11,294,000	0	0	0	62,411,000
Motor Vehicles, Department of	4,700,300	13,000,000	69,632,500	0	5,000,000	0	92,332,800
Olympic Regional Development Authority	7,350,000	0	400,000	0	0	0	7,750,000
Parks, Recreation and Historic Preservation, Office of	94,043,100	3,717,000	64,635,900	2,500,000	0	0	164,896,000
Parole, Division of	143,617,000	500,000	825,000	0	0	0	144,942,000
Prevention of Domestic Violence, Office for	1,361,000	100,000	70,000	0	0	0	1,531,000
Probation and Correctional Alternatives, Division of	1,888,000	0	0	0	0	0	1,888,000
Public Employment Relations Board	3,400,000	0	257,000	0	0	0	3,657,000
Public Security, Office of	7,258,000	1,000,000	6,618,000	0	0	0	14,876,000
Public Service Department	0	1,611,000	67,707,000	0	0	0	69,318,000
Quality of Care for the Mentally Disabled, Commission on	2,810,000	8,259,000	3,021,000	20,000	0	0	14,110,000
Racing and Wagering Board, State	0	0	21,717,000	0	0	0	21,717,000
Real Property Services, Office of	2,570,000	0	37,518,200	0	0	0	40,088,200
Regulatory Reform, Governor's Office of	3,365,000	0	0	0	0	0	3,365,000

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS RECAPITULATION OF 2004-05 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Enterprise	Internal Service	Fiduciary	Total
Science, Technology and Academic Research, Office of	2,825,000	0	500,000	0	0	0	3,325,000
State, Department of	14,003,000	10,980,000	34,231,000	0	0	0	59,214,000
State Police, Division of	327,488,000	16,372,000	163,619,000	0	0	0	507,479,000
State University of New York	1,576,484,000	200,550,000	3,466,452,000	0	11,000,000	0	5,254,486,000
State University Construction Fund	0	0	12,225,000	0	0	0	12,225,000
Taxation and Finance, Department of	301,683,000	582,000	43,084,000	0	62,143,000	0	407,492,000
Tax Appeals, Division of	3,085,000	0	0	0	0	0	3,085,000
Temporary and Disability Assistance, Office of	51,656,000	238,762,000	149,557,000	0	1,200,000	0	441,175,000
Technology, Office for	22,700,000	0	0	0	232,000,000	0	254,700,000
Transportation, Department of	0	9,831,000	26,057,000	0	4,040,000	0	39,928,000
Veterans Affairs, Division of	5,265,000	2,282,000	0	0	0	0	7,547,000
Welfare Inspector General, Office of	713,000	0	370,000	0	0	0	1,083,000
Workers Compensation Board	0	0	170,257,000	0	0	0	170,257,000
Subtotal	<u>6,268,781,900</u>	<u>5,953,416,500</u>	<u>8,136,626,700</u>	<u>4,900,567,000</u>	<u>613,094,000</u>	<u>1,290,460,000</u>	<u>27,162,946,100</u>
Miscellaneous--All State Departments and Agencies							
Automated Speed Enforcement	0	0	3,000,000	0	0	0	3,000,000
Deferred Compensation Board	152,000	0	585,000	0	0	0	737,000
General State Charges	2,610,816,000	0	0	0	0	0	2,610,816,000
Green Thumb	2,394,000	0	0	0	0	0	2,394,000
Greenway Heritage Conservancy for the Hudson River Valley	190,000	0	0	0	0	0	190,000
Health Insurance Contingency Reserve	410,184,000	0	0	0	0	0	410,184,000
Health Insurance Reserve Receipts Fund	0	0	0	0	0	192,400,000	192,400,000
Higher Education - Miscellaneous	0	0	723,000	0	0	0	723,000
Homeland Security	0	0	3,000,000	0	0	0	3,000,000
Hudson River Valley Greenway Communities Council	371,000	0	0	0	0	0	371,000
Insurance and Securities Funds Reserve Guarantee	1,619,000,000	0	0	0	0	0	1,619,000,000
Labor Management Committees	21,500,000	0	250,000	0	0	0	21,750,000
Local Government Assistance	0	0	3,189,200	0	0	0	3,189,200
Miscellaneous Guarantee Appropriations	65,000,000	0	0	0	0	0	65,000,000
National and Community Service	332,000	30,000,000	0	0	0	0	30,332,000
Reserve for Federal Audit Disallowances	50,000,000	0	0	0	0	0	50,000,000
Statewide Wireless Network	0	0	22,282,000	0	0	0	22,282,000
Workers Compensation Reserve	31,994,000	0	0	0	0	0	31,994,000
Subtotal	<u>4,811,933,000</u>	<u>30,000,000</u>	<u>33,029,200</u>	<u>0</u>	<u>0</u>	<u>192,400,000</u>	<u>5,067,362,200</u>
Judiciary	1,684,122,565	10,500,000	94,005,425	0	0	0	1,788,627,990
Legislature	200,534,774	0	2,100,000	0	0	0	202,634,774
Subtotal	<u>1,884,657,339</u>	<u>10,500,000</u>	<u>96,105,425</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,991,262,764</u>
Total	<u><u>12,965,372,239</u></u>	<u><u>5,993,916,500</u></u>	<u><u>8,265,761,325</u></u>	<u><u>4,900,567,000</u></u>	<u><u>613,094,000</u></u>	<u><u>1,482,860,000</u></u>	<u><u>34,221,571,064</u></u>



# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS GENERAL FUND (dollars)

	Available 2003-04	Recommended 2004-05	Change
Adirondack Park Agency	4,177,000	4,177,000	0
Advocate for Persons with Disabilities, Office of	951,000	829,000	(122,000)
Aging, Office for the	2,291,000	2,241,000	(50,000)
Agriculture and Markets, Department of	26,993,000	25,410,000	(1,583,000)
Arts, Council on the	7,277,500	7,055,000	(222,500)
Audit and Control, Department of	123,952,000	123,952,000	0
Budget, Division of the	37,020,000	35,120,000	(1,900,000)
Capital Defender Office	13,095,000	12,650,000	(445,000)
Children and Family Services Office of	210,448,500	199,167,500	(11,281,000)
Civil Service, Department of	21,728,000	23,212,000	1,484,000
Consumer Protection Board, State	403,000	368,000	(35,000)
Correction, Commission of	2,529,000	2,433,000	(96,000)
Correctional Services, Department of	1,875,094,000	1,875,292,000	198,000
Criminal Justice Services, Division of	43,462,000	43,861,000	399,000
Economic Development, Department of	23,795,000	28,690,000	4,895,000
Education Department, State	43,820,600	35,520,600	(8,300,000)
Elections, State Board of	3,435,000	3,650,000	215,000
Employee Relations, Office of	3,290,000	3,321,000	31,000
Environmental Conservation, Department of	102,128,000	99,653,900	(2,474,100)
Executive Chamber	14,071,000	13,366,000	(705,000)
General Services, Office of	116,899,000	121,707,000	4,808,000
Health, Department of	165,891,600	170,066,000	4,174,400
Housing and Community Renewal, Division of	27,777,000	27,977,000	200,000
Mortgage Agency, State of New York	76,800,000	76,800,000	0
Human Rights, Division of	13,334,000	13,054,000	(280,000)
Inspector General, Office of the	4,300,000	4,147,000	(153,000)
Investigation, Temporary State Commission of	2,915,000	2,864,000	(51,000)
Judicial Commissions	2,426,000	2,557,000	131,000
Labor, Department of	5,100,000	3,401,000	(1,699,000)
Law, Department of	112,778,000	112,778,000	0
Lieutenant Governor, Office of the	490,000	465,500	(24,500)
Lobbying, Temporary State Commission on	987,000	1,003,000	16,000
Mental Hygiene, Department of	(300,000,000)	(200,000,000)	100,000,000
Mental Health, Office of	520,940,000	606,415,000	85,475,000
Mental Retardation and Developmental Disabilities, Office of	168,341,000	144,312,000	(24,029,000)
Alcoholism and Substance Abuse Services, Office of	48,670,000	46,783,000	(1,887,000)
Military and Naval Affairs, Division of	16,738,000	16,219,000	(519,000)
Motor Vehicles, Department of	0	4,700,300	4,700,300
Olympic Regional Development Authority	7,400,000	7,350,000	(50,000)
Parks, Recreation and Historic Preservation, Office of	93,603,100	94,043,100	440,000
Parole, Division of	145,234,000	143,617,000	(1,617,000)
Prevention of Domestic Violence, Office for	1,515,000	1,361,000	(154,000)
Probation and Correctional Alternatives, Division of	2,153,000	1,888,000	(265,000)
Public Employment Relations Board	3,738,000	3,400,000	(338,000)
Public Security, Office of	7,258,000	7,258,000	0
Quality of Care for the Mentally Disabled, Commission on	2,758,000	2,810,000	52,000
Real Property Services, Office of	10,000,000	2,570,000	(7,430,000)
Regulatory Reform, Governor's Office of	3,115,000	3,365,000	250,000
Science, Technology and Academic Research, Office of	2,825,000	2,825,000	0
State, Department of	14,307,000	14,003,000	(304,000)
State Police, Division of	359,628,700	327,488,000	(32,140,700)
State University of New York	1,501,080,000	1,576,484,000	75,404,000
Taxation and Finance, Department of	318,327,000	301,683,000	(16,644,000)
Tax Appeals, Division of	3,085,000	3,085,000	0
Temporary and Disability Assistance, Office of	45,956,500	51,656,000	5,699,500
Technology, Office for	32,968,000	22,700,000	(10,268,000)
Veterans Affairs, Division of	5,267,000	5,265,000	(2,000)
Welfare Inspector General, Office of	713,000	713,000	0
Subtotal	6,105,278,500	6,268,781,900	163,503,400
<b>Miscellaneous--All State Departments and Agencies</b>			
Deferred Compensation Board	152,000	152,000	0
General State Charges	2,279,158,900	2,610,816,000	331,657,100
Green Thumb	2,394,000	2,394,000	0
Greenway Heritage Conservancy for the Hudson River Valley	250,000	190,000	(60,000)
Health Insurance Contingency Reserve	430,022,000	410,184,000	(19,838,000)
Hudson River Valley Greenway Communities Council	371,000	371,000	0
Insurance and Securities Funds Reserve Guarantee	1,672,000,000	1,619,000,000	(53,000,000)
Labor Management Committees	2,085,700	21,500,000	19,414,300
Miscellaneous Guarantee Appropriations	1,070,028,000	65,000,000	(1,005,028,000)
National and Community Service	332,000	332,000	0
Northeastern Queens Nature and Historical Preserve Commission	92,000	0	(92,000)
Petroleum Storage Tanks - COPs Repayment	1,301,000	0	(1,301,000)

# **SUMMARY OF APPROPRIATIONS**

## **STATE OPERATIONS GENERAL FUND (dollars)**

	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Reserve for Federal Audit Disallowances	50,000,000	50,000,000	0
Workers Compensation Reserve	31,295,000	31,994,000	699,000
Subtotal	<u>5,539,481,600</u>	<u>4,811,933,000</u>	<u>(727,548,600)</u>
Judiciary	1,623,104,372	1,684,122,565	61,018,193
Legislature	200,534,774	200,534,774	0
Total	<u>13,468,399,246</u>	<u>12,965,372,239</u>	<u>(503,027,007)</u>
Adjustments			
Recommended Deficiencies	(54,500,000)		
Transfer To:			
Internal Service Funds	320,000		
Appropriated 2003-04	<u>13,414,219,246</u>		

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS SPECIAL REVENUE FUNDS - FEDERAL (dollars)

	Available 2003-04	Recommended 2004-05	Change
Adirondack Park Agency	900,000	0	(900,000)
Advocate for Persons with Disabilities, Office of	460,000	3,060,000	2,600,000
Aging, Office for the	10,250,000	10,250,000	0
Agriculture and Markets, Department of	22,432,000	24,932,000	2,500,000
Arts, Council on the	777,200	800,000	22,800
Banking Department	500,000	0	(500,000)
Children and Family Services Office of	75,330,000	76,760,000	1,430,000
Correctional Services, Department of	31,342,000	36,610,000	5,268,000
Criminal Justice Services, Division of	236,250,000	256,900,000	20,650,000
Developmental Disabilities Planning Council	4,550,000	4,550,000	0
Economic Development, Department of	1,000,000	1,000,000	0
Education Department, State	274,917,200	255,929,500	(18,987,700)
Elections, State Board of	0	20,000,000	20,000,000
Environmental Conservation, Department of	86,928,000	83,018,000	(3,910,000)
General Services, Office of	7,600,000	7,600,000	0
Health, Department of	3,961,720,000	4,049,572,000	87,852,000
Higher Education Services Corporation, New York State	6,340,000	7,203,000	863,000
Housing and Community Renewal, Division of	8,700,000	8,700,000	0
Human Rights, Division of	4,800,000	4,700,000	(100,000)
Labor, Department of	550,375,000	520,303,000	(30,072,000)
Law, Department of	30,625,000	31,216,000	591,000
Mental Health, Office of	1,272,000	1,272,000	0
Mental Retardation and Developmental Disabilities, Office of	80,000	230,000	150,000
Alcoholism and Substance Abuse Services, Office of	6,379,000	6,367,000	(12,000)
Military and Naval Affairs, Division of	34,269,000	34,898,000	629,000
Motor Vehicles, Department of	12,800,000	13,000,000	200,000
Parks, Recreation and Historic Preservation, Office of	3,717,000	3,717,000	0
Parole, Division of	500,000	500,000	0
Prevention of Domestic Violence, Office for	100,000	100,000	0
Public Security, Office of	0	1,000,000	1,000,000
Public Service Department	1,700,000	1,611,000	(89,000)
Quality of Care for the Mentally Disabled, Commission on	6,414,000	8,259,000	1,845,000
State, Department of	10,980,000	10,980,000	0
State Police, Division of	11,658,000	16,372,000	4,714,000
State University of New York	216,550,000	200,550,000	(16,000,000)
Taxation and Finance, Department of	582,000	582,000	0
Temporary and Disability Assistance, Office of	240,342,000	238,762,000	(1,580,000)
Transportation, Department of	9,609,000	9,831,000	222,000
Veterans Affairs, Division of	2,282,000	2,282,000	0
National and Community Service	30,000,000	30,000,000	0
Judiciary	6,500,000	10,500,000	4,000,000
Total	<u>5,911,530,400</u>	<u>5,993,916,500</u>	<u>82,386,100</u>
Adjustments			
Recommended Deficiencies		<u>(104,300,000)</u>	
Appropriated 2003-04		<u>5,807,230,400</u>	

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS SPECIAL REVENUE FUNDS - OTHER (dollars)

