

# ***PART I***

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



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



# OVERVIEW AND PERFORMANCE MEASURES

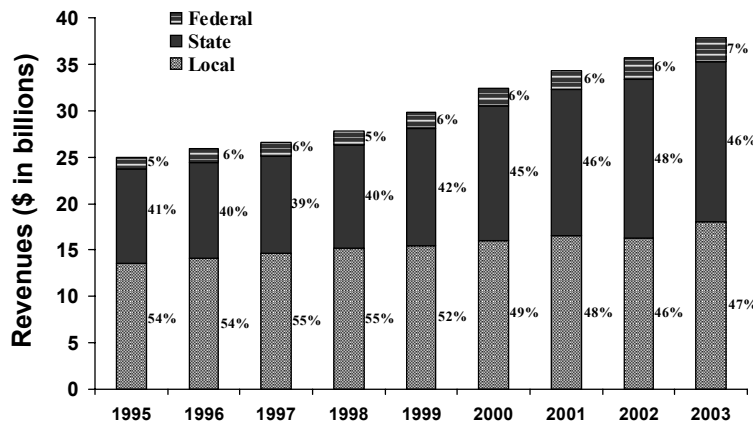
## ELEMENTARY AND SECONDARY EDUCATION

The following charts provide some information on performance and fiscal measures related to New York's K-12 elementary and secondary education program. As noted in the data below, New Yorkers make a significant investment in education. With State and local taxpayer support, New York spends approximately \$12,880 per pupil - more than every other state except New Jersey, and 1.5 times the national average of \$8,618. New York's investment in K-12 education has resulted in improved student performance, smaller class sizes and teacher salaries which are among the highest in the nation.

The information below is based on the most recent data available from the National Center for Education Statistics (NCES), the National Education Association (NEA) and the New York State Education Department (SED), and includes:

- The total amount of resources provided for K-12 purposes in New York, including the relative share of resources provided by the State, local governments, and the Federal government from 1995 through 2003.
- Student-teacher ratios in 2003 for New York and other comparable states.
- Total spending per pupil in 2005 for New York and other comparable states.
- Total spending per pupil for New York and the national average from 1995 through 2005.
- Trends in fourth and eighth grade State Regents exams in math and English.

**New York K-12 Public School Funding  
By Revenue Source**

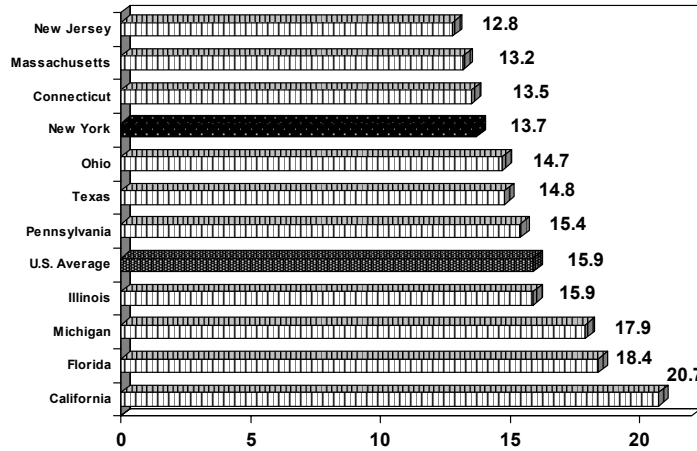


Source: National Center for Education Statistics.

## ***ELEMENTARY AND SECONDARY EDUCATION***

Of the approximately \$38 billion in resources provided to New York's public elementary and secondary schools in school year 2002-03, the local, State, and Federal contributions were 47 percent, 46 percent, and 7 percent respectively. Since 1995, the State share of total resources has increased by 5 percent (from 41 percent to 46 percent) and the Federal share has increased by 2 percent (from 5 percent to 7 percent), while the local share of overall resources has decreased by 7 percent (from 54 percent to 47 percent).

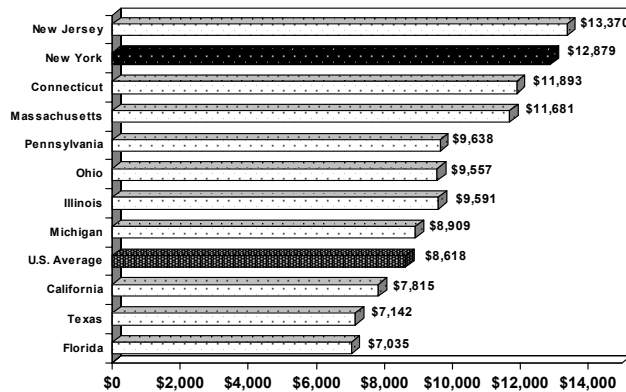
**Student/Teacher Ratios**



Source: National Center for Education Statistics.

New York's student/teacher ratio (13.7) in 2003 was richer than most of its peer states, as well as the national average (15.9). New York's number of students per teacher decreased by 1.5 students between 1995 and 2003, while the national average decreased by 1.4 students during this time.

**K-12 Education Spending Per Pupil**

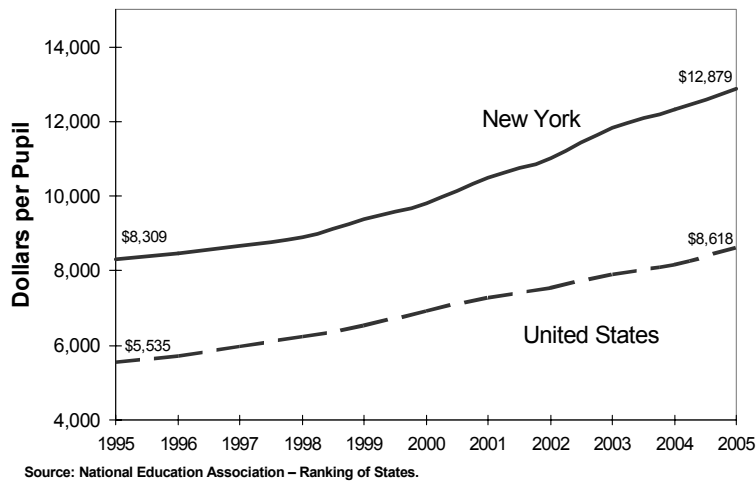


Source: National Education Association – Ranking of States.

New York has ranked either first or second in national per pupil spending for each of the five most recent years for which data are available. In 2004-05, New York's per pupil spending of \$12,879 was 1.5 times the national average of \$8,618.

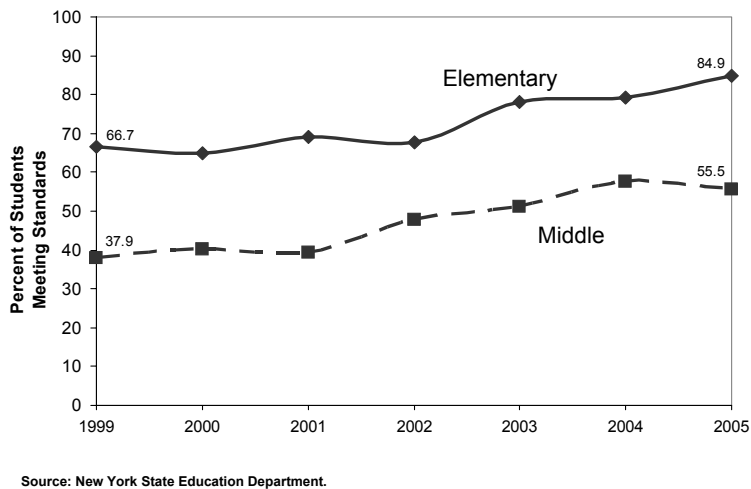
# ELEMENTARY AND SECONDARY EDUCATION

### K-12 Education Spending Per Pupil



Between 1995 and 2005, New York's per pupil spending increased at the same rate as the national average (4.5 percent). However, between the years 2000 and 2005, New York's growth in per pupil spending (5.6 percent) has exceeded the national average (4.6 percent). The higher-than-average growth in New York's per pupil spending during this period is a result of increased spending at a time when enrollment remained relatively stable.

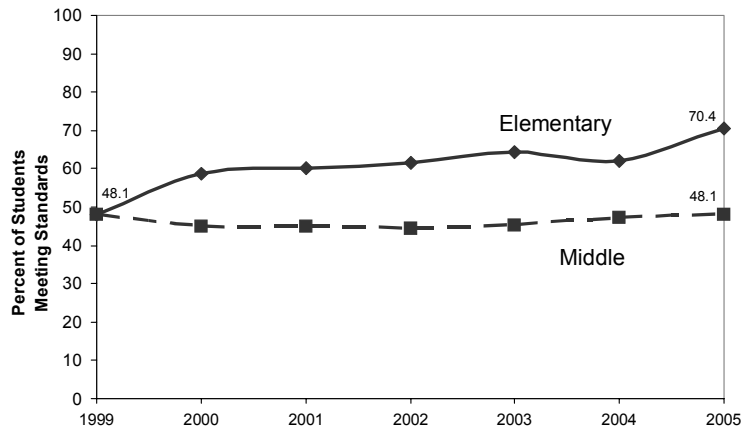
### Student Performance in Math



The performance of fourth-graders and eighth-graders meeting the State's math standards has improved significantly since 1999. In 2005, New York's fourth-graders posted their strongest performance to date, with nearly 85 percent meeting the State's math standards. At both the fourth-grade and eighth-grade levels, a significantly higher percentage of students met the State's math standards in 2005 than in 1999.

