

MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend chapters 50, 53,
54 and 55 of the laws of 2004,
making appropriations and
reappropriations for the support of
government

Purpose: This deficiency appropriation bill amends chapters 50, 53, 54 and 55 which made appropriations for the 2004-2005 fiscal year, to meet essential obligations for which funding was not provided in the enacted budget.

Summary of Provisions:

Section 1 amends the 2004-2005 Public Protection and General Government Budget as follows:

DEPARTMENT OF AUDIT AND CONTROL

The recommended deficiency items for the Department of Audit and Control provide increases of:

- \$400,000 to support General Fund Local Assistance reimbursements to New York City for special accidental death benefits to beneficiaries of first responders to the World Trade Center attack; and
- \$40 million to support Special Revenue Local Assistance payments to provide full statutory assistance to counties and New York City related to Indigent Legal Services.

DEPARTMENT OF CORRECTIONAL SERVICES

The recommended deficiency for the Department of Correctional Services increases the 2004-05 General Fund appropriations in the Health Services, Support Services and Supervision programs by a total of \$116 million. This amount is necessary to fund medical nonpersonal service costs, including prior year liabilities; personal service costs for security staff, including overtime; and unanticipated fuel and utility cost increases.

OFFICE OF GENERAL SERVICES

The recommended deficiency for the Office of General Services increases 2004-05 General Fund appropriations in the Real Property Management and Development Program by \$20.5 million. This amount is necessary to fund the costs of relocating State employees and telecommunications equipment from the General William J. Donovan State Office Building in Buffalo, New York, thus enabling the construction of the Bass Pro Facility, which is expected to have a significant economic benefit for the area.

Section 2 amends the 2004-2005 Education, Labor and Family Assistance Budget as follows:

STATE EDUCATION DEPARTMENT

The recommended deficiency items for the State Education Department provide increases of:

- \$2.3 million for the General Equivalency Diploma (GED) program. This increase is necessary due to a Federal disallowance prohibiting the use of Workforce Investment Act funds for GED exam administration beyond June 30, 2004.
- \$72 million for the School Tax Relief (STAR) program. This increase is necessitated by the determination of the Commissioner of the Department of Taxation and Finance to raise the reimbursement to New York City for the City's personal income tax reduction relating to the STAR program from \$560 million to \$632 million in 2004-05. Periodic adjustments to the reimbursement are required by Section 54-f of the State Finance Law.

Section 3 amends the 2004-2005 Health and Mental Hygiene Budget as follows:

OFFICE FOR THE AGING

The recommended items for the State Office for the Aging (SOFA) increase the 2004-05 Special Revenue-Other appropriations for the Administration and Grants Management Program by \$50,000 and for the Community Services Program by \$3 million. Legislation passed during the current State fiscal year provided HCRA funding to SOFA to create Long Term Care Insurance Resource Centers, but the legislation did not provide appropriation authority required to fully implement the statute. This is a technical amendment to implement the current year budget.

DEPARTMENT OF HEALTH

The recommended deficiency for the Department of Health (DOH) increases the 2004-05 Special Revenue-Other appropriations for the Elderly Pharmaceutical Insurance Coverage (EPIC) Program by \$27 million. This program exceeded enrollment

projections by 5,000 and pharmacy costs continue to increase at greater than expected rates.

Section 4 amends the 2004-2005 Transportation, Economic Development and Environmental Conservation Budget as follows:

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The recommended deficiency for the Department of Environmental Conservation increases the 2004-05 General Fund appropriation in the Environmental Enforcement program by \$4.9 million and in the Forest and Lands Program by \$1.5 million. This funding is needed to conclude a Federal Fair Labor Standards Act overtime settlement involving the Department's Environmental Conservation Officers and Rangers.

TRIBAL STATE COMPACT REVENUE PROGRAM

As required pursuant to provisions of Section 99-H of the State Finance Law, the recommended deficiency for the Tribal State Compact Revenue Program increases the Program's Special Revenue-Other appropriations by a total of \$12.8 million. A portion of this increase results from the fact that the Legislature failed to enact a \$7.7 million State fiscal year 2004-05 appropriation to permit program disbursements in the Niagara Falls area. Additionally, the State has received higher than expected 2004 Compact revenues resulting in the need to further increase Program appropriations by \$5.1 million.

Section 5 provides that the bill shall take effect immediately and be deemed to have been in full force and effect on and after April 1, 2004.

Existing Law: This is a new bill.

Statement in Support: Enactment of this deficiency appropriation bill is necessary to provide funding for liabilities occurring in the 2004-2005 fiscal year for which no appropriations currently exist.

Budget Implications: The provisions of this bill are accommodated in the current Financial Plan for 2004-2005.