	Available 2003-04	Recommended 2004-05	Change
Advocate for Persons with Disabilities, Office of	157,000	361,000	204,000
Aging, Office for the	250,000	250,000	0
Agriculture and Markets, Department of	36,735,000	37,070,000	335,000
Alcoholic Beverage Control, Division of	13,297,500	13,502,000	204,500
Arts, Council on the	400,000	12,900,000	12,500,000
Audit and Control, Department of	5,010,000	5,394,000	384,000
Banking Department	72,788,000	80,247,000	7,459,000
Budget, Division of the	19,350,000	19,350,000	0
Children and Family Services Office of	133,806,500	132,631,000	(1,175,500)
City University of New York	188,700,000	153,700,000	(35,000,000)
Civil Service, Department of	1,800,000	1,400,000	(400,000)
Consumer Protection Board, State	4,595,000	3,040,000	(1,555,000)
Correctional Services, Department of	268,000	16,000,000	15,732,000
Criminal Justice Services, Division of	10,007,000	11,507,000	1,500,000
Economic Development, Department of	5,409,900	5,409,900	0
Education Department, State	114,552,600	113,855,100	(697,500)
Elections, State Board of	20,000	120,000	100,000
Employee Relations, Office of	479,000	479,000	0
Energy Research and Development Authority, New York State	14,656,000	14,656,000	0
Environmental Conservation, Department of	216,956,800	237,283,000	20,326,200
Environmental Facilities Corporation	9,732,000	9,942,000	210,000
Executive Chamber	100,000	100,000	0
General Services, Office of	14,792,000	16,027,000	1,235,000
Health, Department of	422,839,000	427,016,000	4,177,000
Higher Education Services Corporation, New York State	95,139,000	98,494,000	3,355,000
Housing and Community Renewal, Division of	49,001,000	51,343,000	2,342,000
Human Rights, Division of	90,000	115,000	25,000
Inspector General, Office of the	1,610,000	1,738,000	128,000
Insurance Department	147,398,000	162,155,100	14,757,100
Interest on Lawyer Account	1,588,000	1,633,000	45,000
Investigation, Temporary State Commission of	266,000	186,000	(80,000)
Labor, Department of	88,307,000	126,962,000	38,655,000
Law, Department of	45,024,000	53,297,000	8,273,000
Lobbying, Temporary State Commission on	300,000	300,000	0
Lottery, Division of the	118,296,000	123,305,000	5,009,000
Mental Hygiene, Department of	300,000,000	200,000,000	(100,000,000)
Mental Health, Office of	596,551,000	512,325,000	(84,226,000)
Mental Retardation and Developmental Disabilities, Office of	1,042,497,000	1,119,054,000	76,557,000
Alcoholism and Substance Abuse Services, Office of	21,476,000	23,432,000	1,956,000
Military and Naval Affairs, Division of	12,643,000	11,294,000	(1,349,000)
Motor Vehicles, Department of	85,838,000	69,632,500	(16,205,500)
Olympic Regional Development Authority	350,000	400,000	50,000
Parks, Recreation and Historic Preservation, Office of	63,925,200	64,635,900	710,700
Parole, Division of	825,000	825,000	0
Prevention of Domestic Violence, Office for	70,000	70,000	0
Public Employment Relations Board	257,000	257,000	0
Public Security, Office of	4,658,000	6,618,000	1,960,000
Public Service Department	64,112,000	67,707,000	3,595,000
Quality of Care for the Mentally Disabled, Commission on	2,861,000	3,021,000	160,000
Racing and Wagering Board, State	19,512,000	21,717,000	2,205,000
Real Property Services, Office of	26,424,000	37,518,200	11,094,200
Science, Technology and Academic Research, Office of	500,000	500,000	0
State, Department of	34,461,000	34,231,000	(230,000)
State Police, Division of	147,411,600	163,619,000	16,207,400
State University of New York	3,119,951,000	3,466,452,000	346,501,000
State University Construction Fund	11,003,000	12,225,000	1,222,000
Taxation and Finance, Department of	38,024,000	43,084,000	5,060,000
Temporary and Disability Assistance, Office of	149,471,000	149,557,000	86,000
Transportation, Department of	28,357,000	26,057,000	(2,300,000)
Welfare Inspector General, Office of	370,000	370,000	0
Workers Compensation Board	167,507,000	170,257,000	2,750,000
Automated Speed Enforcement	0	3,000,000	3,000,000
Deferred Compensation Board	585,000	585,000	0
Higher Education - Miscellaneous	717,400	723,000	5,600
Homeland Security	3,000,000	3,000,000	0
Labor Management Committees	375,000	250,000	(125,000)
Local Government Assistance	3,086,000	3,189,200	103,200
Statewide Wireless Network	8,818,000	22,282,000	13,464,000
Judiciary	75,101,823	94,005,425	18,903,602
Legislature	2,100,000	2,100,000	0
Total	7,866,558,323	8,265,761,325	399,203,002
Adjustments			
Recommended Deficiencies	(62,400,000)		
Transfer From:			
Internal Service Funds	(9,926,000)		
Appropriated 2003-04	7,794,232,323		

## SUMMARY OF APPROPRIATIONS

### STATE OPERATIONS FIDUCIARY FUNDS (dollars)

	Available 2003-04	Recommended 2004-05	Change
Agriculture and Markets, Department of	1,677,000	1,697,000	20,000
Audit and Control, Department of	73,963,000	76,314,000	2,351,000
City University of New York	1,125,684,000	1,212,199,000	86,515,000
General Services, Office of	250,000	250,000	0
Health Insurance Reserve Receipts Fund	192,400,000	192,400,000	0
Total	<u>1,393,974,000</u>	<u>1,482,860,000</u>	<u>88,886,000</u>
Appropriated 2003-04	<u>1,393,974,000</u>		

### STATE OPERATIONS INTERNAL SERVICE FUNDS (dollars)

	Available 2003-04	Recommended 2004-05	Change
Audit and Control, Department of	3,222,000	3,274,000	52,000
Budget, Division of the	1,300,000	1,550,000	250,000
Children and Family Services Office of	100,000	100,000	0
Civil Service, Department of	35,288,000	33,241,000	(2,047,000)
Correctional Services, Department of	77,633,000	71,531,000	(6,102,000)
Education Department, State	19,603,900	20,833,000	1,229,100
Employee Relations, Office of	1,859,000	1,880,000	21,000
Environmental Conservation, Department of	45,000	45,000	0
General Services, Office of	150,083,600	162,692,000	12,608,400
Mental Health, Office of	2,304,000	2,415,000	111,000
Mental Retardation and Developmental Disabilities, Office of	150,000	150,000	0
Motor Vehicles, Department of	4,000,000	5,000,000	1,000,000
State University of New York	9,000,000	11,000,000	2,000,000
Taxation and Finance, Department of	76,905,000	62,143,000	(14,762,000)
Temporary and Disability Assistance, Office of	1,000,000	1,200,000	200,000
Technology, Office for	246,400,000	232,000,000	(14,400,000)
Transportation, Department of	4,504,000	4,040,000	(464,000)
Total	<u>633,397,500</u>	<u>613,094,000</u>	<u>(20,303,500)</u>
Adjustments			
Transfer From:			
General Fund	(320,000)		
Transfer To:			
Special Revenue Funds - Other	9,926,000		
Appropriated 2003-04	<u>643,003,500</u>		

### STATE OPERATIONS ENTERPRISE FUNDS (dollars)

	Available 2003-04	Recommended 2004-05	Change
Advocate for Persons with Disabilities, Office of	25,000	25,000	0
Aging, Office for the	100,000	100,000	0
Agriculture and Markets, Department of	19,793,000	20,105,000	312,000
Children and Family Services Office of	500,000	500,000	0
Correctional Services, Department of	65,758,000	65,426,000	(332,000)
Developmental Disabilities Planning Council	0	10,000	10,000
General Services, Office of	1,091,000	1,172,000	81,000
Health, Department of	10,000	10,000	0
Labor, Department of	4,800,000,000	4,800,000,000	0
Mental Health, Office of	8,284,000	8,349,000	65,000
Mental Retardation and Developmental Disabilities, Office of	2,350,000	2,350,000	0
Parks, Recreation and Historic Preservation, Office of	2,500,000	2,500,000	0
Quality of Care for the Mentally Disabled, Commission on	20,000	20,000	0
Total	<u>4,900,431,000</u>	<u>4,900,567,000</u>	<u>136,000</u>
Appropriated 2003-04	<u>4,900,431,000</u>		

# SUMMARY OF APPROPRIATIONS

## AID TO LOCALITIES RECAPITULATION OF 2004-05 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Internal Service	Fiduciary	Total
Adirondack Park Agency	50,000	0	0	0	0	50,000
Aging, Office for the	63,874,300	106,100,000	1,000,000	0	0	170,974,300
Agriculture and Markets, Department of	12,162,000	20,000,000	0	0	0	32,162,000
Arts, Council on the	37,400,000	250,000	200,000	0	0	37,850,000
Audit and Control, Department of	39,424,000	0	0	0	0	39,424,000
Children and Family Services Office of	1,228,959,000	1,946,492,000	15,780,000	0	0	3,191,231,000
City University of New York	744,397,000	0	0	0	0	744,397,000
Correctional Services, Department of	11,400,000	0	0	0	0	11,400,000
Criminal Justice Services, Division of	113,705,000	96,821,000	59,691,000	0	0	270,217,000
Economic Development, Department of	8,077,000	0	0	0	0	8,077,000
Education Department, State	13,896,846,000	3,520,072,000	4,975,508,000	0	0	22,392,426,000
Elections, State Board of	0	160,000,000	0	0	0	160,000,000
Empire State Development Corporation	78,362,100	0	10,000,000	0	0	88,362,100
Environmental Conservation, Department of	5,770,800	0	0	0	0	5,770,800
Health, Department of	7,040,779,600	23,801,398,000	4,294,064,000	0	1,476,000,000	36,612,241,600
Higher Education Services Corporation, New York State	651,131,000	5,216,000	4,000,000	0	0	660,347,000
Housing and Community Renewal, Division of	45,204,000	92,450,000	10,000,000	0	0	147,654,000
Mortgage Agency, State of New York	212,694,000	0	0	0	0	212,694,000
Interest on Lawyer Account	0	0	12,000,000	0	0	12,000,000
Labor, Department of	0	323,391,000	430,000	0	0	323,821,000
Mental Health, Office of	746,111,000	41,129,000	74,535,000	0	0	861,775,000
Mental Retardation and Developmental Disabilities, Office of	709,146,000	0	837,695,000	0	0	1,546,841,000
Alcoholism and Substance Abuse Services, Office of	244,200,000	147,211,000	6,540,000	0	0	397,951,000
Metropolitan Transportation Authority	0	0	540,100,000	0	0	540,100,000
Military and Naval Affairs, Division of	0	23,495,000	2,850,000	0	0	26,345,000
Motor Vehicles, Department of	0	13,400,000	0	0	0	13,400,000
Parks, Recreation and Historic Preservation, Office of	2,800,000	6,640,000	5,750,000	0	0	15,190,000
Parole, Division of	35,348,000	0	0	7,250,000	0	42,598,000
Prevention of Domestic Violence, Office for	717,000	0	0	0	0	717,000
Public Service Department	0	0	400,000	0	0	400,000
Quality of Care for the Mentally Disabled, Commission on	170,000	0	418,000	0	0	588,000
Real Property Services, Office of	23,044,000	0	0	0	0	23,044,000
Science, Technology and Academic Research, Office of	59,265,000	6,500,000	0	0	0	65,765,000
State, Department of	1,000,000	63,700,000	14,575,000	0	0	79,275,000
State University of New York	362,400,000	0	0	0	0	362,400,000
Temporary and Disability Assistance, Office of	1,445,557,300	2,843,249,600	15,100,000	0	10,000,000	4,313,906,900
Transportation, Department of	111,616,000	35,414,000	1,648,641,000	0	0	1,795,671,000
Veterans Affairs, Division of	5,775,000	0	0	0	0	5,775,000
Subtotal	<u>27,937,385,100</u>	<u>33,252,928,600</u>	<u>12,529,277,000</u>	<u>7,250,000</u>	<u>1,486,000,000</u>	<u>75,212,840,700</u>
Miscellaneous--All State Departments and Agencies						
Homeland Security	0	125,000,000	0	0	0	125,000,000
Hudson River Valley Greenway Communities Council	204,000	0	0	0	0	204,000
Local Government Assistance	1,074,095,002	0	0	0	26,578,300,000	27,652,395,002
Tribal State Compact Revenue	0	0	7,667,000	0	0	7,667,000
Subtotal	<u>1,074,299,002</u>	<u>125,000,000</u>	<u>7,667,000</u>	<u>0</u>	<u>26,578,300,000</u>	<u>27,785,266,002</u>
Judiciary	500,000	0	88,164,224	0	0	88,664,224
Subtotal	<u>500,000</u>	<u>0</u>	<u>88,164,224</u>	<u>0</u>	<u>0</u>	<u>88,664,224</u>
Special Federal Emergency Appropriation	0	1,000,000,000	0	0	0	1,000,000,000
Total	<u>29,012,184,102</u>	<u>34,377,928,600</u>	<u>12,625,108,224</u>	<u>7,250,000</u>	<u>28,064,300,000</u>	<u>104,086,770,926</u>

# SUMMARY OF APPROPRIATIONS

## AID TO LOCALITIES GENERAL FUND (dollars)

	Available 2003-04	Recommended 2004-05	Change
Adirondack Park Agency	50,000	50,000	0
Aging, Office for the	64,662,945	63,874,300	(788,645)
Agriculture and Markets, Department of	12,802,000	12,162,000	(640,000)
Arts, Council on the	37,400,000	37,400,000	0
Audit and Control, Department of	29,099,000	39,424,000	10,325,000
Children and Family Services Office of	1,230,617,100	1,228,959,000	(1,658,100)
City University of New York	733,192,000	744,397,000	11,205,000
Correctional Services, Department of	11,400,000	11,400,000	0
Criminal Justice Services, Division of	122,189,000	113,705,000	(8,484,000)
Economic Development, Department of	9,077,000	8,077,000	(1,000,000)
Education Department, State	13,758,431,900	13,896,846,000	138,414,100
Empire State Development Corporation	75,362,100	78,362,100	3,000,000
Environmental Conservation, Department of	1,618,000	5,770,800	4,152,800
Health, Department of	6,736,928,500	7,040,779,600	303,851,100
Higher Education Services Corporation, New York State	900,018,000	651,131,000	(248,887,000)
Housing and Community Renewal, Division of	54,615,500	45,204,000	(9,411,500)
Mortgage Agency, State of New York	172,009,000	212,694,000	40,685,000
Mental Health, Office of	730,859,000	746,111,000	15,252,000
Mental Retardation and Developmental Disabilities, Office of	664,145,000	709,146,000	45,001,000
Alcoholism and Substance Abuse Services, Office of	244,793,000	244,200,000	(593,000)
Military and Naval Affairs, Division of	60,100,000	0	(60,100,000)
Parks, Recreation and Historic Preservation, Office of	7,152,000	2,800,000	(4,352,000)
Parole, Division of	37,477,000	35,348,000	(2,129,000)
Prevention of Domestic Violence, Office for	755,000	717,000	(38,000)
Quality of Care for the Mentally Disabled, Commission on	95,000	170,000	75,000
Real Property Services, Office of	21,840,000	23,044,000	1,204,000
Science, Technology and Academic Research, Office of	58,020,000	59,265,000	1,245,000
State, Department of	4,491,000	1,000,000	(3,491,000)
State University of New York	368,575,000	362,400,000	(6,175,000)
Temporary and Disability Assistance, Office of	1,388,098,900	1,445,557,300	57,458,400
Transportation, Department of	161,616,000	111,616,000	(50,000,000)
Veterans Affairs, Division of	5,575,000	5,775,000	200,000
Subtotal	<u>27,703,063,945</u>	<u>27,937,385,100</u>	<u>234,321,155</u>
<hr/>			
Miscellaneous--All State Departments and Agencies			
All State Agencies - Community Projects	200,000,000	0	(200,000,000)
Hudson River Valley Greenway Communities Council	204,000	204,000	0
Local Government Assistance	1,073,694,002	1,074,095,002	401,000
Subtotal	<u>1,273,898,002</u>	<u>1,074,299,002</u>	<u>(199,599,000)</u>
Judiciary	500,000	500,000	0
Total	<u>28,977,461,947</u>	<u>29,012,184,102</u>	<u>34,722,155</u>
Adjustments			
Prior Year Deficiencies	135,200,000		
Recommended Deficiencies	(55,058,000)		
Appropriated 2003-04	<u>29,057,603,947</u>		