# ELEMENTARY AND SECONDARY EDUCATION

## Student Performance in English



Source: New York State Education Department.

The performance of fourth-graders meeting the State's English standards has improved to over 70 percent in 2005 from 48 percent in 1999. The performance of eighth-graders meeting the State's English standards has remained stable at 48.1 percent in both 1999 and 2005.



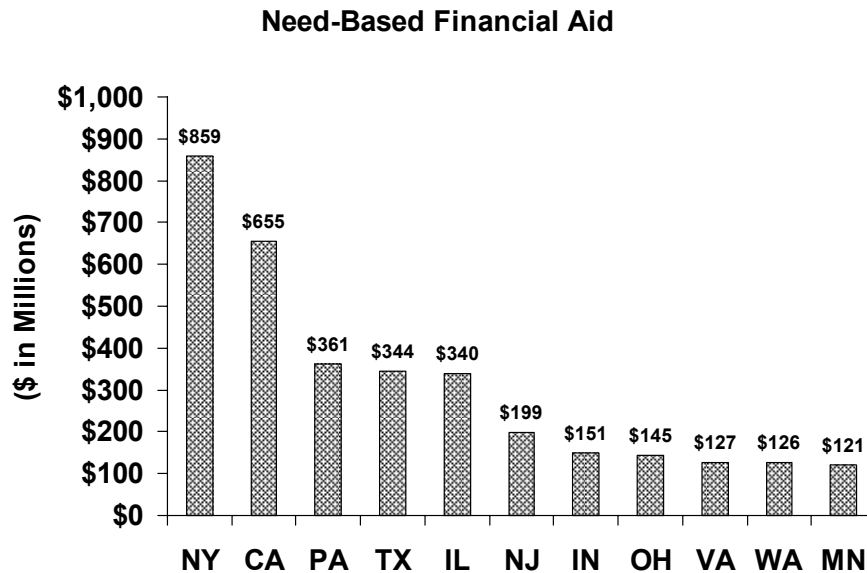
# HIGHER EDUCATION

The following charts provide some information on performance and fiscal measures related to higher education in New York. As demonstrated in these charts and graphs, New Yorkers have access to an affordable, high quality education at our public and private colleges and universities as demonstrated by:

- **Tuition Assistance Program.** New York remains the national leader in providing need-based student financial aid.
- **Access.** Total enrollment at our public and private colleges and universities has reached an all-time high. Minority enrollment at our public universities is also at record levels.
- **Affordability.** Tuition and fees at New York's public colleges and universities is competitive with, and generally lower than, that charged by other public colleges and universities in the Northeastern and Mid-Atlantic states.
- **Quality.** The quality of students admitted to our public university systems continues to improve. Average SAT scores of incoming freshmen in Fall 2004 reached an all-time high.

Information is based on most recent data available from a variety of sources, including the College Board, the State Education Department (SED), the State University of New York (SUNY), the City University of New York (CUNY) and the National Association of State Student Grant and Aid Programs.

## ACCESS & AFFORDABILITY

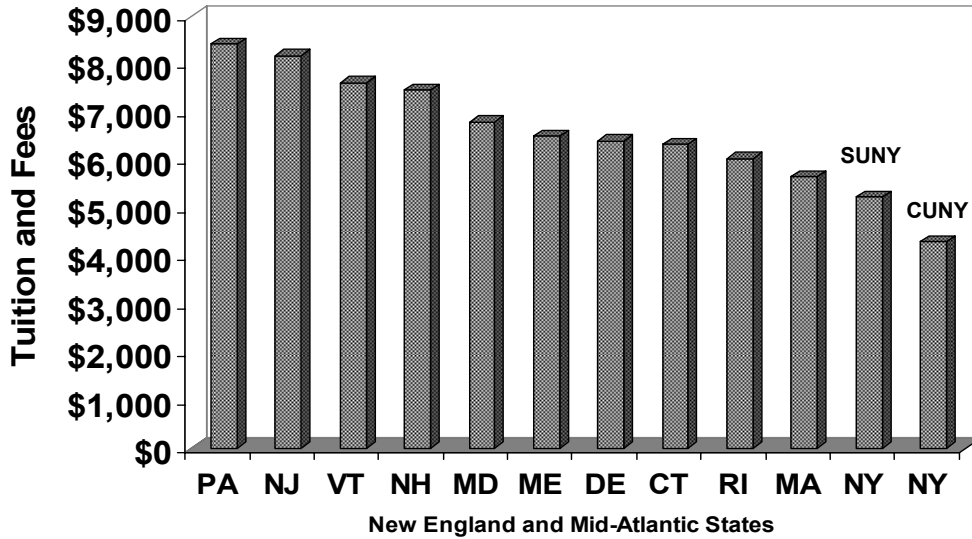


Source: 2003-04 National Association of State Student Grant and Aid Programs

New York provides more need-based financial aid than any other state in the nation. New York also ranks first in the nation in the number of financial aid recipients and the percentage of full-time undergraduates receiving need-based financial aid.

# HIGHER EDUCATION

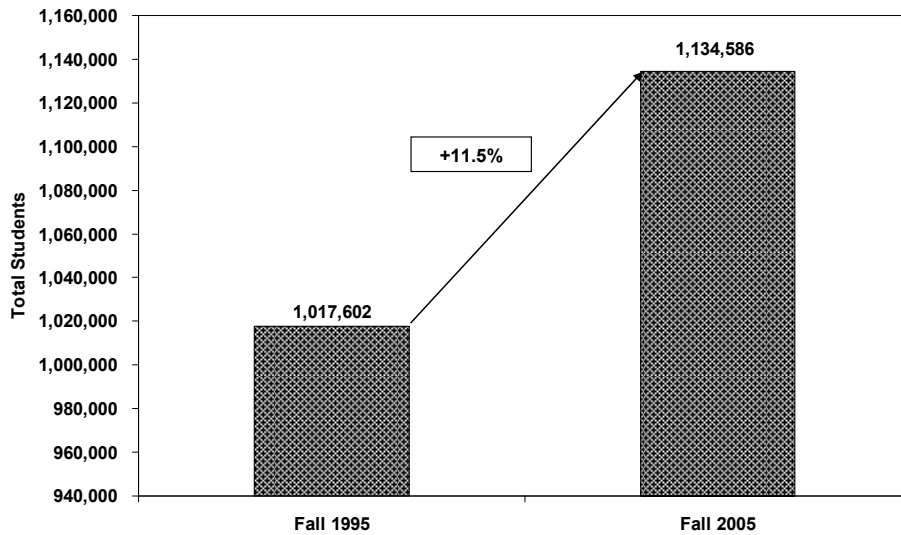
## Tuition and Fees



Source: The College Board: Trends in College Pricing 2005

In 2005-06, tuition and fees at New York’s public colleges and universities were below those charged at other public institutions in New England and Mid-Atlantic states.

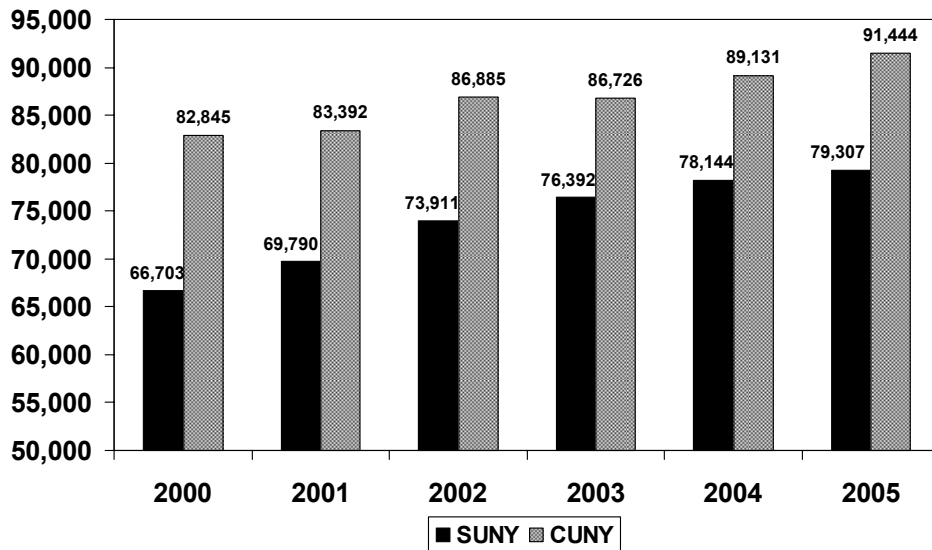
## Statewide Enrollment Growth



Source: New York State Education Department

Total student enrollment at New York’s public and private colleges and universities has grown by 11.5 percent since Fall 1995 and hit an all-time high of 1,134,586 students in Fall 2005.