# SUMMARY OF APPROPRIATIONS

## AID TO LOCALITIES SPECIAL REVENUE FUNDS - FEDERAL (dollars)

	Available 2003-04	Recommended 2004-05	Change
Aging, Office for the	105,100,000	106,100,000	1,000,000
Agriculture and Markets, Department of	20,000,000	20,000,000	0
Arts, Council on the	185,000	250,000	65,000
Children and Family Services Office of	2,012,108,000	1,946,492,000	(65,616,000)
Criminal Justice Services, Division of	83,674,000	96,821,000	13,147,000
Education Department, State	3,210,127,000	3,520,072,000	309,945,000
Elections, State Board of	0	160,000,000	160,000,000
Health, Department of	23,704,913,000	23,801,398,000	96,485,000
Higher Education Services Corporation, New York State	5,216,000	5,216,000	0
Housing and Community Renewal, Division of	92,450,000	92,450,000	0
Labor, Department of	706,290,000	323,391,000	(382,899,000)
Mental Health, Office of	40,129,000	41,129,000	1,000,000
Alcoholism and Substance Abuse Services, Office of	143,084,000	147,211,000	4,127,000
Military and Naval Affairs, Division of	211,600,000	23,495,000	(188,105,000)
Motor Vehicles, Department of	13,020,000	13,400,000	380,000
Parks, Recreation and Historic Preservation, Office of	9,640,000	6,640,000	(3,000,000)
Science, Technology and Academic Research, Office of	6,500,000	6,500,000	0
State, Department of	63,700,000	63,700,000	0
Temporary and Disability Assistance, Office of	2,898,126,600	2,843,249,600	(54,877,000)
Transportation, Department of	33,931,000	35,414,000	1,483,000
Homeland Security	182,940,000	125,000,000	(57,940,000)
Special Federal Emergency Appropriation	1,000,000,000	1,000,000,000	0
Total	<u>34,542,733,600</u>	<u>34,377,928,600</u>	<u>(164,805,000)</u>
Adjustments			
Recommended Deficiencies	(100,590,000)		
Appropriated 2003-04	<u>34,442,143,600</u>		

## AID TO LOCALITIES SPECIAL REVENUE FUNDS - OTHER (dollars)

	Available 2003-04	Recommended 2004-05	Change
Aging, Office for the	1,000,000	1,000,000	0
Arts, Council on the	200,000	200,000	0
Children and Family Services Office of	15,780,000	15,780,000	0
Criminal Justice Services, Division of	37,691,000	59,691,000	22,000,000
Education Department, State	4,701,292,000	4,975,508,000	274,216,000
Empire State Development Corporation	0	10,000,000	10,000,000
Health, Department of	4,295,664,000	4,294,064,000	(1,600,000)
Higher Education Services Corporation, New York State	4,000,000	4,000,000	0
Housing and Community Renewal, Division of	10,000,000	10,000,000	0
Interest on Lawyer Account	13,000,000	12,000,000	(1,000,000)
Labor, Department of	430,000	430,000	0
Mental Health, Office of	77,510,000	74,535,000	(2,975,000)
Mental Retardation and Developmental Disabilities, Office of	733,700,000	837,695,000	103,995,000
Alcoholism and Substance Abuse Services, Office of	6,500,000	6,540,000	40,000
Metropolitan Transportation Authority	536,100,000	540,100,000	4,000,000
Military and Naval Affairs, Division of	2,850,000	2,850,000	0
Parks, Recreation and Historic Preservation, Office of	2,400,000	5,750,000	3,350,000
Public Service Department	400,000	400,000	0
Quality of Care for the Mentally Disabled, Commission on	418,000	418,000	0
State, Department of	14,400,000	14,575,000	175,000
Temporary and Disability Assistance, Office of	19,875,000	15,100,000	(4,775,000)
Transportation, Department of	1,552,441,000	1,648,641,000	96,200,000
Tribal State Compact Revenue	13,750,000	7,667,000	(6,083,000)
Judiciary	87,095,749	88,164,224	1,068,475
Total	<u>12,126,496,749</u>	<u>12,625,108,224</u>	<u>498,611,475</u>
Adjustments			
Prior Year Deficiencies	34,000,000		
Recommended Deficiencies	(80,000,000)		
Appropriated 2003-04	<u>12,080,496,749</u>		



## SUMMARY OF APPROPRIATIONS

### AID TO LOCALITIES FIDUCIARY FUNDS (dollars)

	Available 2003-04	Recommended 2004-05	Change
Health, Department of	1,230,000,000	1,476,000,000	246,000,000
Temporary and Disability Assistance, Office of	10,000,000	10,000,000	0
Local Government Assistance	24,078,300,000	26,578,300,000	2,500,000,000
Total	25,318,300,000	28,064,300,000	2,746,000,000
Appropriated 2003-04	25,318,300,000		

### AID TO LOCALITIES INTERNAL SERVICE FUNDS (dollars)

	Available 2003-04	Recommended 2004-05	Change
Parole, Division of	5,250,000	7,250,000	2,000,000
Total	5,250,000	7,250,000	2,000,000
Appropriated 2003-04	5,250,000		

# **SUMMARY OF APPROPRIATIONS**

**CAPITAL PROJECTS APPROPRIATIONS  
ALL FUNDS  
APPROPRIATED 2003-04  
(dollars)**

	<b>Capital Projects Funds</b>	<b>Special Revenue Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Agriculture and Markets, Department of	2,600,000	0	0	2,600,000
Children and Family Services Office of	20,030,000	0	0	20,030,000
City University of New York	55,000,000	0	0	55,000,000
Correctional Services, Department of	205,000,000	0	0	205,000,000
Education Department, State	3,750,000	0	0	3,750,000
Energy Research and Development Authority, New York State	13,367,000	0	0	13,367,000
Environmental Conservation, Department of	375,154,000	0	0	375,154,000
Environmental Facilities Corporation	292,000	0	0	292,000
General Services, Office of	125,500,000	0	0	125,500,000
Health, Department of	76,600,000	0	0	76,600,000
Housing and Community Renewal, Division of	74,200,000	0	0	74,200,000
Hudson River Park Trust	16,000,000	0	0	16,000,000
Mental Health, Office of	215,482,000	0	0	215,482,000
Mental Retardation and Developmental Disabilities, Office of	90,081,000	0	0	90,081,000
Alcoholism and Substance Abuse Services, Office of	36,835,000	0	0	36,835,000
Military and Naval Affairs, Division of	40,600,000	0	0	40,600,000
Motor Vehicles, Department of	122,968,000	0	0	122,968,000
Parks, Recreation and Historic Preservation, Office of	38,305,000	0	5,000,000	43,305,000
State, Department of	100,000,000	0	0	100,000,000
State Police, Division of	2,800,000	0	0	2,800,000
State University of New York	895,000,000	0	0	895,000,000
Temporary and Disability Assistance, Office of	30,000,000	0	0	30,000,000
Thruway Authority, New York State	2,000,000	0	0	2,000,000
Transportation, Department of	3,399,809,000	59,427,000	50,000,000	3,509,236,000
Homeland Security	12,500,000	0	0	12,500,000
<b>Total</b>	<b>5,953,873,000</b>	<b>59,427,000</b>	<b>55,000,000</b>	<b>6,068,300,000</b>

## SUMMARY OF APPROPRIATIONS

**CAPITAL PROJECTS NEW APPROPRIATIONS AND REAPPROPRIATIONS  
ALL FUNDS  
RECOMMENDED 2004-05  
(dollars)**

	Total Recommended Appropriations 2004-05	Total Reappropriations 2004-05	Capital Projects Fund	Capital Projects Fund Advances	Federal Capital Projects Fund	All Other Fund Types (a)	Total Capital Projects 2004-05
Agriculture and Markets, Department of	3,000,000	2,400,000	0	0	0	5,400,000	5,400,000
Children and Family Services Office of	20,025,000	75,116,000	0	0	0	95,141,000	95,141,000
City University of New York	1,115,000,000	577,561,000	0	0	0	1,692,561,000	1,692,561,000
Correctional Services, Department of	205,000,000	756,491,000	0	0	0	961,491,000	961,491,000
Education Department, State	90,300,000	26,875,000	0	0	0	117,175,000	117,175,000
Empire State Development Corporation	250,000,000	490,050,000	0	0	0	740,050,000	740,050,000
Energy Research and Development Authority, New York State	11,467,000	0	0	0	0	11,467,000	11,467,000
Environmental Conservation, Department of	547,652,000	3,413,074,000	1,835,000	11,384,000	0	3,947,507,000	3,960,726,000
Environmental Facilities Corporation	292,000	7,500,000	0	0	0	7,792,000	7,792,000
General Services, Office of	43,450,000	282,969,000	0	0	0	326,419,000	326,419,000
Health, Department of	97,600,000	238,087,000	0	0	0	335,687,000	335,687,000
Housing and Community Renewal, Division of	74,200,000	368,743,000	0	0	0	442,943,000	442,943,000
Hudson River Park Trust	0	71,684,000	0	0	0	71,684,000	71,684,000
Mental Health, Office of	138,494,000	551,370,000	0	0	0	689,864,000	689,864,000
Mental Retardation and Developmental Disabilities, Office of	89,136,000	191,440,000	0	0	0	280,576,000	280,576,000
Alcoholism and Substance Abuse Services, Office of	36,904,000	127,156,000	0	0	0	164,060,000	164,060,000
Metropolitan Transportation Authority	0	36,000,000	0	0	0	36,000,000	36,000,000
Military and Naval Affairs, Division of	46,000,000	46,850,000	0	0	0	92,850,000	92,850,000
Motor Vehicles, Department of	138,184,000	0	0	0	0	138,184,000	138,184,000
Parks, Recreation and Historic Preservation, Office of	38,950,000	123,025,000	0	0	0	161,975,000	161,975,000
Science, Technology and Academic Research, Office of	0	36,611,000	0	0	0	36,611,000	36,611,000
State, Department of	0	100,000,000	0	0	0	100,000,000	100,000,000
State Police, Division of	2,800,000	5,608,000	0	0	0	8,408,000	8,408,000
State University of New York	1,787,000,000	2,366,779,000	0	0	0	4,153,779,000	4,153,779,000
Temporary and Disability Assistance, Office of	30,000,000	155,929,000	0	0	0	185,929,000	185,929,000
Thruway Authority, New York State	4,000,000	2,918,000	0	0	0	6,918,000	6,918,000
Transportation, Department of	3,380,550,000	9,589,197,000	418,936,000	0	0	12,550,811,000	12,969,747,000
Economic Development Capital	0	1,200,000,000	0	0	0	1,200,000,000	1,200,000,000
Economic Development and Natural Resource Preservation	0	750,000	0	0	0	750,000	750,000
Higher Education Facilities Capital Matching Grants Program	350,000,000	0	0	0	0	350,000,000	350,000,000
Homeland Security	5,000,000	27,000,000	0	0	0	32,000,000	32,000,000
Strategic Investment Program	0	225,000,000	0	0	0	225,000,000	225,000,000
World Trade Center	0	331,680,000	0	0	0	331,680,000	331,680,000
Judiciary	0	6,700,000	0	0	0	6,700,000	6,700,000
<b>Total</b>	<b>8,505,004,000</b>	<b>21,434,563,000</b>	<b>420,771,000</b>	<b>11,384,000</b>	<b>0</b>	<b>29,507,412,000</b>	<b>29,939,567,000</b>

(a) Includes Other Capital Projects Funds, Special Revenue Funds - Other, Fiduciary Funds, Enterprise Funds, and Bond Funds.

# SUMMARY OF APPROPRIATIONS

## CAPITAL PROJECTS NEW APPROPRIATIONS ALL FUNDS RECOMMENDED 2004-05 (dollars)

	Total Appropriated 2003-04	Capital Projects Funds	Special Revenue Funds	Fiduciary Funds	Total Recommended 2004-05	Change From 2003-04
Agriculture and Markets, Department of	2,600,000	3,000,000	0	0	3,000,000	400,000
Children and Family Services Office of	20,030,000	20,025,000	0	0	20,025,000	(5,000)
City University of New York	55,000,000	1,115,000,000	0	0	1,115,000,000	1,060,000,000
Correctional Services, Department of	205,000,000	205,000,000	0	0	205,000,000	0
Education Department, State	3,750,000	90,300,000	0	0	90,300,000	86,550,000
Empire State Development Corporation	0	250,000,000	0	0	250,000,000	250,000,000
Energy Research and Development Authority, New York State	13,367,000	11,467,000	0	0	11,467,000	(1,900,000)
Environmental Conservation, Department of	375,154,000	547,652,000	0	0	547,652,000	172,498,000
Environmental Facilities Corporation	292,000	292,000	0	0	292,000	0
General Services, Office of	125,500,000	43,450,000	0	0	43,450,000	(82,050,000)
Health, Department of	76,600,000	97,600,000	0	0	97,600,000	21,000,000
Housing and Community Renewal, Division of	74,200,000	74,200,000	0	0	74,200,000	0
Hudson River Park Trust	16,000,000	0	0	0	0	(16,000,000)
Mental Health, Office of	215,482,000	138,494,000	0	0	138,494,000	(76,988,000)
Mental Retardation and Developmental Disabilities, Office of	90,081,000	89,136,000	0	0	89,136,000	(945,000)
Alcoholism and Substance Abuse Services, Office of	36,835,000	36,904,000	0	0	36,904,000	69,000
Military and Naval Affairs, Division of	40,600,000	46,000,000	0	0	46,000,000	5,400,000
Motor Vehicles, Department of	122,968,000	138,184,000	0	0	138,184,000	15,216,000
Parks, Recreation and Historic Preservation, Office of	43,305,000	33,950,000	0	5,000,000	38,950,000	(4,355,000)
State, Department of	100,000,000	0	0	0	0	(100,000,000)
State Police, Division of	2,800,000	2,800,000	0	0	2,800,000	0
State University of New York	895,000,000	1,787,000,000	0	0	1,787,000,000	892,000,000
Temporary and Disability Assistance, Office of	30,000,000	30,000,000	0	0	30,000,000	0
Thruway Authority, New York State	2,000,000	4,000,000	0	0	4,000,000	2,000,000
Transportation, Department of	3,509,236,000	3,269,255,000	61,295,000	50,000,000	3,380,550,000	(128,686,000)
Higher Education Facilities Capital Matching Grants Program	0	350,000,000	0	0	350,000,000	350,000,000
Homeland Security	12,500,000	5,000,000	0	0	5,000,000	(7,500,000)
Total	<u>6,068,300,000</u>	<u>8,388,709,000</u>	<u>61,295,000</u>	<u>55,000,000</u>	<u>8,505,004,000</u>	<u>2,436,704,000</u>

# ***PART V***

## ***USER'S GUIDE***



# ***USER'S GUIDE***

The "User's Guide" provides an explanation of how to use the Executive Budget documents and where to find particular types of information. It also contains some short, nontechnical and "user-friendly" descriptions of State government and the budget process, a guide on how to read certain budget tables, and definitions of financial terms as included in these budget documents.

Government budget documents can be difficult to read. They contain many numbers and tend to involve technical terms and concepts. Even people with considerable government experience can be baffled by the numerous tables or find themselves uncertain about the meaning of specialized terms.

The User's Guide attempts to overcome this problem by providing simplified, nontechnical explanations and a description of how to use the budget documents. The User's Guide contains the following sections:

- The Executive Budget Documents
- The Structure of State Government
- The Budget Process
- Guide to the Tables
- Financial Terminology

## **THE EXECUTIVE BUDGET DOCUMENTS**

The 2004-05 Executive Budget is presented in three volumes. The first volume Executive Budget Overview includes the Budget Message, an overview that describes the fiscal and economic environment within which budget decisions were made, presents the major themes and initiatives contained in the budget, and provides a listing of the legislation necessary to implement the budget recommendations. This document also presents tables summarizing significant changes in agency spending.

This second volume Executive Budget – Agency Presentations (Appendix I) contains the more detailed agency budget presentations. These presentations generally follow a common format and provide information on the agencies' budgets, including operating, local aid and capital projects appropriations. This volume also contains presentations covering miscellaneous appropriations (including general state charges), State debt service and, as required by the Constitution, the requests of the Judiciary and the Legislature. Tables summarizing appropriations for all agencies can be found in Part IV immediately preceding this Guide.

A third volume Executive Budget – Financial Plan (Appendix II) includes the State's Financial Plan Overview, the Five-Year Capital Program and Financing Plan, the detailed Explanation of Receipt Estimates, and the economic, revenue and expenditure assumptions that form the basis of the Financial Plan.

A statutorily-required Tax Expenditure Report, also part of the Budget documents, is published separately shortly after formal submission of the Budget.

It should be noted that this User's Guide describes only the "official" budget publications. Other documents such as press releases and publicly released briefing materials may also be of help to those seeking to understand the budget. This information will be posted on the Division of the Budget's website as soon as it is available.



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## **THE STRUCTURE OF STATE GOVERNMENT**

The Executive Budget focuses on the programs and finances of State government. It should be kept in mind, however, that government in New York State also includes the governments of 62 counties (five of which are the five boroughs of New York City), 62 cities (including New York City), 932 towns and 554 villages. In addition, the State is divided into 702 school districts, including New York City.

Organizationally, the State follows the classic pattern of American government, with three independent branches. The legislative branch consists of a bicameral Legislature — a Senate of 62 members and an Assembly of 150 members. The judicial branch includes trial courts and appellate courts ranging from town and village courts to the State's highest court — the Court of Appeals. The Judiciary functions under a Unified Court System whose organization, administration and financing are prescribed by the State Constitution and the Unified Court Budget Act.

The executive branch of New York State government consists of 20 departments, the maximum number allowed under a constitutional ceiling. The limitation in the number of departments is traceable to the constitutional reforms of the mid-1920s which sought to make government more manageable by eliminating most of the independently elected executive officers and by inhibiting the creation of new departments. Although there have been several interim changes since the 1920s, in 1961 the maximum number of departments was set at 20, which at the present time are the following:

Agriculture and Markets	Health
Audit and Control	Insurance
Banking	Labor
Civil Service	Law
Correctional Services	Mental Hygiene
Economic Development	Motor Vehicles
Education	Public Service
Environmental Conservation	State
Executive	Taxation and Finance
Family Assistance	Transportation

To accommodate governmental functions added since the 1920s within the limits established by the Constitution, numerous agencies have been created within the Executive Department. At the time of the 1920s reorganization, this Department, headed by the Governor, consisted solely of such core functions as budgeting, central purchasing, State police, and military and naval affairs. However, over the years, as the State took on new responsibilities that did not fit logically into the framework of one of the other departments, the entities charged with providing those services became divisions or offices of the Executive Department.

New York grants its Governor a comparatively broad range of executive power. Only two officers, in addition to the Governor and Lieutenant Governor (who are elected on a joint ballot), are directly elected by the people of the State: the State Comptroller, who heads the Department of Audit and Control, and the Attorney General, who heads the Department of Law. With a handful of exceptions, the Governor appoints the heads of all other departments and agencies of the executive branch.

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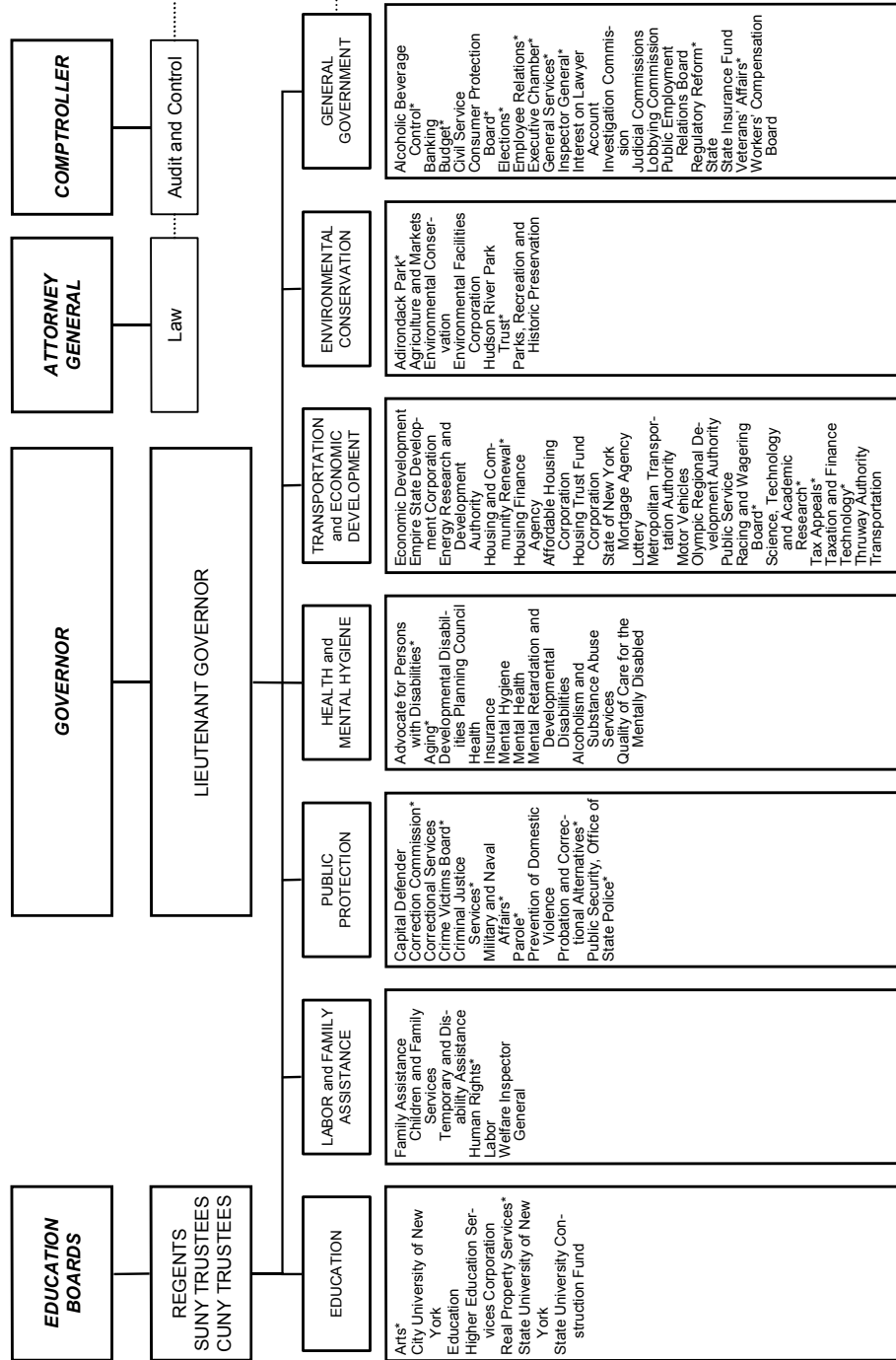
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The exceptions include the Commissioner of the State Education Department, whose head is appointed by, and serves at the pleasure of, the State Board of Regents. The State University of New York (SUNY) is headed by a Chancellor who is appointed by a Board of Trustees. Likewise, the City University of New York (CUNY) is headed by a Chancellor who is appointed by a Board of Trustees.

The departments and agencies whose heads report to the Governor are separate and distinct from one another. Conceptually, however, one may think of each department, board, commission, office or other entity as operating within the context of one of seven major functional areas.

An organization chart of the executive branch by functional areas is displayed on the following page. This chart depicts the current structure of the executive branch, and therefore does not reflect any reorganizations that are proposed in the Executive Budget. These are described elsewhere, particularly in the Agency Presentations section of this volume.

**FUNCTIONAL DISTRIBUTION OF STATE AGENCIES IN THE EXECUTIVE BRANCH**  
January 1, 2004



\* Indicates agencies within the Executive Department

# **THE BUDGET PROCESS**

New York State's budget process is a prime example of an executive budget system. The Governor is required by the State Constitution to seek and coordinate requests from agencies of State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative actions during the fiscal year.

The State's fiscal year begins April 1 and ends on March 31. However, the actual "budget cycle," representing the time between early budget preparation and last-minute disbursements, begins some nine months earlier and lasts approximately 27 months — until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

### **AGENCY BUDGET PREPARATION (JUNE–SEPTEMBER/OCTOBER)**

Preparation of budget requests varies among agencies reflecting their size, complexity and internal practice. Typically, budget development begins at the program or subdepartmental level, with staff preparing individual program requests. The head of the agency or its top fiscal officer may hold internal hearings at which program managers outline their budgetary needs.

Although agencies begin to analyze their budget needs as early as May or June, the formal budget cycle begins when the Budget Director issues a policy memorandum — the "call letter" — to agency heads. The call letter outlines, in general terms, the Governor's priorities for the coming year, alerts the agency heads to expected fiscal constraints and informs agencies of the schedule for submitting requests to the Division of the Budget. The call letter signals the official start of the budget process.

By early-mid fall, the final program package is assembled, guided by the instructions set forth by the Division of the Budget in the Budget Request Manual; reviewed for consistency with the call letter; and approved by the agency head.

### **DIVISION OF THE BUDGET REVIEW (SEPTEMBER/OCTOBER–DECEMBER)**

In accordance with a schedule outlined in the call letter, agencies typically submit their budget requests to the Division of the Budget in early-mid fall, with copies provided to the legislative fiscal committees. Examination units within the Division then analyze the requests of agencies for which they have responsibility. Examiners may seek additional information from the agencies and may hold informal hearings or meetings with agency management to clarify agency requests and seek a more precise definition of agency priorities. By the end of October, examination units have also usually determined funding requirements to continue agency programs at current levels in the new year.

In November, the Budget Director conducts a series of constitutionally authorized "formal" budget hearings, giving agency heads an opportunity to present and discuss their budget requests and giving the staff of the Division of the Budget and the Governor's office an opportunity to raise critical questions on program, policy and priorities. As provided in the Constitution, representatives of the Legislature may participate in the hearings.

Pursuant to the State Finance Law and to help expedite the budget process, legislative and Executive staffs meet by November 15 to discuss the economic outlook, revenue forecasts, projected spending, the impact of State and Federal statutes, and any other relevant issues. Through late November, the Division's examiners transform agency requests into preliminary budget and personnel recommendations which are reviewed in detail with the Director. The staff also prepare the appropriation bills and any other legislation required to carry out these recommendations. Concurrently, the Division of the Budget's fiscal planning staff is reassessing economic projections, investigating possible changes in

the revenue structure, analyzing trends in Federal funding, and preparing the Financial Plan that describes and forecasts the State's fiscal condition. The Financial Plan is prepared both on a cash basis and according to Generally Accepted Accounting Principles (GAAP).

By early December, the Division of the Budget will normally have completed its preliminary recommendations on both revenues and expenditures, and presented them to the Governor and the Governor's staff. Budget staff then prepare the tables and the narrative (the "budget story") that accompany each agency budget, and the descriptions and forecasts of individual revenue sources.

### ***THE GOVERNOR'S DECISIONS (NOVEMBER–JANUARY)***

The Governor and Executive Chamber staff, who are also preparing the annual Message to the Legislature (the "State of the State" message which the Governor presents to the Legislature when it convenes in January), are conversant with the budget throughout its development. The Governor is kept up-to-date on changing economic and revenue forecasts and confirms that Executive program priorities are accurately reflected in the budget. Based on the preliminary recommendations and the most current reading of the economic and fiscal environment, the final Executive Budget recommendations are formulated in a series of meetings between Division of the Budget staff and the Governor and his staff. These sessions focus on major fiscal and policy issues and may lead to significant revisions in agency budgets.

### ***LEGISLATIVE ACTION (JANUARY–MARCH)***

Typically by mid-January or earlier — or, following a gubernatorial election year, by February 1 — the Governor submits the Executive Budget to the Legislature, along with the related appropriation, revenue and other budget bills. The State's Financial Plan and Five-Year Capital Program and Financing Plan are also submitted with the Executive Budget. Within 10 days, the Division of the Budget provides the Legislature with additional financial information supporting the Executive Budget. A three-year financial projection is submitted within 30 days following submission of the Executive Budget, although it can be submitted earlier and has accompanied the Executive Budget the last several years. The Executive Budget documents are available on the Division of the Budget's web site: <http://www.budget.state.ny.us/>.

The Legislature, primarily through its fiscal committees — Senate Finance and Assembly Ways and Means — analyzes the Executive spending proposals and revenue estimates, holds public hearings on major programs and seeks further information from the staffs of the Division of the Budget and other State agencies. Following that review, the Legislature acts on the appropriation bills submitted with the Executive Budget to reflect its decisions.

At times the Legislature has opted to use a Conference Committee process to organize its deliberations, set priorities and reach agreement on a Budget between the two houses. In addition, the State Finance Law requires that the Executive and Legislature convene a consensus economic and revenue forecasting conference and issue a consensus report on tax, lottery and miscellaneous receipts on or prior to March 10.

Regardless of the specific process, the two houses ultimately agree on spending and revenue recommendations which are reflected in amended versions of the Governor's proposed appropriation bills and related legislation, and then approved by both houses. These amended bills are available from the Senate and Assembly Document Rooms located in the Capitol and the Legislative Office Building, and on the Internet.

The appropriation bills, except for those items which were added by the Legislature and the appropriations for the Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary, and may use the line item veto to disapprove items added by the Legislature while approving the remainder of the bill. As provided in the

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Constitution, the Legislature may override the Governor's veto by a vote of two-thirds of the members of each house. The passage of the appropriation bills provides a legal foundation for the disbursement of funds during the new fiscal year.

Upon passage of the appropriation bills, the Legislature must issue a summary of changes to the budget, and indicate how projected disbursements will be balanced by projected receipts. The Legislature must also issue a report describing appropriation changes and the effect of the enacted budget on State agency employment levels.

### ***BUDGET EXECUTION (APRIL–MARCH)***

At this point the budget process enters a new phase: budget execution. As a first step, the Division of the Budget approves "certificates of allocation" informing the State Comptroller that accounts may be established as specified in the certificates and that vouchers drawn against the accounts may be honored.

In addition, the Division of the Budget keeps a close watch throughout the year on the flow of revenue and the pattern of expenditures against its projections. This information is reflected in quarterly updates of the Financial Plan which are provided to the Legislature as required by law in April (or as soon as practicable after budget enactment), July, October and with the Executive Budget for the ensuing year (usually January). The Debt Reform Act of 2000 requires the Governor to report on the State's compliance with statutory caps placed on new debt issued after March 31, 2000; the State annually reports these findings in the Financial Plan Update proximate to October 31. These updates serve as the basis of financial management during the fiscal year, and may alert both the Governor and the Legislature to potential problems in maintaining budget balance as the State fiscal year unfolds.

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## **A GUIDE TO THE TABLES**

One of the most daunting features of any budget document is the array of tables that accompanies each narrative. What does each table include? What is a “category”? Is it the same as a “program”? What are “all funds”? How do the tables account for transactions that have occurred during the current fiscal year and that may have changed the basis for year-to-year comparisons?