**Minority Enrollment at SUNY and CUNY**

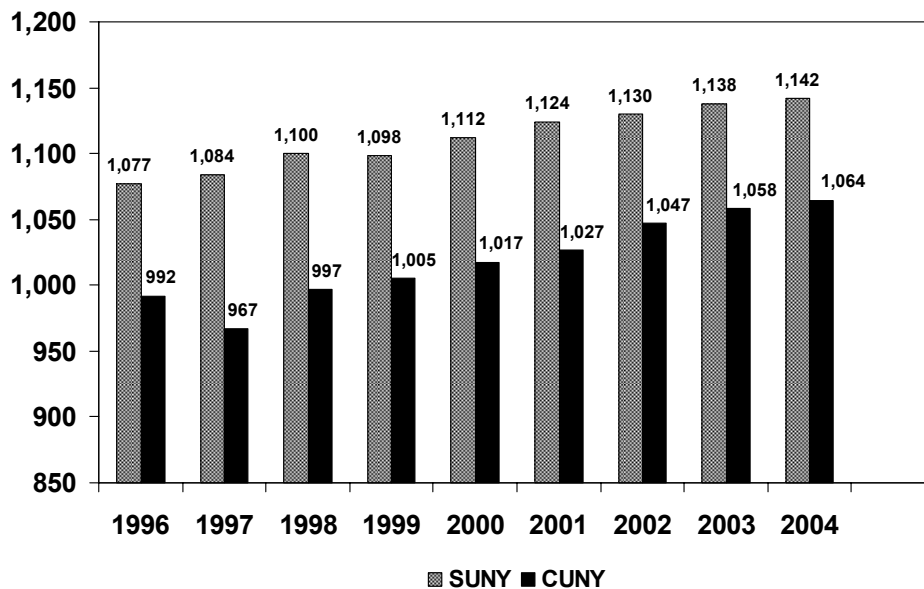


Source: State University of New York/CUNY Office of Institutional Research

In 1999, the CUNY Board of Trustees amended its Master Plan to establish more rigorous admissions criteria and implement a new remedial education policy. Despite concerns expressed by some critics regarding the potential impact of this policy change, CUNY’s minority enrollments have continued to grow. Minority enrollment at SUNY has increased to more than 79,000 students — the highest level in SUNY history.

**QUALITY**

**Average Freshman SAT Scores**



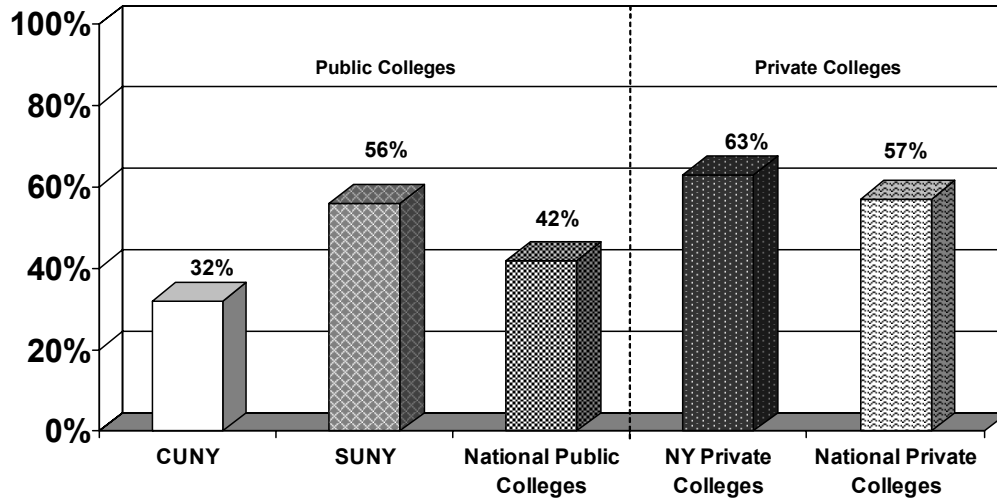
Source: State University of New York/CUNY Office of Institutional Research

The academic profile of incoming students at SUNY State-Operated campuses and CUNY Tier I senior colleges is stronger than ever before. SAT scores of incoming SUNY

## HIGHER EDUCATION

freshmen increased from 1,098 in Fall 1999 to 1,142 in Fall 2004, with gains in the average SAT scores at every campus. Average SAT scores of admitted freshmen at CUNY's five Tier I colleges have also improved, growing from 992 in Fall 1996 to 1,064 in Fall 2004.

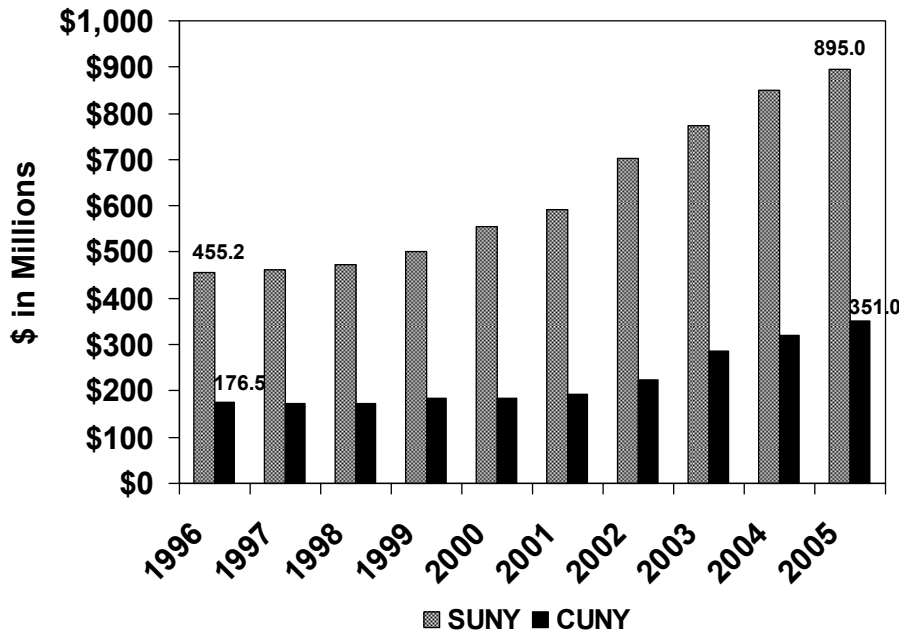
### Bachelor Degrees within 5 Years



Source: New York State Education Department/ACT's "National Collegiate Persistence and Retention to Degree Rates, 2005"

Overall, graduation rates for SUNY and for private colleges in New York are above the national averages for public and private colleges, respectively. However, graduation rates range significantly among individual campuses, particularly within SUNY and CUNY, indicating the potential for further improvement.

### Sponsored Research Growth at SUNY and CUNY



Source: State University of New York/CUNY Research Foundation

Since 1996, sponsored research has grown by nearly \$440 million (97%) at SUNY and by nearly \$175 million (99%) at CUNY. In 2004-05, SUNY recorded 193 patent applications and 34 patents, with more than \$13.5 million from royalties.

## U.S. News & World Report Best National Universities – Top 100

• Columbia University	9
• Cornell University	13
• University of Rochester	34
• New York University	37
• Rensselaer Polytechnic Institute	43
• Yeshiva University	45
• Syracuse University	50
• Fordham University	68
• SUNY Binghamton	74
• SUNY College of Environmental Sci. & Forestry	93
• SUNY Stony Brook	97

Source: U.S. News & World Report America's Best Colleges 2006

In 2005-06, 11 colleges located in New York were ranked in the top 100 universities across the nation.



# ***PUBLIC ASSISTANCE AND CHILDREN'S SERVICES***

The following charts provide some information on performance and fiscal measures related to New York's public assistance program and child services programs.

The Federal Temporary Assistance for Needy Families (TANF) block grant provides assistance and work opportunities to needy families by granting states the Federal funds and wide flexibility to develop and implement their own welfare programs. In addition, New York operates a Safety Net program that provides assistance to poor individuals who do not qualify for TANF. New York is one of only 18 states that provide benefits above and beyond the TANF program.

New York State has used savings generated from welfare reform and corresponding caseload declines to fund a variety of support programs that help low-income working families obtain and retain employment and remain financially independent.

In addition, New York State also continues to enhance the well-being of children through initiatives that reduce reliance on foster care while increasing the number of children placed in permanent homes.