At first glance, the tables may appear to differ widely in appearance and content from one agency budget to another. Some agencies will have a limited number of programs, receive funding in only one category of appropriation — say, State Operations — and have no capital construction projects. Others may receive funding in all categories and many fund types, have a complex set of programs, and reflect numerous current-year adjustments. A closer look will reveal that the agency presentations use a uniform set of tables in an identical sequence. It should be noted, however, that some agencies may not require one or more of the set. For example, the capital projects table will not be included for an agency that has no construction program.

All or most of the following tables accompany each agency presentation. Although the titles of the tables are identical to those that appear in the agency presentations, the tables in the presentations are not numbered. The numbers of the tables (e.g., I, II,...X) have been included in this guide for ease of reference only.

- I. ALL FUNDS — APPROPRIATIONS**
- II. ALL FUND TYPES — PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM — FILLED ANNUAL SALARIED POSITIONS**
- III. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS**
- IV. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**
- V. STATE OPERATIONS - GENERAL FUND — SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES — 2004-05 RECOMMENDED**
- VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES — 2004-05 RECOMMENDED**
- VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2004-05 RECOMMENDED**
- VIII. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS**
- IX. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**
- X. CAPITAL PROJECTS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**

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## I. ALL FUNDS — APPROPRIATIONS

This table shows, by category, the total recommended appropriations for the next fiscal year and the appropriations available for the current fiscal year for all funds. It also shows the total of current year and prior year appropriations which have been recommended for reappropriation for all funds.

ALL FUNDS <sup>1</sup> APPROPRIATIONS (dollars)				
<sup>2</sup> Category	<sup>3</sup> Available 2003-04	<sup>4</sup> Appropriations Recommended 2004-05	<sup>5</sup> Change	<sup>6</sup> Reappropriations Recommended 2004-05
State Operations	56,951,450	58,533,100	1,581,650	9,744,500
Aid To Localities	7,405,000	7,150,000	(255,000)	207,285,000
Capital Projects	9,725,000	9,725,000	0	16,230,000
Total	74,081,450	75,408,100	1,326,650	233,259,500

- <sup>1</sup> "All Funds" captures spending from all of the State's various revenue sources, including taxes, fees, fines, Federal grants, bond proceeds, lottery proceeds, and other miscellaneous receipts. This concept includes the four fund types which comprise the Governmental Funds Financial Plan: the General Fund (the repository for the majority of State-imposed taxes and fees), Special Revenue funds (including funds earmarked for specific purposes like lottery proceeds, fishing licenses, or Federal grants), Capital Projects funds and Debt Service\* funds. Another three fund types — Internal Service funds, Enterprise funds and Fiduciary funds — are included as well.
- <sup>2</sup> There are four major categories of spending: State Operations, Aid to Localities, Capital Projects and Debt Service.
- <sup>3</sup> This column displays the appropriations available for the current fiscal year. Adjustments, such as the recommended transfer of a program or an item to another fund or agency for the next fiscal year, are included to provide for year-to-year comparability.
- <sup>4</sup> This column displays the appropriations recommended for the next fiscal year. As explained in the "Financial Terminology" section of this Guide, appropriations represent an authorization to incur spending obligations during the fiscal year, up to the specified amount. Cash payments for those obligations may occur during the fiscal year of the appropriation, or during the first part of the ensuing fiscal year.
- <sup>5</sup> This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- <sup>6</sup> A reappropriation is a prior-year or current-year appropriation which will not be fully spent by the end of the current fiscal year and which has been recommended for extension.

\* While funds typed as Debt Service may be included, any appropriations made specifically in the Debt Service category of spending are not incorporated into this table. For more information about State Debt Service, please refer to Part II.



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

The Projected Levels of Employment by Program table for filled, annual salaried positions is presented on a Full-Time Equivalent (FTE) basis. The table provides a point-in-time projection of filled, full-time, annual salaried positions.

In understanding the definition of FTE, it is important to note that the FTE is a unit of measure which identifies filled, full-time, annual salaried positions rather than people. The following three examples illustrate this concept:

- 1 person serving in 1 position at 100 percent time (full-time) = **1 FTE**
- 2 people sharing 1 position, each at 50 percent time (half-time) = .5 FTE + .5 FTE = **1 FTE**
- 2 people serving in 2 positions, each at 50 percent time (half-time) = .5 FTE + .5 FTE = **1 FTE**

In total, the above three examples indicate that 5 people are employed within State service, but since 4 people work half-time, only 3 FTE's are counted.

FTE's supported by funds derived from some external source (i.e., suballocations) are included within agency program fund type totals.

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

<b>[1] Program</b>	<b>Full-Time Equivalent Positions (FTE)</b>		<b>[4] FTE Change</b>
	<b>[2] 2003-04 Estimated FTEs 03/31/04</b>	<b>[3] 2004-05 Estimated FTEs 03/31/05</b>	
	Administration		
General Fund	62	62	0
Emergency Management			
General Fund	19	19	0
Special Revenue Funds - Federal	63	63	0
Special Revenue Funds - Other	23	22	(1)
Military Readiness			
General Fund	178	169	(9)
Special Revenue Funds - Federal	255	255	0
Special Service			
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	10	11	1
Total	653	644	(9)

- [1] Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program that contains FTE's may have appropriations from one or more fund types.
- [2] This column displays an estimate of FTE's on March 31, 2004 (i.e., the last day of the current fiscal year).
- [3] This column displays an estimate of FTE's on March 31, 2005 (i.e., the last day of the next fiscal year).
- [4] This column displays the difference between the FTE's in the current fiscal year and FTE's recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next five tables apply to the State Operations category. Each agency which has appropriations in this category will have some or all of these tables in its presentation.

### III. STATE OPERATIONS — ALL FUNDS REQUIREMENTS BY FUND TYPE — APPROPRIATIONS

This table shows the distribution of all appropriations within the State Operations category by fund type and shows a year-to-year comparison of the amounts available in the current fiscal year and those recommended for the next fiscal year. See the next table for a distribution by program.

#### STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

[1] Fund Type	[2] Available 2003-04	[3] Recommended 2004-05	[4] Change
General Fund	13,488,050	14,429,400	941,350
Special Revenue Funds - Federal [5]	31,515,000	32,812,300	1,297,300
Special Revenue Funds - Other	11,396,400	10,719,400	(677,000)
Fiduciary Funds	552,000	572,000	20,000
Total	56,951,450	58,533,100	1,581,650
Adjustments: [6]			
Transfer(s) From			
Special Pay Bill			
General Fund	(1,219,000)		
Special Revenue Funds - Federal	(1,308,000)		
Special Revenue Funds - Other	(202,000)		
Appropriated 2003-04	54,222,450		

[1] The State Finance Law defines and mandates the use of seven fund types. Of these, the fund types typically found in the State Operations category are General, Special Revenue, Enterprise, Internal Service and Fiduciary.

[2] This column displays the appropriations available for the current fiscal year.

[3] This column displays the appropriations recommended for the next fiscal year.

[4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

[5] Because of the difference between the State's fiscal year (April 1 through March 31) and the Federal fiscal year (October 1 through September 30), appropriations of most Federal grants generally include spending from portions of two Federal fiscal years. The amounts discussed throughout the Executive Budget represent the totals of spending from different grants that are expected to occur during the State fiscal year.

[6] Adjustments in the amounts available for the current year may occur for a number of reasons. As discussed below, they may anticipate changes that are being recommended in the budget for the new fiscal year or reflect transactions occurring during the course of the current year:

- Most commonly, the adjustment is included to make the amounts available in the current fiscal year more comparable to those recommended for the next fiscal year. For example, if the Executive Budget is recommending that an item which has been appropriated in the current year's budget as a State Operations item be included as an Aid to Localities item in the next fiscal year, the dollar amount of the item would be

- deducted from the amount available in the current year for State Operations to achieve year-to-year comparability. A similar amount would be added to the amount available this year for Aid to Localities.
- In other cases, including the example shown in the table above, the amount shown reflects an adjustment that has actually taken place during the current year. In the example, amounts were transferred to this agency from an appropriation made to “All State Departments and Agencies” which is included among the Miscellaneous appropriations elsewhere in the Executive Budget. During budget execution, such Miscellaneous All State Department and Agency appropriations (e.g., to fund a salary increase or some other across-the-board adjustment) are divided and transferred to the appropriations of individual agencies to be expended (see the explanation of “lump sum appropriations” included in the “Financial Terminology” section). The adjustments made in this case enable the reader to compare the amount actually available to the agency under this category during the current fiscal year with that appropriated by the Legislature for the year.

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### IV. STATE OPERATIONS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts available for State Operations for the current fiscal year and those that have been recommended for the next fiscal year by program and, within each program, by fund type.

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)			
[1] Program	[2] Available 2003-04	[3] Recommended 2004-05	[4] Change
Administration			
General Fund	3,394,000	3,424,500	30,500
Disaster Assistance			
Special Revenue Funds - Federal	1,456,600	1,680,400	223,800
Emergency Management			
General Fund	1,032,700	1,267,400	234,700
Special Revenue Funds - Federal	7,370,800	7,563,300	192,500
Special Revenue Funds - Other	2,024,300	1,881,400	(142,900)
Military Readiness			
General Fund	9,061,350	8,990,000	(71,350)
Special Revenue Funds - Federal	20,110,500	20,832,800	722,300
Special Service			
General Fund	0	747,500	747,500
Special Revenue Funds - Federal	2,577,100	2,735,800	158,700
Special Revenue Funds - Other	9,372,100	8,838,000	(534,100)
Fiduciary Funds	552,000	572,000	20,000
Total	56,951,450	58,533,100	1,581,650

- [1] Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program may have appropriations from one or more fund types.
- [2] This column displays the appropriations available for the current fiscal year.
- [3] This column displays the appropriations recommended for the next fiscal year.
- [4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

**V. STATE OPERATIONS - GENERAL FUND — SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES — 2004-05 RECOMMENDED**

Personal service is one of the four “major objects” of expenditure in use in New York State budgeting. This table shows the amounts recommended for personal service for each program supported from the General Fund. As discussed in the notes for this table, there are “subobjects” within personal service. The remaining three major objects are discussed in the tables that follow.

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>1</b> Program	<b>2</b> Total		<b>3</b> Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,079,100	20,100	3,062,600	18,600
Emergency Management	998,900	122,100	987,900	121,100
Military Readiness	7,045,300	(409,000)	6,580,600	(521,700)
Special Service	520,500	520,500	520,500	520,500
Total	11,643,800	253,700	11,151,600	138,500

Program	<b>4</b> Temporary Service (Nonannual Salaried)		<b>5</b> Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	16,500	1,500
Emergency Management	0	0	11,000	1,000
Military Readiness	187,900	(64,100)	276,800	176,800
Special Service	0	0	0	0
Total	187,900	(64,100)	304,300	179,300

- 1** Each agency has a program structure which is described in its narrative presentation.
- 2** The Total columns display the sum of the amounts recommended for the “subobjects” Personal Service Regular (Annual Salaried), Temporary Service (Nonannual Salaried), and Holiday/Overtime Pay (Annual Salaried). Total Personal Service includes funding for annual-salaried personnel (see table II.) and nonannual-salaried personal service costs, and may include adjustments to account for savings expected to result from vacancies occurring throughout the year.
- 3** The Personal Service Regular columns display the amounts recommended for the “subobject” Personal Service Regular (Annual Salaried) and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses. The bulk of the State’s permanent work force is funded through Personal Service Regular and is generally paid on the basis of an annual salary.
- 4** Similar to **3** above, these columns display the recommended and change amounts for the “subobject” Temporary Service. Temporary Service authorizes pay for employees hired on a seasonal or short-term basis who are generally paid according to an hourly wage scale, including amounts to cover holiday/overtime pay for such nonannual salaried employees.
- 5** Similar to **3** above, these columns display the recommended and change amounts for the “subobject” Holiday/Overtime Pay. Holiday/Overtime Pay includes compensation for annual salaried employees eligible to receive additional payment for work performed on holidays or beyond normal duty hours. Eligibility for such payment is established by Civil Service Rules and Regulations and by contracts resulting from collective bargaining with

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employee organizations. The provisions of both the Civil Service Rules and Regulations and contracts with employee organizations must meet the standards set forth in the Federal Fair Labor Standards Act which governs State overtime policies.

**VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF  
NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES — 2004-05 RECOMMENDED**

Nonpersonal service is one of the four “major objects” of expenditure in use in New York State budgeting. This table shows the amounts recommended for nonpersonal service for each program supported from the General Fund. As discussed in the notes for this table, there are “subobjects” within nonpersonal service.

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>1</b> Program	<b>2</b> Total		<b>3</b> Supplies and Materials	
	Amount	Change	Amount	Change
Administration	345,400	10,400	46,400	1,400
Emergency Management	268,500	112,600	32,300	2,300
Military Readiness	1,944,700	337,650	171,400	4,600
Special Service	227,000	227,000	109,000	109,000
Total	2,785,600	687,650	359,100	117,300

Program	<b>4</b> Travel		<b>5</b> Contractual Services	
	Amount	Change	Amount	Change
Administration	20,600	600	268,100	8,100
Emergency Management	26,500	600	107,700	7,700
Military Readiness	53,000	1,400	1,257,200	331,050
Special Service	12,000	12,000	90,000	90,000
Total	112,100	14,600	1,723,000	436,850

Program	<b>6</b> Equipment		<b>7</b> Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	10,300	300	0	0
Emergency Management	102,000	102,000	0	0
Military Readiness	23,100	600	440,000	0
Special Service	16,000	16,000	0	0
Total	151,400	118,900	440,000	0

- 1** Each agency has a program structure which is described in its narrative presentation.
- 2** The Total columns display the sum of the amounts recommended for the “subobjects” Supplies and Materials, Travel, Contractual Services, Equipment and Maintenance Undistributed and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- 3** The Supplies and Materials columns display the amounts recommended for the “subobject” Supplies and Materials and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses. Supplies and Materials includes items such as institutional food, clothing, household supplies and office supplies. The mix of items purchased will, of course, vary widely from agency to agency and program to program.
- 4** Similar to **3** above, these columns display the recommended and change amounts for the “subobject” Travel. Travel includes items such as public transportation, meals and lodging, reimbursement for the use of personal cars, and the costs associated with the operation and maintenance of State-owned cars.

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- 5 Similar to 3 above, these columns display the recommended and change amounts for the “subobject” Contractual Services. Contractual services includes the payment of leases, the rental of data processing and other equipment, and a variety of services provided to the State on an occasional or regular basis by outside vendors. Some examples are printing, accounting, legal, consulting and medical services.
- 6 Similar to 3 above, these columns display the recommended and change amounts for the “subobject” Equipment. Equipment includes items such as vehicles, office machines and furniture, and highway equipment.
- 7 These columns display the recommended and change amounts for Maintenance Undistributed. Maintenance Undistributed is not a subobject within Nonpersonal Service. It contains one or more lump sum appropriations for specific purposes or programs; as appropriated, it does not distinguish between major objects or subobjects. Under the State Finance Law, before an agency can use these funds, a segregation (“certificate”) must be issued by the Director of the Budget to specify the amounts available from the lump sum for major objects (Personal Service, Nonpersonal Service) and for various subobjects (e.g., personal service regular, travel, equipment). Copies of the certificate are filed with the Comptroller and the legislative fiscal committees.



**VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2004-05 RECOMMENDED**

This table shows the amounts recommended to support State Operations from funds other than the General Fund. It shows amounts recommended by program for the “major objects” Personal Service and Nonpersonal Service and amounts recommended for Maintenance Undistributed. This table does not show separate amounts for “subobjects” within Personal Service and Nonpersonal Service. For more information about Maintenance Undistributed, see table VI., note 7.