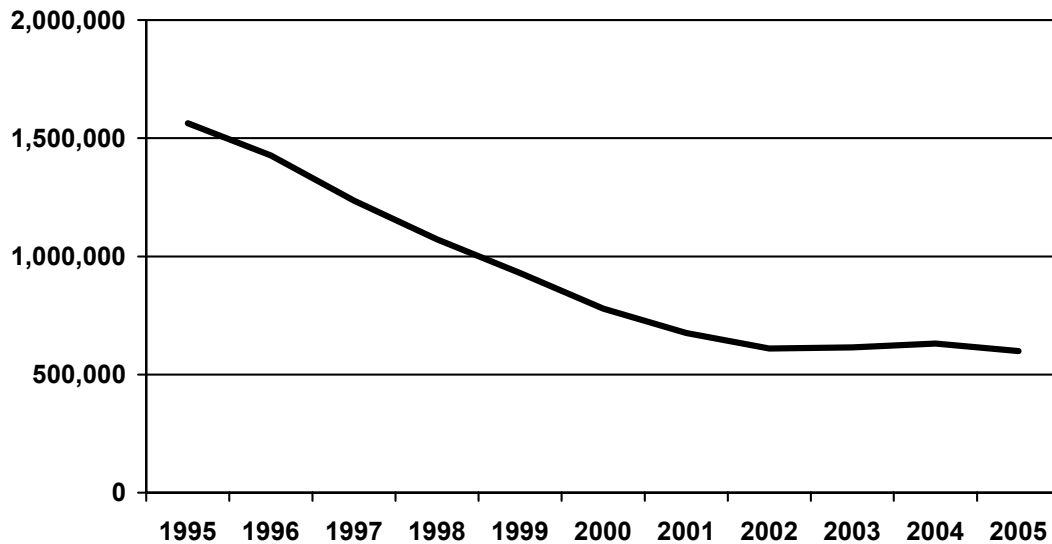
The following information is based on the most recent data available for New York State and includes:

- The public assistance caseload from 1995 through 2005.
- The Earned Income Tax Credit for New York and other states.
- Total spending for child care in 1995 and 2005.
- Teenage pregnancy rates between 1995 and 2003.
- Total child support collections between 1995 and 2005.
- The work rate for single women with children in New York.
- The foster care caseload from 1995 through 2005.
- The adoption caseload from 1995 through 2005.

## ***PUBLIC ASSISTANCE AND CHILDREN'S SERVICES***

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### **PUBLIC ASSISTANCE CASELOAD**



Over the past eleven years, more than one million recipients have transitioned off public assistance. This is a result of Governor Pataki's welfare reform policies that focus less on distributing benefits and more on providing low-income families with the supportive services they need to attain and maintain self-sufficiency.

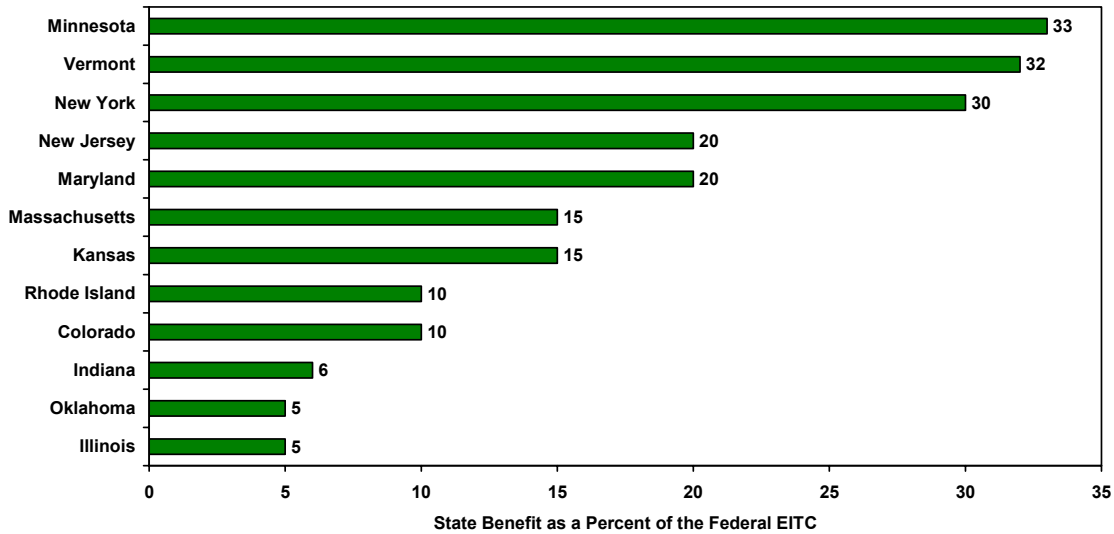
As a result of the unprecedented decreases in the welfare caseload, New York State has been able to apply more of its annual \$2.4 billion Temporary Assistance for Needy Families (TANF) funds towards supportive services. In 1997, the first full year of TANF funding, New York spent only 36 percent of the TANF grant (\$900 million) on supportive services. In 2006, New York will spend 74 percent of the TANF grant (\$1.8 billion) on supportive services, which include:

- **State Earned Income Tax Credit (EITC)** - complements the Federal credit which strengthens the economic mobility of participants by providing them with a tax incentive for remaining employed.
- **State Child Care Block Grant** - provides child care subsidies to low-income working families.
- **Teen Pregnancy Prevention Initiatives** - funds programs that prevent adolescent pregnancies.
- **Food Pantry Funding** - supports programs that provide nutritional services to low-income families.



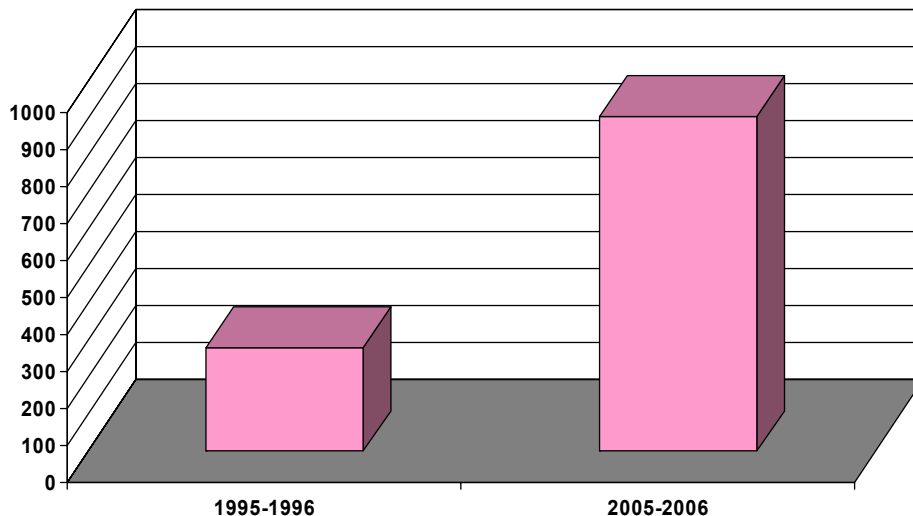
## PUBLIC ASSISTANCE AND CHILDREN'S SERVICES

### EARNED INCOME TAX CREDIT (EITC)



The New York State EITC program was established in 1994 at 7.5 percent of the existing Federal credit. Over the past eleven years, this State percentage has increased four-fold and now amounts to 30 percent of the Federal credit. The EITC functions as an incentive for individuals and families to maintain employment, and avoid public assistance. A low-income working family of three could receive as much as \$5,720 annually from the combined State and Federal EITC - making New York State among the three most generous states in the nation.

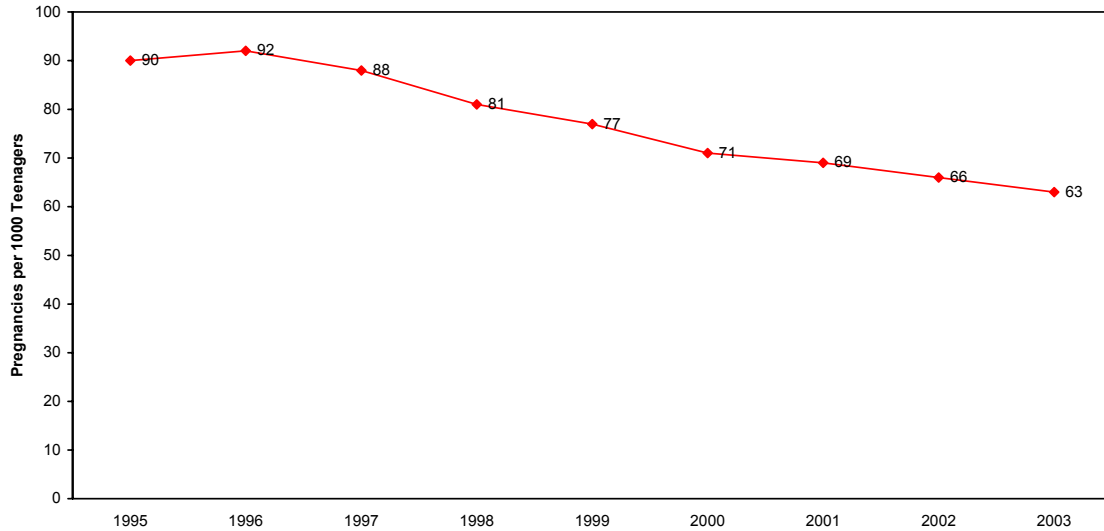
### STATE CHILD CARE BLOCK GRANT FUNDING



Child Care remains one of the most critical components of the welfare program, not only because it enables families on public assistance to transition off welfare, but because it eases the financial burden of low-income working families, thereby reducing the likelihood they will need public assistance. In 1995, the Child Care Block Grant was \$279 million. Over the past ten years, this amount has been increased by 224 percent - to \$905 million.