Other-than-General Fund recommendations include Federal funds; Internal Service funds, such as the Centralized Services Fund through which individual agencies purchase telecommunications and other support services from the Office for Technology; Special Revenue funds, such as the Miscellaneous Special Revenue Fund; Debt Service funds (budgeted centrally, not within agency appropriations, in most cases); Fiduciary funds, such as the Common Retirement Fund; and Enterprise funds.

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED**

1 Program	2 Total		3 Personal Service	
	Amount	Change	Amount	Change
Disaster Assistance	1,680,400	223,800	934,000	106,500
Emergency Management	9,444,700	49,600	3,992,600	54,400
Military Readiness	20,832,800	722,300	10,090,000	(143,300)
Special Service	12,145,800	(355,400)	2,651,500	(274,000)
Total	44,103,700	640,300	17,668,100	(256,400)

Program	3 Nonpersonal Service		3 Maintenance Undistributed	
	Amount	Change	Amount	Change
Disaster Assistance	746,400	117,300	0	0
Emergency Management	5,452,100	(4,800)	0	0
Military Readiness	10,742,800	865,600	0	0
Special Service	5,816,300	(81,400)	3,678,000	0
Total	22,757,600	896,700	3,678,000	0

1 Each agency has a program structure which is described in its narrative presentation.

2 The Total columns display the sum of the amounts recommended for personal service, nonpersonal service and maintenance undistributed and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

3 The Personal Service, Nonpersonal Service, and Maintenance Undistributed columns display the amounts recommended for each item within a program and the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next two tables apply to the Aid to Localities category. Each agency which has appropriations in this category will have these two tables in its presentation.

### VIII. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE — APPROPRIATIONS

This table shows the distribution of all appropriations for this agency within the Aid to Localities category by fund type and shows a year-to-year comparison of the amounts available in the current year with those recommended for the next fiscal year. See the next table for a distribution by program.

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)			
1	2	3	4
Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	255,000	0	(255,000)
Special Revenue Funds - Federal 5	5,500,000	5,500,000	0
Special Revenue Funds - Other	1,650,000	1,650,000	0
Total	7,405,000	7,150,000	(255,000)
Adjustments: 6			
Transfer(s) To			
Health, Department of			
General Fund (State Operations)	100,000		
Appropriated 2003-04	7,505,000		

- 1 The State Finance Law defines and mandates the use of seven fund types. Of these, the fund types typically found in the Aid to Localities category are General, Special Revenue, Enterprise, Internal Service and Fiduciary.
- 2 This column displays the appropriations available for the current fiscal year.
- 3 This column displays the appropriations recommended for the next fiscal year.
- 4 This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.
- 5 Because of the difference between the State's fiscal year (April 1 through March 31) and the Federal fiscal year (October 1 through September 30), appropriations of most Federal grants generally include spending from portions of two Federal fiscal years. The amounts discussed throughout the Executive Budget represent the totals of spending from different grants that are expected to occur during the State fiscal year.
- 6 Adjustments in the amounts available for the current year may occur for a number of reasons. For more information, please refer to table III. note 6.

**IX. AID TO LOCALITIES — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS**

This table shows the amounts available for Aid to Localities for the current fiscal year and those that have been recommended for the next fiscal year by program and, within each program, by fund type.

<b>AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS</b>			
(dollars)			
<b>[1] Program</b>	<b>[2] Available 2003-04</b>	<b>[3] Recommended 2004-05</b>	<b>[4] Change</b>
Emergency Management			
Special Revenue Funds - Federal	5,500,000	5,500,000	0
Special Revenue Funds - Other	1,650,000	1,650,000	0
Community Projects			
General Fund	255,000	0	(255,000)
Total	<u>7,405,000</u>	<u>7,150,000</u>	<u>(255,000)</u>

- [1] Each agency has a program structure which is described in its narrative presentation. Each of the agency's activities falls within a program, and each program may have appropriations from one or more fund types.
- [2] This column displays the appropriations available for the current fiscal year.
- [3] This column displays the appropriations recommended for the next fiscal year.
- [4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

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The next table applies to the Capital Projects category. Each agency which has appropriations in this category will have this table in its presentation.

### X. CAPITAL PROJECTS — ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM — APPROPRIATIONS

This table shows the amounts that are available for Capital Projects for the current fiscal year and those that have been recommended for the next fiscal year by Comprehensive Construction Program and, within each program, by fund type. It also shows recommended reappropriations for the next fiscal year.

<b>CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS</b>				
(dollars)				
<b>[1]</b>	<b>[2]</b>	<b>[3]</b>	<b>[4]</b>	<b>[5]</b>
<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Design and Construction Supervision				
Capital Projects Fund	1,750,000	1,000,000	(750,000)	3,500,000
Federal Capital Projects Fund	275,000	275,000	0	630,000
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	4,550,000	5,300,000	750,000	4,800,000
Federal Capital Projects Fund	3,150,000	3,150,000	0	7,300,000
Total	<u>9,725,000</u>	<u>9,725,000</u>	<u>0</u>	<u>16,230,000</u>

[1] Programs in the Capital Projects category are known as Comprehensive Construction Programs (CCP). The program titles in the Capital Projects category usually differ from the program titles used in the State Operations and Aid to Localities categories. Some CCP's represent broad categories, such as Design and Construction Supervision, while others may correspond to specific agency programs.

[2] This column displays the appropriations available for the current fiscal year.

[3] This column displays the appropriations recommended for the next fiscal year.

[4] This column displays the difference between the appropriations available in the current fiscal year and the amounts recommended for the next fiscal year, with negative amounts displayed in parentheses.

[5] This column displays the reappropriations recommended for the next fiscal year. Reappropriations are recommended to continue the authorization to spend all or part of undisbursed balances from appropriations that would otherwise lapse. Reappropriations are used extensively in the Capital Projects category because construction or major rehabilitation projects usually require more than one fiscal year from their inception to completion.

## **FINANCIAL TERMINOLOGY**

This section provides a comprehensive overview of financial terms used throughout the Executive Budget and in other financial and budgetary documents. Many of the terms are generic; others reflect definitions set forth in New York State law, regulations issued by State financial control agencies, or historical usage in State government. The terms have been grouped under 9 major headings:

1. Budgets
2. Financial Plan
3. Fund Structure
4. Appropriations and Expenditures
5. Budget Execution and Control
6. Generally Accepted Accounting Principles (GAAP)
7. Accountability, Audit and Internal Controls
8. Debt and Capital Financing
9. Other Miscellaneous Terms

### **1. BUDGETS**

**Executive Budget** refers to the structure and process of the constitutional system of budgeting in New York State which vests in the Governor primary authority and responsibility for budget formulation, presentation and execution. More specifically, it refers to the Governor's constitutionally mandated annual submission to the Legislature containing his plan of recommended **appropriations, expenditures** and **cash disbursements** (see below) necessary to carry out programs, along with estimates of **revenues** and **cash receipts** (see below) expected to be available to support these expenditures and disbursements for the forthcoming **fiscal year** (see below). The State Constitution requires explicit recommendations for making changes to the current revenue structure and legislation to implement such recommendations (see **Financial Plan** below).

Pursuant to the Constitution, the Governor's Executive Budget must incorporate the appropriations requests of the Judiciary and the Legislature as they are received from these bodies, although they are not part of the executive branch of State government. While the Governor may not alter their requests, the Governor may comment on them and recommend changes.

The Constitution requires submission of the Budget on or before the third Tuesday after the first Monday in January, except in years following gubernatorial elections when it must be submitted by February 1.

**Amendments to the Budget:** The State Constitution permits the Governor to amend or supplement the Executive Budget within 30 calendar days after its submission or, with the consent of the Legislature, at any time before the close of the legislative session. Such revisions, additions or deletions, conveyed to the heads of the fiscal committees in a memorandum, reflect necessary corrections or responses to new situations or conditions arising after the preparation of the Executive Budget.

**Legislative action on the Executive Budget:** The Legislature and its fiscal committees — Senate Finance and Assembly Ways and Means — analyze the budget, holding public hearings on major programs and seeking further information from the staffs of the Division of the Budget and other State agencies. Except for the budgets of the Legislature and the Judiciary, the Legislature may not alter an appropriation bill except to eliminate or reduce the amount of an item recommended therein. It may, however, add items separate and distinct from those included in the original bill submitted by the Governor.

The appropriations passed by the Legislature, except for those which added items or provided funds for the Legislature and Judiciary, become law without further action by the Governor. The Governor must approve or disapprove all or parts of the appropriation bills covering the Legislature and Judiciary and may disapprove, by line item veto, items added to

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his original bills. As provided in the Constitution, the Legislature may override the Governor's veto by a vote of two-thirds of those elected to each house.

**Other Appropriation Measures:** An appropriation bill may also be submitted through the regular legislative process (i.e., it may be introduced by one or more legislators or by a legislative committee). However, the Legislature must act upon the Governor's constitutionally mandated appropriation bills before it acts on any other appropriation bills (unless the Governor certifies the need for immediate passage of another appropriation bill, pursuant to the Governor's constitutional authority to issue a "Message of Necessity"). Appropriation measures initiated by the Legislature are subject to veto in whole or in part by the Governor.

**Fiscal Years:** A fiscal year is the accounting period on which a budget is based. The State fiscal year runs from April 1 through March 31. The Federal fiscal year runs from October 1 through September 30. The fiscal year for all New York counties and towns and for most cities is the calendar year. New York City, the State University of New York, the City University of New York, and independent school districts in the State operate on July 1 through June 30 fiscal years. For most villages, the fiscal year runs from June 1 through May 31. Other cities and villages in New York State have varying fiscal years (see the State Comptroller's annual *Special Report on Municipal Affairs*).

### **2. FINANCIAL PLAN**

A financial plan is a comprehensive outline of a government's financial resources and spending requirements.

State laws and appropriation bills together provide the necessary legal framework for the State to collect money and spend it on the operations of State agencies, aid to local governments and school districts, and for capital projects and debt service. However, the tax laws do not contain estimates of how much income the State will generate from each levy — these amounts must be estimated. Similarly, estimates must be made of spending, based on an evaluation of each State program and its attendant costs and eligibility requirements. Together these projections of income and spending constitute the Financial Plan.

The Budget Director is designated by law to act on specific matters on behalf of the Governor in exercising the Governor's constitutionally prescribed responsibilities. The Division of the Budget, headed by the Budget Director, prepares a Financial Plan for each fiscal year. The Financial Plan presented with the budget reflects the receipts and disbursements that would result from legislative adoption of the Executive Budget recommendations. A revised Financial Plan must be submitted as soon as practicable after the Executive Budget, as amended, is enacted. This plan becomes the basis for administration of the State's finances and must be updated quarterly.

The Financial Plan includes results for one or more funds that are managed by the State, displayed on a cash or GAAP basis, and projects closing balances at the completion of a fiscal period (e.g., a fiscal year). See Section 6 below for a discussion of GAAP and cash-based accounting.

### **3. FUND STRUCTURE**

#### **Governmental Funds**

- a) **General Fund:** This is the major operating fund of the State. It receives all State income not earmarked for a particular program or activity and not specified by law to be deposited in another fund. State income for financial plan purposes consists of moneys deposited to the credit of the General Fund during the fiscal year from current revenues (taxes, fees, and miscellaneous receipts including certain repayments of State advances) and transfers. General Fund income finances disbursements from its two operating accounts — the Local Assistance Account and the State Purposes Account — and transfers to other funds.

The **Local Assistance Account** finances:

- State grants to, or State expenditures on behalf of, counties, cities, towns, villages, school districts and other local entities;
- certain contractual payments to localities;
- certain advances for reimbursable costs (see **advances**, below); and
- certain financial assistance to, or on behalf of, individuals and not-for-profit organizations.

The **State Purposes Account** finances:

- salaries and non-wage compensation for most State employees;
- other operating costs of State departments and agencies, the Legislature and the Judiciary;
- general state charges, which are costs mandated by statute or court decree or by agreements negotiated with employee unions for which the State is liable, including: pensions; health, dental and optical benefits; Social Security payments on behalf of State employees; unemployment insurance benefits; employee benefit programs; court judgments and settlements; assessments for local improvements; and taxes on public lands;
- certain contractual payments, including some contractual payments to localities and State lease-purchase payments for **certificates of participation** (see below);
- certain financial assistance to individuals and not-for-profit organizations;
- certain advances for reimbursable costs; and
- interest payments on **tax and revenue anticipation notes (TRANS)**, **bond anticipation notes (BANs)** and BANs issued in the form of commercial paper, if such short-term debt instruments are used by the State.

In addition to the above accounts, the General Fund includes the following funds:

- **Tax Stabilization Reserve Fund (TSRF)**: This fund receives any General Fund cash surpluses existing at year-end up to a maximum contribution of two-tenths of one percent of total General Fund disbursements. The reserve fund cannot exceed 2 percent of General Fund disbursements for the fiscal year. Any General Fund surplus after the reserve contribution may be used for State tax reduction or may be carried over into the succeeding fiscal year. In the event of a deficit in the General Fund at the close of the fiscal year, a loan may be made from the TSRF to the extent of the deficit or the funds available in the TSRF, whichever is lower, provided such loans will be repaid in three equal annual installments within a period of six years from the date the loan was made. Cash assets of the TSRF can be loaned to the Local Assistance Account or the State Purposes Account during the fiscal year, but must be repaid in cash by March 31 of any fiscal year.
- **Contingency Reserve Fund**: This fund was created in legislation accompanying the 1993-94 budget to provide a reserve to fund extraordinary needs arising from litigation actions against the State. Use of this fund is restricted to litigation cases of \$25 million or more, and requires an appropriation to authorize spending
- **Community Projects Fund**: This fund was created in legislation accompanying the 1996-97 Budget to provide a fund to finance various community projects.
- **Fringe Benefit Escrow Fund**: This fund was reclassified by the State Comptroller in April 2001 from the Agency Fund group to the General Fund. It contains payments by State agencies of certain fringe benefit costs chargeable to other entities.

The General Fund, as reported by the State Comptroller in his annual GAAP financial statements, also includes the revenues and expenditures of funds budgeted as Internal Service Funds and Enterprise Funds and of certain Special Revenue Funds (see below).

- b) **Special Revenue Funds**: These funds are collectively the largest group of funds within the State in both size and number. They account for State receipts from specific revenue sources and are legally restricted to disbursement for specified purposes. This governmental fund type is divided into two classifications in New York State — **Special Revenue Funds-Other** and **Special Revenue Funds-Federal**. An example of a

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Special Revenue Fund-Other is the Conservation Fund, which finances a number of State environmental programs. An example of a Special Revenue Fund-Federal is the Health and Human Services Fund where, for instance, Federal Medicaid reimbursements are received and disbursed. Although any earmarked revenue fund is treated as a Special Revenue Fund-Other for cash-basis budgeting and reporting purposes, it is combined with the General Fund for purposes of reporting on the basis of GAAP.

- c) **Capital Projects Funds:** These funds finance such capital construction costs as:
- planning, land acquisition, design, construction, construction management and supervision, and equipment costs attributable to: highway, parkway and rail preservation projects; outdoor recreation and environmental conservation projects; and buildings and other capital facilities required by various State departments and agencies;
  - aid payments to local governmental units and public authorities to help finance the following types of capital programs: highway, parkway, bridge, mass transportation, aviation, economic development, port development, community college, community and State mental health, outdoor recreation, State-assisted housing and environmental quality; and
  - advances for capital construction costs reimbursable by public authorities, instrumentalities of the State, the Federal government or local governments.

Sources of revenue for this fund type include transfers from other State funds including the General Fund, dedicated taxes and other revenues, reimbursement of advances, bond proceeds, and Federal capital grants.