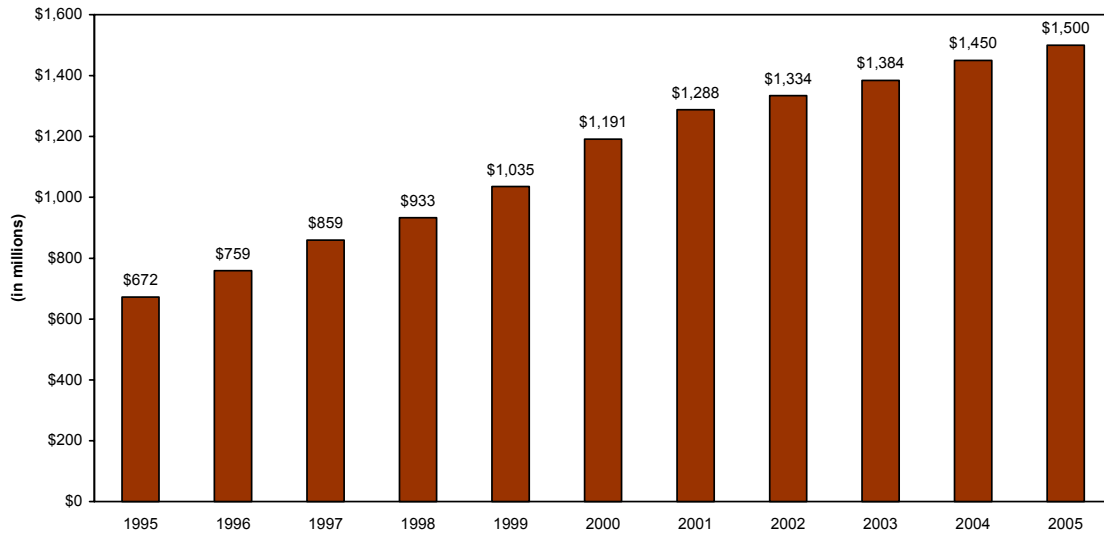
## ***PUBLIC ASSISTANCE AND CHILDREN'S SERVICES***

**TEENAGE PREGNANCY RATE IN NEW YORK**



Since 1997, over \$100 million in TANF funds has been allocated, in addition to other Department of Health funding, for initiatives that have helped reduce the number of teenage pregnancies in the State by 30 percent. This decrease has enabled New York to earn a total of \$75 million in TANF bonuses which were allocated for additional supportive services.

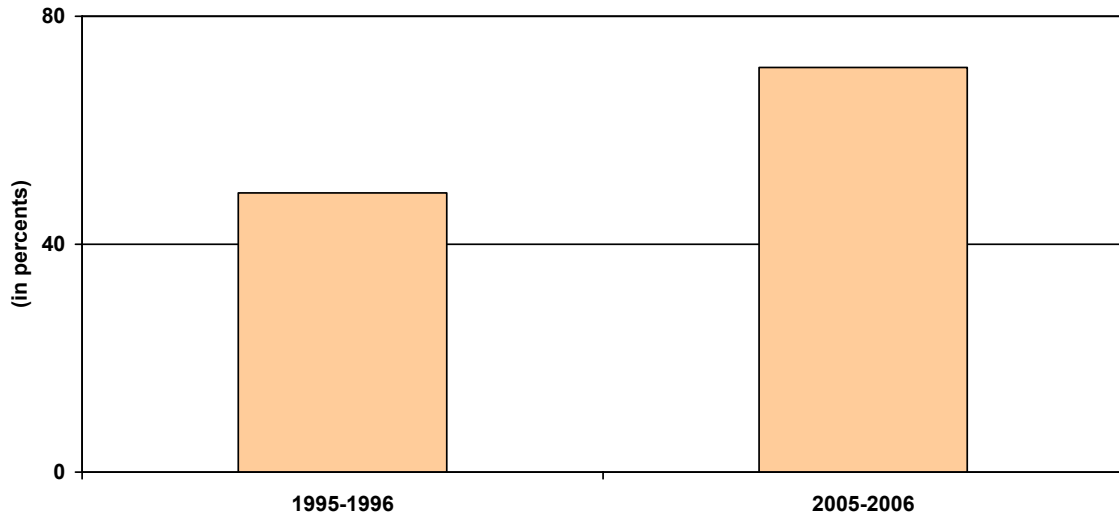
**CHILD SUPPORT COLLECTIONS**



Since 1995, child support collections have increased from \$672 million to \$1.5 billion in 2005 - a 123 percent increase.

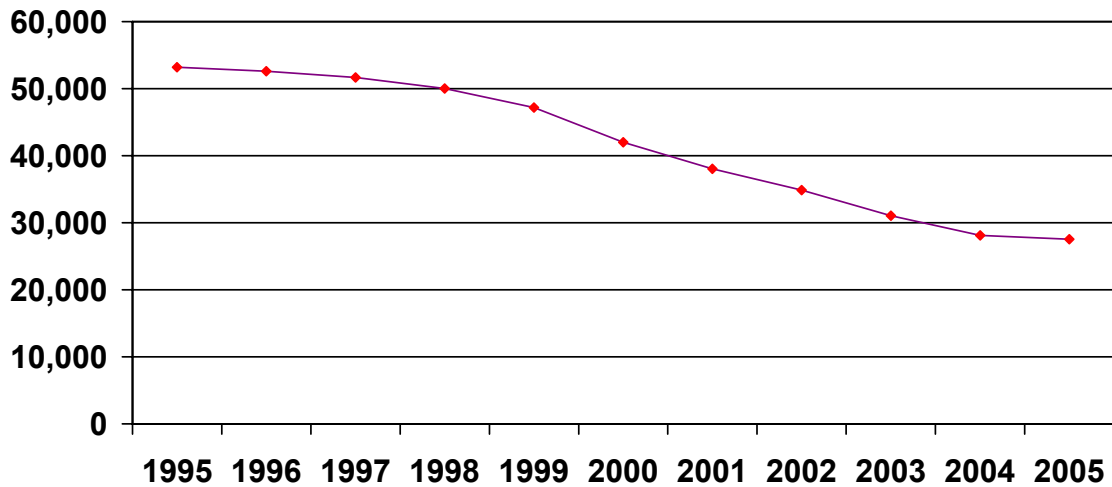
## **PUBLIC ASSISTANCE AND CHILDREN'S SERVICES**

### **WORK RATE FOR SINGLE WOMEN WITH CHILDREN IN NEW YORK**



Employment is the centerpiece of New York's welfare reform strategy because families that remain in the labor force are less likely to need or grow dependent on public assistance. In 1995, only 49 percent of female-headed households (the population most likely to utilize public assistance) were engaged in work activities. In 2005, this number reached 71 percent.

### **FOSTER CARE CASELOAD**

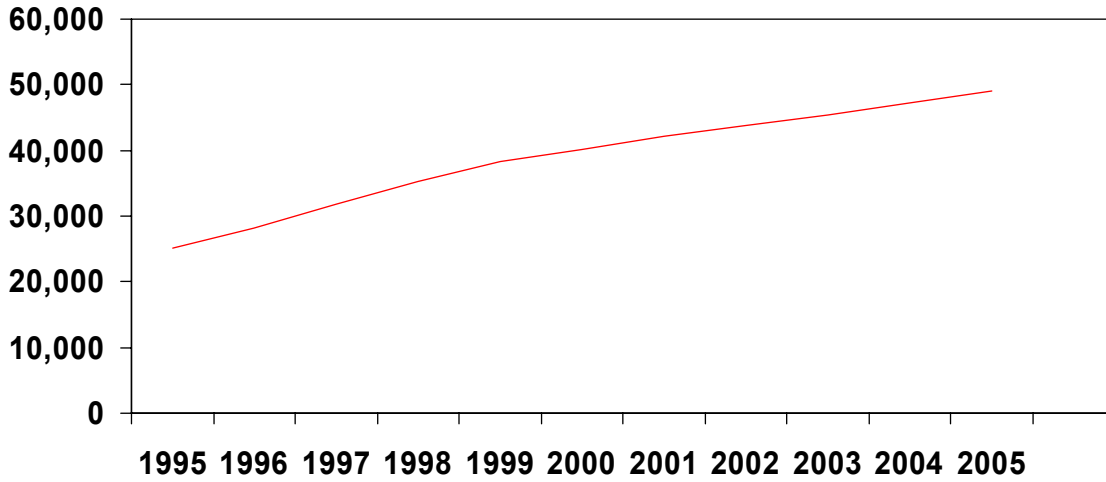


Since 1995, the number of children in foster care has decreased by 48 percent - from 53,226 to an estimated 27,545 in 2005. This has made New York State a national leader in the effort to reduce the number of children in foster care, ranking second among all states in actual caseload decline.

***PUBLIC ASSISTANCE AND CHILDREN'S SERVICES***

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**ADOPTION CASELOAD**



For the second year in a row, New York State received Federal Adoption Incentive funds (a combined two-year total of nearly \$5.5 million) resulting from the State's success in increasing the number of foster children adopted, from 25,144 in 1995 to an estimated 49,148 in 2005.

# **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. 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 to 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. In 2006-07, 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.

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.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

Approximately 95 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 represent approximately 3 percent of 2006-07 disbursements. One Fiduciary Fund account provides funding for short-term loans to arts organizations for acquisition of expensive musical instruments; another provides loans for capital improvements. A third Fund, established in 1999-2000, 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 2006-07 Executive Budget provides \$5.7 million for administration of the Council's programs. In addition, \$40 million is recommended for general arts grants, decentralization grants and the Empire State Partnership initiative.

## ARTS

For 2006-07, funding will again be provided to the Egg and NYSTI from existing dedicated revenue in the Cultural Education Account. Special revenue funding of \$618,000 is provided for the Egg and \$2,114,000 for NYSTI. Receipts from ticket sales, private donations and sales and lease of products and facilities will supplement State funds provided to these organizations.

### PROGRAM HIGHLIGHTS

**Council on the Arts.** Since April 1995, the Council has distributed approximately 27,500 grants totaling over \$387 million to more than 1,500 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 allocation of 40 cents per person in cultural funding.

**Performing Arts Center Corporation (the "Egg").** During the 2004-05 season, the Egg hosted 198 events that featured the finest dance, music and theatre companies from across the State and around the world. The Center's performing arts series, which attracted an audience of more than 55,000, continued to expand with the addition of the new "Living Legacy" project, which explores the contributions of major New York artists through a series of performances and outreach events throughout the community. The "New Work, New York" project, launched during the 2003-04 season, has grown to include commissioned music arrangements and choreography and featured two world premieres. The Center hosts three performing arts "camps", as well as a three-week intensive ballet workshop and continues to be the home of the Ellen Sinopoli Dance Company and the Student Theatre Outreach Program.

**New York State Theatre Institute.** In 2004-05, more than 65,000 children, teachers and parents attended NYSTI's six productions and participated in its educational programs in Troy. The Institute certified 100 high school units and 170 college credits to 70 high school seniors and college students who participated in its internship program. The Institute received the Silver Award from Worldfest for *A Tale of Cinderella* in 1996, the National American Alliance for Theatre 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*. In June of 2004, NYSTI received its second Audie Award for its production of *The Killings Tale*, and in June 2005 NYSTI received an Audie nomination for *The Heart of Troy*.

#### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	9,326,000	9,781,000	455,000	440,000
Aid To Localities	38,120,000	40,720,000	2,600,000	260,000
Capital Projects	0	0	0	0
Total	47,446,000	50,501,000	3,055,000	700,000

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	47	48	1
Special Revenue Funds - Federal	8	7	(1)
Total	<u>55</u>	<u>55</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	5,300,000	5,656,000	356,000
Special Revenue Funds - Federal	993,000	993,000	0
Special Revenue Funds - Other	3,033,000	3,132,000	99,000
Total	<u>9,326,000</u>	<u>9,781,000</u>	<u>455,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	5,300,000	5,656,000	356,000
Special Revenue Funds - Federal	993,000	993,000	0
Special Revenue Funds - Other	400,000	400,000	0
Empire State Performing Arts Center Corporation			
Special Revenue Funds - Other	600,000	618,000	18,000
New York State Theatre Institute			
Special Revenue Funds - Other	2,033,000	2,114,000	81,000
Total	<u>9,326,000</u>	<u>9,781,000</u>	<u>455,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	3,819,000	311,000	3,705,000	311,000
Total	<u>3,819,000</u>	<u>311,000</u>	<u>3,705,000</u>	<u>311,000</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Administration	114,000	0
Total	<u>114,000</u>	<u>0</u>

# ARTS

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	1,837,000	45,000	114,799	2,799
Total	1,837,000	45,000	114,799	2,799

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	194,771	4,771	1,443,371	35,371
Total	194,771	4,771	1,443,371	35,371

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	84,059	2,059
Total	84,059	2,059

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	1,393,000	0	542,000	0
Empire State Performing Arts Center Corporation	618,000	18,000	0	0
New York State Theatre Institute	2,114,000	81,000	0	0
Total	4,125,000	99,000	542,000	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	451,000	0	400,000	0
Empire State Performing Arts Center Corporation	0	0	618,000	18,000
New York State Theatre Institute	0	0	2,114,000	81,000
Total	451,000	0	3,132,000	99,000

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	37,400,000	40,000,000	2,600,000
Special Revenue Funds - Federal	520,000	520,000	0
Special Revenue Funds - Other	200,000	200,000	0
Total	38,120,000	40,720,000	2,600,000

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	37,400,000	40,000,000	2,600,000
Special Revenue Funds - Federal	520,000	520,000	0
Special Revenue Funds - Other	200,000	200,000	0
Total	38,120,000	40,720,000	2,600,000



# **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. For the coming year, legislation will be advanced that adds a distinguished faculty member, appointed by the Governor, as a voting member of the Board of Trustees.

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.

The City University's operating budget supports an estimated 10,600 full-time equivalent positions consisting of 10,450 positions that are supported through a combination of State tax dollars and tuition revenues and 150 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**

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 2006-07, CUNY's gross operating budget will total \$1.4 billion, an increase of \$72.8 million or 5.4 percent. Within this amount, taxpayer support will total \$775.3 million, an increase of \$27.2 million or 3.6 percent. CUNY's Senior College Revenue Offset will total \$640.6 million, an increase of \$45.7 million or 7.7 percent. This revenue authorization provides the CUNY Trustees with the flexibility to generate increased revenue to support additional spending, should they so choose.

The 2006-07 Executive Budget also provides greater flexibility to the Board of Trustees to establish the tuition levels that are charged at CUNY campuses. Legislation accompanying this Budget authorizes the Trustees to:

- adopt a tuition policy that permits annual incremental adjustments to tuition, based on an annual inflation index;

## **CITY UNIVERSITY**

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- adjust tuition levels beyond those driven by the annual inflation index in the event that State taxpayer support for CUNY senior colleges is reduced from the prior year level or is not sufficient to fully fund collectively bargained salary increases or other fixed costs;
- eliminate existing restrictions that prohibit the Trustees from establishing differential tuition rates for like degree programs among CUNY campuses; and
- adopt a tuition increase prior to the enactment of the State budget.

Special revenue funding for CUNY will total \$235 million, an increase of \$90.0 million or 62.1 percent, to accommodate graduate tuition revenues (\$30 million) resulting from Trustee actions in 2005-06 and to escrow funds for unsettled 2005-06 collective bargaining costs (\$60 million).

For 2006-07, \$5 million is provided for a new Empire Innovation Program to support critical research projects, academic programs and Master Plan initiatives at CUNY. Additionally, a total of \$58.6 million in contingency appropriation authority is provided outside of SUNY's and CUNY's appropriation schedules to cover any extraordinary energy cost increases experienced by our public universities in 2006-07.

### **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 \$160.9 million reflects a net increase of \$1.6 million attributable to: a \$100 per full-time student base aid increase (\$6.3 million); lower than projected enrollment growth (-\$5.2 million); and an increase in rental aid for leased space (\$0.5 million). Funding for childcare, College Discovery, and workforce development is continued at \$0.9 million, \$0.7 million and \$1.0 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 2006-07 supplement the current \$1.3 billion Five Year Investment Program for senior colleges with: an additional \$15 million to design and begin construction on a new science facility at City College; \$11.2 million in funding for the stabilization of the Marshak Science Building; and \$8.8 million in matching funds for facility upgrades at Medgar Evers. CUNY's bond cap will be increased by \$325 million to cover CUNY's new 2006-07 capital appropriations and increases provided in 2005-06 for a total bonding authorization of \$5.3 billion.