- d) **Debt Service Funds:** All tax-financed State debt service on long-term debt and payments on certain lease-purchase or other contractual obligations are paid from debt service funds. These account for the accumulation of money for, and the payment of principal and interest on, general long-term debt and certificates of participation. Lease-purchase payments for State University, Health and Mental Hygiene facilities under contractual agreements with public authorities are also paid from funds classified as debt service funds. Debt service on highway bonds supported by dedicated highway revenues is also reflected in this fund type. Sources of revenue for this fund type include transfers from the General Fund, dedicated taxes and other revenues.

### ***Proprietary Funds***

- a) **Internal Service Funds:** These funds are used to account for the financing of goods or services supplied by one State agency to other State agencies or governmental units on a cost reimbursement basis.
- b) **Enterprise Funds:** These funds are used to account for operations that operate similarly to private business enterprises.

The Internal Service Funds and Enterprise Funds are treated as Proprietary Funds for cash-basis budgeting and reporting purposes, and are combined with the General Fund for purposes of reporting on a GAAP basis.

### ***Fiduciary Funds***

- a) **Private-Purpose Trust Funds:** These funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
- b) **Pension Trust Fund:** This fund is used to account for the cash basis results of operations for the administration portion of the State's Common Retirement Fund. It does not reflect investment activity, balances, or other assets available to this fund. In addition, pension contributions and payments to retirees are excluded since these payments are not required to be appropriated.
- c) **Agency Funds:** These funds are used to account for funds held by the State in a purely custodial capacity. Cash is held temporarily until disbursements are made to individuals, private organizations or other governments.



#### **4. APPROPRIATIONS AND EXPENDITURES**

An **appropriation** is a statutory authorization to make expenditures during a specific State fiscal year, and to make disbursements (see below) for the purposes designated, up to the stated amount of the appropriation. Under the Constitution, an appropriation may be made for no longer than a two-year period (also see **reappropriation**, below).

Appropriations are authorizations, rather than mandates, to spend. **Expenditures** and disbursements (see below) need not, and generally do not, equal the amount of the appropriation from which they were made, since less than the full amount of the appropriation is usually spent within the fiscal year to which it pertains (see **carryover**, below). An appropriation thus represents maximum spending authority unless a lower maximum has been set by a **disbursement ceiling** (see below). When authorized by statute an appropriation may be **suballocated** (that is, moved) from one agency to another agency for the purpose of incurring obligations and making disbursements in the agency which receives the suballocation. (The term suballocation should not be confused with allocation which is defined in section 5).

In New York, all appropriations are classified in one of the following four categories:

- **State Operations:** This category relates to appropriations for the operation of State agencies, regardless of fund source. For example, an agency may have appropriations in several different funds (or accounts within funds), and all these appropriations would be categorized as "State Operations." Also included in this category, although authorized by appropriation bills separate and distinct from those for the executive branch, are the appropriations for the operation of the Legislature and the Judiciary. (See also **personal service** and **nonpersonal service** defined below.)
- **Aid to Localities:** This category includes all appropriations for aid to localities, regardless of fund source.
- **Capital Projects:** When used as a category of appropriation, "Capital Projects" includes all appropriations for capital construction projects, regardless of fund source. (It should not be confused with the Capital Projects Fund or the Federal Capital Projects Fund).
- **Debt Service:** This category includes all appropriations for tax-financed State debt service on long-term debt; contractual-obligation and lease-purchase arrangements with several public authorities and municipalities; and lease-purchase payments for State University, Health and Mental Hygiene facilities. This also includes appropriations for interest rate exchange and similar agreements.

A **deficiency appropriation** is used to meet actual or anticipated obligations not foreseen when the annual budget and any supplemental budgets were enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists. A deficiency appropriation usually applies to the fiscal year during which it is made.

Section 53 of the State Finance Law authorizes the enactment of a **special emergency appropriation** which may be allocated by the Governor to various funds. As set forth in the statute, allocations to the General Fund, the Capital Projects Fund and funds receiving Federal moneys are subject to the prior approval of the chairpersons of the Senate Finance and Assembly Ways and Means committees.

**Personal service** represents an appropriation for salaries and non-wage compensation for State employees and certain payments to non-State employees.

**Nonpersonal service** represents an appropriation for such items as contractual services, equipment and supplies.

**Maintenance undistributed** is an appropriation which does not define the amounts to be available for personal and nonpersonal service. Such an appropriation allows flexibility in the management of a program. The terms lump sum and maintenance undistributed are often used synonymously, although they are not equivalent.

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A **lump-sum appropriation** is one made for personal service, nonpersonal service or maintenance undistributed; or for local assistance or capital projects for all State agencies, or to an agency alone or on behalf of itself and one or more other agencies. A lump sum is appropriated for a stated purpose without specifying maximum amounts that may be spent for specific activities or individual objects of expenditure. Such an appropriation cannot be obligated and expended without an **allocation** (see below, section 5).

A **reappropriation** is a legislative enactment that continues the undisbursed balance of an appropriation that would otherwise lapse (see **lapsed appropriation**, below). Reappropriations are commonly used in the case of federally funded programs and capital projects, where the funding amount is intended to support activities that may span several fiscal years. For example, funds for capital projects are customarily recommended and appropriated in amounts sufficient to cover the total estimated cost of all phases of a specific project (such as land acquisition, design, construction and equipping). As contracts within each phase are established, portions of the capital construction appropriation are allocated. However, disbursements are made only to meet the actual costs incurred as each phase of the project progresses. In ensuing years, the balances not disbursed are reappropriated to cover the costs of subsequent construction phases in the project.

An **obligation** is a commitment (such as a contract or purchase order) to spend against a given appropriation. An **encumbrance** provides a mechanism for reserving all or a portion of an appropriation for future expenditure. Entering into a contract usually requires an encumbrance, although the funds will be expended or disbursed over a period of several months. Encumbrance accounting enables management to avoid spending in excess of authorized appropriations.

A **carryover** is the balance of an appropriation that remains at the end of the fiscal year for which it was appropriated (and where it has not been repealed or reappropriated), against which liabilities were incurred (i.e., an obligation exists) but for which cash payments were not disbursed before the end of the fiscal year. Disbursements may be made against a carryover balance through June 30 of the following fiscal year to liquidate any such liabilities for State operations, or through September 15 for aid to localities, capital projects, and debt service.

A **lapsed appropriation** is an appropriation which has expired and against which obligations can no longer be incurred, nor payment made. An appropriation lapses, and is no longer available to authorize any encumbrance or cash payments, on June 30 for State operations and on September 15 for aid to localities, capital projects, and debt service.

### **5. BUDGET EXECUTION AND CONTROL**

**Certificates** of several types are issued by the Budget Director to authorize various fiscal actions. Copies of all certificates must be sent to the State Comptroller and to the chairpersons of the two legislative fiscal committees.

For State Operations, and in some cases Aid to Localities, a **certificate of approval** issued by the Budget Director formally authorizes certain financial transactions. These transactions include **allocations** or **segregations**, **apportionments** and **interchanges**:

- An **allocation** or a **segregation** authorizes expenditures from appropriated funds for specified purposes, activities or objects. It is used as a control device for appropriated funds (e.g., quarterly allocations) and to distribute lump-sum appropriations within State agencies.
- An **apportionment** transfers part of an appropriation from certain lump-sum "all State departments and agencies" appropriations to specific agencies.
- An **interchange** is the movement of appropriation authority by certificate to increase or decrease the funds for any items within the same fund and program. In accordance with the State Finance Law, the amounts appropriated to a department or agency from a given fund may also be interchanged among appropriations in different programs, subject to the following formula (with the exclusion of the State University of New York, the City University of New York, and other specific appropriations as may be noted in the various appropriation bills): the total amount appropriated for any

given program or purpose may not, in aggregate, be increased or decreased via interchanges by more than the total of 5 percent of the first \$5 million, 4 percent of the second \$5 million and 3 percent of amounts in excess of \$10 million.

A **certificate of transfer** authorizes the transfer of appropriation authority and/or positions between agencies and/or funds. All such transfers must be specifically authorized in statute. Transfers of appropriation authority must be distinguished from operating transfers which move moneys (cash) between funds or accounts.

For **Capital Projects**, the appropriation format differs somewhat from the program structure found in State Operations and Aid to Localities. Capital Projects appropriations are structured as follows:

- one or more **comprehensive construction programs (CCPs)**, which may or may not relate to agency operating or local aid programs or other organizational arrangements;
- **a grouping of appropriations into one or more purposes within CCPs**, which purposes may or may not relate to other agency organizational structures; and
- **one or more appropriations or projects in each purpose**. Some appropriations have "project schedules" that list institutions or projects for which construction work will be done.

For Capital Projects, a **certificate of approval of availability** issued by the Budget Director in accordance with an appropriation authorizes the State Comptroller to encumber, expend and disburse funds to the extent required for specific projects or phases of projects.

Capital Projects Funds **interchanges or transfers** must be accompanied by a certification of need and availability of funds and may be made as follows:

In the case of **interchanges**, which are movements of funds by certificate between items within an appropriation "project schedule," no certification is required when the appropriation states that schedule amounts are estimates and are interchangeable among the various projects; all other interchanges require the certification of need and availability.

In the case of transfers, a **certificate of transfer** authorizes the transfer of a specified amount, within available limits, from an appropriation for a given capital project to an appropriation for another capital project within the same CCP and agency. However, the Budget Director cannot authorize any Capital Projects Fund transfer which would increase or decrease the total of appropriations (including reappropriations) for projects sharing the same purpose by an amount exceeding the total of the following percentages of the total amount of the original appropriation for the project: 25 percent of the first \$5 million, 20 percent of the second \$5 million, 15 percent of the third \$5 million, and 10 percent of any amount in excess of \$15 million.

## **6. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**

**Generally Accepted Accounting Principles (GAAP)** for governments are uniform minimum standards and guidelines for financial accounting and reporting as promulgated by authoritative national standard-setting bodies, primarily the National Council on Governmental Accounting (NCGA); its successor, the Governmental Accounting Standards Board (GASB); and the American Institute of Certified Public Accountants (AICPA). NCGA's *Statement One — Governmental Accounting and Financial Reporting Principles*, published in 1979, succeeding statements by NCGA (reaffirmed by GASB), and statements promulgated by GASB are the most widely recognized sources for authoritative guidance. New York presents its State financial plan and Executive Budget on both a cash basis and in accordance with GAAP.

The GASB issued statement 34 entitled *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*. This statement establishes new financial statement reporting requirements for State and local governments and was required to be implemented by the 2002-03 fiscal year. New York State implemented GASB 34 when reporting its GAAP financial results for the 2002-03 fiscal year in July 2003. As a result, the Division of the Budget has modified its GAAP-basis projections

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to reflect the changes required under GASB 34. These changes include new statements that reflect the State's net overall financial condition, including activities that affect State assets and liabilities during the fiscal year.

Projected operating results in the General Fund as measured on the cash basis of accounting differ from projections measured in accordance with GAAP. Generally, these differences are caused by the inclusion of certain funds in the GAAP General Fund which are outside the cash basis General Fund, plus the recognition of differences between cash and GAAP. The conversion tables in Appendix II show these differences classified into the following major categories:

- "Perspective Differences" represent the projected cash basis operating results of the Miscellaneous State Special Revenue Fund which is treated as part of the General Fund in the GAAP basis financial plan, but as part of the Special Revenue Fund in the cash basis financial plan. The Miscellaneous State Special Revenue Fund includes dozens of individual accounts which finance the operation of agencies and programs from sources other than General Fund tax dollars.
- "Entity Differences" represent the projected cash basis operating results of the proprietary funds (Internal Service Funds and Enterprise Funds) which are treated as part of the General Fund in the GAAP basis financial plan. On a cash basis the proprietary funds are reported separately and are not part of the all governmental funds financial plan.
- "Changes in Accruals" result from timing differences between the recognition of individual accounting transactions on a cash basis vs. recognition of the same items under generally accepted accounting principles. On a cash basis, receipts are recorded when moneys are deposited in the State Treasury, and disbursements are recorded when a check is drawn from the Treasury. Under GAAP, however, revenues are recorded when they are measurable and available, and expenditures are recorded when the State incurs an obligation to pay. It is in this column that revenues and expenditures are attributed to the appropriate fiscal year. For example, positive numbers in this column reflect the accrual of revenues which are owed to the State but not yet received, and obligations of the State for which payment has not yet been made. Negative entries generally reflect the reduction of receipts or disbursements which are attributed under GAAP to a different fiscal period.
- "Eliminations" exclude activity related to State advances and the repayment of such advances, which are treated as receipts and disbursements in the cash basis financial plan. On a GAAP basis, the repayment is not a revenue, and the advance is not an expenditure unless it is determined to be uncollectible. This category also includes transactions related to the elimination of SUNY/CUNY Senior College operations, which are not part of the governmental fund structure on a GAAP basis.
- "Intra-fund Eliminations" remove any transactions which occur between two funds in the same fund type, in order to avoid counting such transactions twice.
- "Reclassifications" show the movement of transactions from one category of the financial plan to another, and do not impact the operating results of a given fund.

### ***GAAP Basis Reporting Differences***

In general, the General Fund revenue and expenditure projections contained in the Budget reflect the application of Generally Accepted Accounting Principles as applied by the State Comptroller in his audited 2002-03 financial statements. There is one exception to this policy. Activity related to public authorities has not been reclassified as operating transfers. These reclassifications do not affect operating results and only further complicate the differences between cash basis financial plans and GAAP basis financial plans. Accordingly, these reclassifications have not been included.

**GAAP Revenues**

A separate volume provides tax-by-tax descriptions of the cash-based estimates of tax receipts underlying the cash-based financial plans. This section deals with estimates of GAAP revenues that are included in the GAAP financial plan. The following is a brief description of how such estimates are generated, what factors are considered in their preparation, and how such estimates differ from those prepared on the cash basis.

In general, cash-based estimates are forecasts of the deposits of cash (net of refund payments) that will occur during the fiscal year. Estimates of GAAP revenue attempt to more closely measure what the State actually “earned” during the period, regardless of when the cash transactions that represent those earnings occur. The State, of course, “earns” money when taxpayers incur liability for taxes, for example, by receiving money subject to income taxes or purchasing goods or services subject to the sales or excise levies, or by wagering on horse races in betting pools subject to the pari-mutuel tax. Taxpayers may discharge that liability in a variety of ways. For example, in the case of the sales tax they often pay the money directly to an authorized agent of the State who must then transmit it to the State, sometimes in a period different from that in which the actual liability was incurred and discharged by the taxpayer. In the case of the personal income tax, they may be subject to withholding by their employer (another agent of the State) or make estimated and final tax payments directly to the State. Some taxpayers overpay their liability and are due refunds for a given liability period. Such refunds or final payments are usually paid in years (or accounting periods) different from those to which the transaction relates.

In their most pure sense, GAAP revenue estimates attempt to gather all the (actual or estimated) transactions that apply to tax liabilities earned in a given State fiscal year, regardless of the year in which the related cash transaction occurs, to appropriately “measure” what the State has earned. In practice, given the limits of both information systems and time, some accommodations are made in the development of these “earnings” estimates. During any one fiscal year the State will receive money earned in the current year and in any of several prior years (and sometimes money not yet earned). Estimates of those prior-year earnings are not changed each time a new transaction is disclosed and so GAAP revenue estimates are not “pure.”

However, for any given tax, GAAP revenue estimates should attempt to measure (as an increase in revenue, or a receivable) how much the State is owed, but has not yet received, from taxpayers for the activity during a State fiscal year. Similarly, they must reflect (as a reduction in revenue, or a payable) any amounts that the State has received but must refund (in some future period) as a result of overpayments of liability by taxpayers.