CUNY's capital program for 2006-07 provides \$457 million to support anticipated commitment levels for both senior and community colleges.

### **PROGRAM HIGHLIGHTS**

The City University of New York offers a wide variety of educational avenues ranging from vocational courses to doctoral degree programs. Approximately 221,000 full-time and part-time students — 148,000 at the senior colleges and 73,000 at the community colleges — were enrolled in degree programs for the fall 2005 semester. In addition, the University served more than 255,000 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 on ten campuses and, since its inception in 1995, has helped more than 17,000 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 120 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 2005. The Plan’s objectives include: establishing a more rigorous and selective University system; creating a flagship environment; fostering a research environment; improving CUNY’s teacher education programs; expanding collaborative and outreach programs with the New York City Board of Education; and facilitating economic development.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	1,508,234,000	1,650,873,000	142,639,000	0
Aid To Localities	865,087,250	929,281,000	64,193,750	0
Capital Projects	347,946,000	35,000,000	(312,946,000)	2,032,994,000
<b>Total</b>	<b>2,721,267,250</b>	<b>2,615,154,000</b>	<b>(106,113,250)</b>	<b>2,032,994,000</b>

# CITY UNIVERSITY

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Special Revenue Funds - Other	145,000,000	235,000,000	90,000,000
Fiduciary Funds	1,363,234,000	1,415,873,000	52,639,000
Total	<u>1,508,234,000</u>	<u>1,650,873,000</u>	<u>142,639,000</u>

Adjustments:

Recommended Deficiency			
City University of New York			
Agency Trust Funds	(13,900,000)		
Transfer(s) From			
Special Pay Bill			
Agency Trust Funds	(20,200,000)		
Appropriated 2005-06	<u>1,474,134,000</u>		

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
General Fund	865,087,250	929,281,000	64,193,750
Total	<u>865,087,250</u>	<u>929,281,000</u>	<u>64,193,750</u>

Adjustments:

Transfer(s) From			
Special Pay Bill			
General Fund	(20,200,000)		
Appropriated 2005-06	<u>844,887,250</u>		

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Community College Programs			
General Fund	154,331,250	158,768,000	4,436,750
Institutional Support Services			
General Fund	707,256,000	768,513,000	61,257,000
Senior College Pension Payments			
General Fund	3,500,000	2,000,000	(1,500,000)
Total	<u>865,087,250</u>	<u>929,281,000</u>	<u>64,193,750</u>

# CITY UNIVERSITY

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Senior Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	47,873,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	242,097,000	35,000,000	(207,097,000)	1,341,134,000
Program Changes - Expansion and Improvements				
Capital Projects Fund	0	0	0	2,235,000
New Facilities				
Cap Proj Fund - CUNY (Direct Auth Bonds)	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>242,097,000</u>	<u>35,000,000</u>	<u>(207,097,000)</u>	<u>1,745,508,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	15,028,000
Cap Proj Fund - CUNY (Direct Auth Bonds)	105,849,000	0	(105,849,000)	272,458,000
Subtotal	<u>105,849,000</u>	<u>0</u>	<u>(105,849,000)</u>	<u>287,486,000</u>
Total	<u><u>347,946,000</u></u>	<u><u>35,000,000</u></u>	<u><u>(312,946,000)</u></u>	<u><u>2,032,994,000</u></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 2006-07 are projected to total 3,077 positions at year's end, with 373 positions, or approximately 12 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 2006-07, total funding for programs and operations of the State Education Department will increase by \$1.7 billion, or 6.8 percent. This year-to-year increase is primarily due to: \$970 million increases for traditional school aid and for Sound Basic Education aid; \$530 million for the new STAR Plus Tax Relief program; increases for special education programs totaling \$116 million; a Federal funds increase of \$55 million; and increases in state operations and capital projects totaling \$55 million.

The taxpayer-supported General Fund provides 8 percent of SED's operating budget. Federal grants, including programs for disadvantaged pupils, account for 55 percent of the agency's resources. The remaining 37 percent is derived from fees, charge-backs and other miscellaneous receipts.

For 2006-07, SED's General Fund State Operations support totals \$40.96 million, a net decrease of \$1.4 million. The recommended changes include increases of \$1.1 million for collective bargaining and \$0.9 million for fixed costs, offset by a decrease of \$3.4 million reflecting the transfer of the Tenured Teacher Hearing program to special revenue and the transfer of the Batavia ICF to the Office of Mental Retardation and Developmental Disabilities.

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

The School Tax Relief (STAR) program was enacted in 1997 to provide needed tax relief for homeowners across the State. In 2006-07, \$3.4 billion is appropriated for the existing STAR program comprised of the enhanced STAR exemption for eligible senior citizens, the basic STAR exemption for other homeowners and the New York City Personal Income Tax reduction. This represents an increase of \$49 million from 2005-06.

## **EDUCATION**

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The 2006-07 Budget proposes a new \$530 million STAR Plus program to recognize and reward homeowners in school districts that restrain spending. In addition, the enhanced STAR exemption for seniors will be adjusted from \$50,000 to \$56,800 to reflect increases in the cost of living since the full implementation of STAR. Similar cost of living adjustments will be made automatically in future years. This will generate additional STAR savings of \$72 million in 2006-07.

### **SCHOOL AID**

The 2006-07 Executive Budget recommendations for elementary and secondary education include increases in traditional school aid as well as funding for high needs school districts consistent with the State's five-year Sound Basic Education (SBE) Plan.

Major recommendations for 2006-07 include:

- **School Year Support:** For the 2006-07 school year, \$16.95 billion is provided in State support for public schools, a school year increase of \$634 million, or 3.9 percent, comprised of an increase of \$259 million in traditional school aid and \$375 million in Sound Basic Education Aid;
- **Fiscal Year Support:** For the 2006-07 fiscal year, \$16.9 billion is provided in State support for public schools, a fiscal year increase of \$544 million, or 3.3 percent;
- **Flex Aid:** For the coming year, the Executive Budget recommendations continue to provide schools with greater flexibility to meet locally defined needs through Flex Aid. Overall Flex Aid funding will be maintained at \$8.5 billion;
- **Sound Basic Education Aid (SBE) program:** To provide needed funding to ensure all schools have the resources required to provide every child with a quality education, \$700 million is recommended for Sound Basic Education (SBE) Aid, an increase of \$375 million from 2005-06. This \$375 million increase will be placed in a reserve to be allocated pursuant to a plan to promote the provision of sound basic education in schools throughout the State;
- **Video Lottery Terminals (VLTs):** For the 2006-07 school year, \$700 million from the VLT account will be used to support the State's SBE plan. To address a temporary shortfall in VLT revenues from original projections, \$230 million in one-time revenues will be used to supplement projected VLT revenues for the 2006-07 fiscal year;
- **Building Aid:** For the 2006-07 school year, \$1.6 billion is recommended in State support for the construction of school facilities, an increase of \$77 million, or 5 percent. The Executive Budget recommends a series of reforms to ensure that State and local resources are effectively targeted to address school facility needs across the State. These reforms include: providing all school districts an exemption from the Wicks Law; simplifying the building aid formula to provide reasonable, realistic allowances for construction costs and student-based space needs; authorizing school districts to access Dormitory Authority advisory services to promote efficient construction practices and design; and streamlining existing New York City procurement processes. Finally, payment reforms for new projects enacted in 2005-06 will be extended for 2006-07 and the calculation of building aid payments for BOCES projects and New York City will be aligned with payments for school construction projects elsewhere in the State;
- **BOCES:** The 2006-07 Executive Budget recommends reforms to eliminate an artificial incentive to use BOCES simply as a means of generating additional State aid -- regardless of the actual cost-effectiveness of the BOCES services. Also, BOCES aid will be limited to the amount received by school districts in the prior year. A total of \$536 million is recommended for BOCES aid in 2006-07, a decrease of \$10 million, or 1.9 percent;
- **Transportation Aid:** A total of \$1.3 billion is recommended for reimbursement of the cost of transporting 2.5 million students statewide, representing an increase of \$90 million, or 7.4 percent;