In some sources, the receivable and payable amounts are relatively trivial and do not change materially from year to year. In others, the accruals are large and variable. GAAP revenue estimates differ from cash receipt estimates by how much the receivable and payable balances change from year to year. If receivables are growing relative to payables in a particular source (i.e., if the net amount owed to the State is larger at the end of the year than at the beginning of the year), estimated GAAP revenues will exceed forecasted cash receipts. Should payables rise faster than receivables, the opposite relationship will exist.

**GAAP Expenditures**

As previously mentioned, GAAP measures expenditures when the State incurs a liability to pay, rather than when a check is written against the Treasury. The Comptroller generally applies a 12-month recognition rule — if the liability is determined to exist and will be disbursed in the 12 months following the close of the fiscal year, the expenditure will be recorded in that fiscal year. Thus, the GAAP basis financial plan includes liabilities projected to be incurred during a given fiscal year for which actual payments will not be made for up to 12 months following the close of such fiscal year.

The most significant of these liabilities occur in the categories of local assistance and State operations. The GAAP basis financial plan reflects:

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- Amounts owed to local governments for Medicaid, public health, criminal justice and court-ordered handicapped programs which are all reimbursed on a lag basis.
- Employee salaries remaining unpaid at the close of each fiscal year, and the related fringe benefits.

### **7. ACCOUNTABILITY, AUDIT AND INTERNAL CONTROL**

**Internal controls** are the measures an organization adopts to encourage adherence to agency policies and procedures; promote operational efficiency and effectiveness; safeguard assets; and ensure the reliability of data. Internal controls encompass both internal administrative controls and internal accounting controls.

**Internal audit** is an independent appraisal of operations, conducted under the direction of agency management, to assess the effectiveness of internal controls.

**Internal Control Review (ICR)** is a detailed evaluation of the degree to which the organization has designed, established, documented and followed the policies and procedures necessary to achieve specific functional goals and objectives and avoid unwanted outcomes. The ICR focuses upon how well procedures operate for a given function.

**Vulnerability Assessment (VA)** is an assessment by an agency of its susceptibility to operational breakdowns which could lead to inadequate or inappropriate program outcomes, including waste of resources. The VA analyzes the overall organizational and administrative environment, the potential for failures and related impact. VA's help the agency schedule the timing and frequency of ICRs or identify weaknesses which can be immediately corrected.

**Testing** is that part of an internal control review which assesses whether actual practice follows, or complies with, prescribed policies and procedures. The assessment is made by interviewing or observing staff, following a transaction through the process, or sampling documentation of transactions to determine if required steps are executed.

**Corrective Action Plan** is a step-by-step plan of action and schedule for resolving the internal control weaknesses identified by a vulnerability assessment or internal control review.

**Certification** is the annual affirmation by each agency that it is in conformance with the Internal Control Act which requires the establishment and maintenance of a system of internal controls and a program of internal control review by State agencies and covered public authorities. Agencies may submit a plan to achieve compliance with the Act in lieu of a certification. In addition to the certification, agencies submit an Annual Internal Control Summary which describes certain aspects of its internal control system for the preceding year.

### **8. DEBT AND CAPITAL FINANCING**

The **Annual Information Statement (AIS)** is the State's principal means for disclosing financial information that is required to meet its legal obligations under federal securities law and constitutes the official form of such financial disclosure information. The State publishes the AIS annually, generally within 30 days of the adoption of a budget by the State Legislature. The AIS is updated on a quarterly basis (the "Quarterly Updates") and may be supplemented ("Supplements") for significant events or developments that occur between updates. The AIS, updates and supplements are available online at [www.budget.state.ny.us](http://www.budget.state.ny.us).

**Appropriation-backed bonds** refer to long-term obligations sold by the State's public authorities under a variety of financial arrangements — primarily **lease-purchase and contractual service agreements**. Debt service on such obligations is appropriated annually by the State, although the State has no legal obligation to continue to make such appropriations. This form of debt represents an important source of financing for capital projects in the State's transportation, criminal justice, mental hygiene, education, health, and housing programs.

**Bond anticipation notes (BANs)** are short-term notes which occasionally may be sold by the Comptroller to finance capital expenditures until long-term bonds are sold. Since these obligations are outstanding for no more than two years (with certain exceptions), the interest rates paid on such obligations are typically lower than that for long-term bonds.

**Bondable capital spending** refers to disbursements for capital purposes which, by statute, may be financed by the proceeds of bonds or other debt obligations.

**Certificates of Participation** represent shares of lease-purchase payments for personal or real property made by State agencies. These tax-exempt certificates may be sold publicly or privately to investors by the Comptroller, pursuant to Article 5-A of the State Finance Law. These payments are not State debt under Article VII of the State Constitution and are subject to annual appropriation.

A **credit rating** is assigned by a non-governmental agency serving the financial market (such as Standard & Poor's), and represents the relative security behind a given debt. The ratings indicate the relative likelihood of repayment of debt service liabilities by a specific issuer. The State's current credit rating is AA.

The **Debt Reform Act of 2000**, which applies to all new State-supported debt issued after March 31, 2000, imposes phased-in caps that limit new debt outstanding to 4 percent of the personal income and new debt services costs to 5 percent of total governmental receipts. Both caps began in 2000-01 at an initial phase-in level of .75 percent. Pursuant to section 23 of the State Finance Law, the State is required to calculate compliance with the caps annually and report the findings in the Financial Plan update most proximate to October 31.

**General obligation bonds** refer to long-term obligations of the State, used to finance capital projects. These obligations must be authorized by the voters in a general election, are issued by the Comptroller, and are backed by the **full faith and credit** of the State. Under current provisions of the Constitution, only one bond issue may be put before the voters at each general election, and it must be for a single work or purpose. The amount of general obligation bond or note proceeds which the State expects to issue in a given fiscal year is shown in the Capital Projects fund-type of the Governmental Funds Financial Plan in the Other Financing Sources category. Debt service must be paid from the first available taxes whether or not the Legislature has enacted the required appropriations for such payments.

**Impoundment** is the term used to describe the setting aside, in a separate account, of income necessary to pay principal and interest on obligations. The specific method of impoundment — including the timing and amounts — is generally specified by State law for each obligation, and is an integral element of the security behind any obligation.

**Moral obligation debt** refers to long-term bonds issued by certain State public authorities, also known as public benefit corporations, which are essentially supported by their own revenues. Moral obligation debt is not incurred pursuant to a referendum, is not considered State debt, and is not backed by the full faith and credit of the State. However, the authorities selling such obligations have been allowed to establish procedures where, under certain conditions, the State may be called upon to meet deficiencies in debt service reserve funds supporting such bonds. An appropriation must be enacted by the Legislature to meet any such obligation.

An **official statement** is a disclosure document prepared to accompany each issuance of bonds, notes and publicly sold certificates of participation offered for sale by the State or its public authorities. This statement is prepared by the issuer and describes the issuer, the project or program being financed and the security behind the bond issue. In addition, where payment of debt service is made primarily with State moneys, this statement discloses information regarding the State's Annual Information Statement (the AIS), including recent and projected fiscal and economic trends and developments that bear reasonably on the credit strength of the issue. It discusses potential legal, fiscal or economic problems facing the issuer, State government and other relevant major governmental jurisdictions. Its primary purpose is to provide prospective bond or note purchasers sufficient information to make informed decisions on the creditworthiness of the issue.

**State personal income tax revenue bonds** are the primary funding vehicle for a broad range of State-supported debt programs. In 2001, legislation was enacted to permit certain State public authorities to issue State personal income tax revenue bonds. The legislation

provides that 25 percent of personal income tax receipts (excluding refunds owed to taxpayers and deposits to the STAR Fund) be deposited to the Revenue Bond Tax Fund for purposes of making debt service payments on these bonds, with excess amounts returned to the General Fund. These bonds have reduced borrowing costs by improving the marketability and creditworthiness of State-supported obligations and by permitting the consolidation of multiple bonding programs to reduce administrative costs.

**Pay-as-you-go** financing refers to the use of current State resources, i.e. cash, (as opposed to bonds) to finance capital projects.

**State-guaranteed debt** refers to debt authorized by the voters to be sold by three public authorities: the Job Development Authority, the New York State Thruway Authority, and the Port Authority of New York and New Jersey. Such debt is backed by the full faith and credit of the State.

**State-related debt** includes all State-supported debt, as well as State-guaranteed and moral obligation debt. This broad category combines all forms of debt for which the State is directly or contingently liable.

**State-supported debt** includes general obligation and appropriation-backed debt, and certificates of participation. This category includes all obligations for which the State appropriates and pays debt service. While tax supported debt (obligations supported by State taxes) represents the majority of obligations in this category, obligations supported by other State revenues (such as dormitory fees or patient revenues) are also included.

**Tax and revenue anticipation notes (TRANS)** refer to short-term obligations of the State. The notes must be redeemed within one-year of issuance. Prior to the debt reform actions of the 1990s, notes were sold to address short-term cashflow imbalances, but may also be issued to address a year-end deficit.

## 9. OTHER MISCELLANEOUS TERMS

An **account** is a subdivision of a fund and refers to a classification by which information on particular financial transactions and financial resources is recorded and arranged.

An **advance** is a payment by the State on behalf of an agency, an authority, a fund, a public benefit corporation, or the Federal government that must be reimbursed by such entity. Certain advances are made from the Capital Projects Fund for prefinancing the cost of capital projects undertaken by public authorities, State agencies or localities.

**All Governmental Funds** is a term referring to all State government funds within the following fund types: General, Special Revenue, Capital Projects, and Debt Service. In a discussion of appropriations rather than cash figures (e.g., in the Appendix I tables described earlier in this Guide), **All Funds** includes All Governmental Funds appropriations *plus* appropriations made from the non-governmental (Proprietary and Fiduciary) fund types.

**Annualization** refers to the expected full-year financial implications of a revenue item or an expenditure item initially budgeted for only part of a fiscal year.

**Attrition** refers to a method of achieving a reduction in personnel by not refilling positions that are vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

**Cap** refers to an absolute dollar limit placed on spending and/or borrowing for a designated activity or program. The term is sometimes used to refer to the limitation of a disbursement for the current and/or forthcoming fiscal year(s) to the level of the preceding fiscal year or to some other predetermined level.

**Chargeback** refers to an assessment levied by the State on another government or other entity (e.g., a public authority, a private-sector enterprise, a trade association, or a nonprofit organization) for payment of costs incurred by the State in administering an activity or program on behalf of such government or entity. It may also refer to an assessment by one State agency against another.

A **deficit**, for purposes of the cash-basis financial plan, is an excess of disbursements over receipts at the end of a fiscal year. On a GAAP basis, a deficit is an excess of expenditures or expenses over revenues at the end of a fiscal year.



**Fixed assets** are assets of a long-term character, such as land, buildings, machinery, equipment and improvements other than buildings, that are intended to continue to be held or used. **General fixed assets** include all fixed assets not accounted for in proprietary funds or in trust and agency funds. Under GAAP, general fixed assets are recorded in an **account group** (which does not involve the measurement of results of operations), rather than in a fund, and the recording of “infrastructure” assets and depreciation is not required.

**Full Time Equivalent (FTE)** is a unit of measure which is equal to one filled, full-time, annual-salaried position.

A **joint-custody fund** is held within the State Treasury by both the State Comptroller and the Commissioner of Taxation and Finance (see sole-custody fund).

**Line item veto.** The Governor of New York State has the power of line item veto. The State Constitution authorizes the Governor to veto individual appropriations for the Legislature and Judiciary, and appropriations added by the Legislature, contained within any multiple appropriation bill passed by the Legislature.

A **margin**, or **positive margin**, is a temporary excess of receipts over disbursements. When disbursements temporarily exceed receipts, a **negative margin** exists. A positive margin is not a surplus, nor is a negative margin a deficit, until the fiscal year ends.

A **matching formula** is a formula applied under an intergovernmental grant program which requires a recipient to match from its own funds a specified percentage of each dollar granted by one or more higher level(s) of government.

**Nonrecurring receipts** are receipts in a given fiscal year that are not normally expected to recur in subsequent fiscal years. **Recurring receipts** are normally derived from an income stream that is expected to continue from one fiscal year to the next.

An **offset fund** is an appropriated fund, usually of the Special Revenue Fund type, which is used to reimburse expenditures charged in the first instance to the General Fund.

**Save harmless** refers to a provision of law under which the State protects another entity against any decrease from a previous level of funding under a given State program.

**Shortfall** refers to a situation where actual revenues collected are less than those that had been projected.

A **sole-custody fund** is administered by an individual State agency official and is not under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. Sole-custody funds are usually fiduciary in nature. Examples include assets held for wards of the State.



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# ***KEY TO AGENCY ABBREVIATIONS USED IN THE INDEX***

A&C	Department of Audit and Control
ABC	Division of Alcoholic Beverage Control
APD	Office of Advocate for Persons with Disabilities
Ag&Mkts	Department of Agriculture and Markets
APA	Adirondack Park Agency
Arts	Council on the Arts
Bank	Banking Department
CPB	Consumer Protection Board
CQC	Commission on Quality of Care for the Mentally Disabled
CS	Department of Civil Service
CUNY	City University of New York
CVB	Crime Victims Board
DA	Dormitory Authority
DCJS	Division of Criminal Justice Services
DDPC	Developmental Disabilities Planning Council
DEC	Department of Environmental Conservation
DED	Department of Economic Development
DHCR	Division of Housing and Community Renewal
DHR	Division of Human Rights
DMNA	Division of Military and Naval Affairs
DMH	Department of Mental Hygiene
DMV	Department of Motor Vehicles
DOB	Division of the Budget
DOCS	Department of Correctional Services
DOH	Department of Health
DOL	Department of Labor
DOS	Department of State
DOT	Department of Transportation
DPCA	Division of Probation and Correctional Alternatives
DSP	Division of State Police
DTA	Division of Tax Appeals
DVA	Division of Veterans' Affairs
EFC	Environmental Facilities Corporation
ERDA	New York State Energy Research and Development Authority
ESDC	Empire State Development Corporation
GORR	Governor's Office of Regulatory Reform
HESC	Higher Education Services Corporation
HFA	Housing Finance Agency
HRPT	Hudson River Park Trust
IG	Inspector General, Office of the State
Ins	Insurance Department
IOLA	Interest on Lawyer Account

## **KEY TO AGENCY ABBREVIATIONS**

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Law	Department of Law
LIPA	Long Island Power Authority
Lottery	Division of the Lottery
MBBA	Municipal Bond Bank Agency
MTA	Metropolitan Transportation Authority
NYSTAR	Office of Science, Technology and Academic Research
OASAS	Office of Alcoholism and Substance Abuse Services
OCFS	Office of Children and Family Services
OER	Office of Employee Relations
OFT	Office for Technology
OGS	Office of General Services
OMH	Office of Mental Health
OMRDD	Office of Mental Retardation and Developmental Disabilities
OPDV	Office for the Prevention of Domestic Violence
ORDA	Olympic Regional Development Authority
ORPS	Office of Real Property Services
OTDA	Office of Temporary and Disability Assistance
OWIG	Welfare Inspector General
Parks	Office of Parks, Recreation and Historic Preservation
Parole	Division of Parole
PERB	Public Employment Relations Board
PFA	Project Finance Agency
OPS	Office of Public Security
R&W	New York State Racing and Wagering Board
SCOC	State Commission of Correction
SED	State Education Department
SOFA	State Office for the Aging
SONYMA	State of New York Mortgage Agency
STAR	Office of Science, Technology and Academic Research
SUCF	State University Construction Fund
SUNY	State University of New York
Tax	Department of Taxation and Finance
Thruway	NYS Thruway Authority
UDC	Urban Development Corporation
WCB	Workers' Compensation Board