- **Tax Limitation Aid:** State support for Tax Limitation Aid will total \$182.7 million, a \$47.7 million increase;
- **Fiscal Stabilization Grants:** The 2006-07 Executive Budget recommends \$44.1 million in fiscal stabilization grants, an increase of \$40.2 million for the New York City School District;
- **Teachers of Tomorrow:** Funding for the Teachers of Tomorrow program is increased by \$5 million to \$25 million. This increase will provide recruitment incentives and tuition reimbursement to expand the pool of math/science teachers entering the teaching profession by means of alternative certification;
- **Categorical Grant Programs:** State support for Teacher Centers and the Teacher Mentor-Intern program reflects the Governor's one-third share of funding for these two programs;
- **Other Programs:** The 2006-07 Executive Budget recommends funding based on existing statutory formulas for several programs, including growth aid, textbook aid, reorganization incentive aid and instructional materials aids;
- **School Health Services:** The Executive Budget provides \$5.8 million in new funding to support student health services in the Big Four City school districts;
- **Engineers of the Future:** A new \$5 million program is proposed to enable 500 middle/high schools to offer pre-engineering programs. These programs will help to cultivate interest and proficiency in engineering and increase the number of students pursuing engineering careers;
- **Summer Institutes for Math/Science:** A new \$5 million program including \$2.5 million for summer math/science programs at community colleges for middle school students and \$2.5 million to support university-based programs to refresh and renew the competency of math/science teachers in state-of-the-art technology, equipment and pedagogy;
- **Performance Initiatives:** A number of initiatives are proposed for the coming year to reward schools for academic performance and efficiency, including establishment of a \$500,000 Academic Achievement Awards program. In addition, increased funding would be authorized for schools that improve performance on statewide achievement tests;
- **School Choice:** For 2006-07, \$6 million is continued for the Charter School Stimulus Fund to assist with facility needs and other costs connected to the development and expansion of charter schools. Additionally, a number of initiatives are proposed to expand access to charter schools;
- **School Safety:** For 2006-07, \$475,000 is continued to support the efforts of the Statewide Center for School Safety to promote "best practices" and provide technical assistance to schools, and \$475,000 is also continued for character education curriculum development activities;
- **Voter Empowerment:** The 2006-07 Executive Budget recommends reforms to the school voting process to increase voter participation in local school district elections;
- **Strengthening the Qualifications of School Business Officials:** The 2006-07 Executive Budget recommends changes to strengthen qualification requirements for school business officials;
- **Ethics Guidelines for School Employees:** The 2006-07 Executive Budget recommends new guidelines for employee codes of ethics at school districts and BOCES, including a requirement to explicitly prohibit the use of school district and BOCES resources for personal gain; and
- **Advantage Schools:** The Advantage After-School Program provides school-age children with supervised educational and social activities during non-school hours. The Executive Budget recommends increasing funding for the program by \$7.3 million to \$27.5 million, providing vital after-school services to children throughout the State.

## **EDUCATION**

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### **SPECIAL EDUCATION**

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

To ensure that New York State's special education programs are financed in a manner that encourages the education of children with disabilities in the least restrictive environment possible, the 2006-07 Executive Budget recommends reforms to the State aid program that supports special education in private settings. The reimbursement formulas used for this program would be conformed to those used to support special education services provided to school age children in public schools during the regular school year. Under this reform, the average State aid ratio used to calculate aid for placements in private special educational settings would be reduced from 85 percent to 49 percent - the same as that used for public placements. This change would eliminate the existing financial incentive to place children in restrictive, high-cost settings away from their non-disabled peers.

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

Approximately 500 providers (school districts, private providers and BOCES) operate preschool special education programs that provide educational and therapeutic services to an estimated 84,000 children ages 3-5. The 2006-07 General Fund recommendation of \$635 million would support the State's 59.5 percent share of preschool special education program costs.

To promote better coordination of the transition of children from Early Intervention (EI) to preschool special education, the establishment of a Task Force, chaired jointly by SED and the State Department of Health, is proposed to study the appropriate relationship between the EI and preschool special education.

The 2006-07 Executive Budget also recommends reforms in the reimbursement of school district costs for evaluations. In order to reduce school district reliance on private providers to conduct evaluations of preschoolers who they may serve in the future, State reimbursement for evaluations will be limited to those provided by the school district itself.

#### ***Summer School Special Education***

The summer school special education program supports educational services provided during July and August for approximately 40,000 disabled students ages 5-21. The State covers 70 percent of the total education, transportation, and maintenance costs of summer programs, with school districts contributing 20 percent, and counties 10 percent.

Program costs have increased in recent years mainly due to overall enrollment growth as well as in the number of children placed in residential settings. The Executive Budget recommends an increase of \$48 million to cover prior year obligations and 2006-07 school year costs.

### **CATEGORICAL EDUCATION PROGRAMS**

The 2006-07 Executive Budget recommends a year-to-year reduction of \$27.1 million in funding for categorical education programs due to the elimination of one-time funding for legislative grants. The recommendations include \$500,000 for a new Academic Achievement Awards program that will reward schools for academic performance and efficiency.

**ELEMENTARY, MIDDLE AND SECONDARY CATEGORICAL PROGRAMS  
2006-07 SCHOOL YEAR  
(\$000)**

Program	2005-06 School Year	2006-07 School Year	Change
Academic Achievement Awards	0	500	500
Academic Intervention Services (AIS) for Non-Public Schools	1,000	1,000	0
Adult Basic Education - WEP	2,000	2,000	0
Adult Literacy Education	3,325	3,325	0
Apprenticeship Training	1,830	1,830	0
Character Education	475	475	0
Charter Schools	6,000	6,000	0
Consortium for Worker Education (CWE)	11,500	11,500	0
Extended Day/School Safety	30,200	30,200	0
Health Education Program	750	750	0
Hurd Advances	310	259	(51)
Legislative Grants	27,110	0	(27,110)
Migrant Workers	90	90	0
Non-Public School Aid	87,500	87,500	0
Primary Mental Health	970	970	0
Prior Year Claims	24,060	24,060	0
School Lunch/Breakfast	31,700	31,700	0
Statewide School Safety Center	475	475	0
Special Education Teacher Retention	2,000	2,000	0
Summer Food Program	3,300	3,300	0
SUNY Center for Autism	500	0*	(500)
SURR Schools	1,900	1,900	0
Targeted Pre-Kindergarten	50,200	50,200	0
Transferring Success	630	630	0
Workplace Literacy	1,376	1,376	0
<b>Total</b>	<b>\$277,701</b>	<b>\$250,540</b>	<b>(27,161)</b>

\*\$500,000 will be provided in 2006-07 with Federal Individuals with Disabilities Education Act (IDEA) funds.

**OTHER RECOMMENDATIONS**

Legislation accompanying this budget creates a new 10-member Cultural Education Trust within the State Education Department to promote the public missions of the State Museum, Library and Archives. This new Cultural Education Trust — which is modeled after the existing State Archives Partnership Trust — would develop recommendations to direct the investment of \$20 million to enhance the public display of the collections and exhibits of the State Museum, Library and Archives and \$20 million to provide a new climate-controlled facility for collection storage.

Other recommendations relating to SED operations include:

- Reassignment of the fiscal responsibility for tenured teacher hearings to local school districts resulting in General Fund savings of \$3.3 million; and
- Reduction in overall staffing by 37 (from 3,114 to 3,077) to reflect the transfer of Batavia Intermediate Care Facility (ICF) from the Department to the Office of Mental Retardation and Developmental Disabilities (OMRDD).

In addition to funding for agency operations, SED's budget also includes support for various aid programs in the areas of higher education, cultural education, and vocational rehabilitation. For 2006-07, funding is maintained for the following programs:

- Library Aid (\$88.9 million);
- Public Broadcasting Aid (\$13.8 million);
- Case Services (\$54.6 million);
- Supported Employment (\$15.4 million);
- Independent Living Centers (\$10.7 million);
- Unrestricted Aid for Independent Colleges and Universities (\$42.0 million);

## **EDUCATION**

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- Higher Education Opportunity Program (\$22.0 million);
- Liberty Partnerships (\$10.9 million); and
- Teacher Opportunity Program (\$0.7 million).

To expand the enrollment of under-represented students in math and science, funding for the Science and Technology Entry Program (STEP) and its collegiate counterpart (CSTEP), will be doubled to a total of \$19.0 million for 2006-07.

### **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 2006-07 Executive Budget provides \$16.95 billion in school aid for the 2006-07 school year. As a result of the combination of school aid and property tax relief through STAR, State funding represents nearly 46 percent of local school district spending on education. State support for public schools, combined with STAR and lottery payments, accounts for nearly 36 percent of the State's General Fund — up from 27 percent in 1994-95.

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

- **Flex Aid** represents more than 50 percent of State aid to local school districts. The Executive Budget continues Flex Aid at \$8.5 billion for 2006-07. School districts that are eligible for the new STAR Plus program in the 2006-07 school year will receive a 2 percent increase in their Flex Aid allocation beginning in 2007-08;
- **Sound Basic Education (SBE) Aid** provides State funding to ensure that all students have the opportunity to receive a sound basic education. The \$325 million in existing SBE Aid is allocated in a manner sensitive to concentrations of students in poverty, district wealth and varying regional costs. An increase of \$375 million in SBE Aid is recommended for 2006-07 and will be placed in a reserve to be allocated pursuant to a plan to promote the provision of sound basic education in schools throughout the State;
- **Transportation Aid and Building Aid** provide support to school districts for student transportation and the construction and preservation of school facilities. With a combined total of more than \$2.8 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 2006-07 include continuation of \$137.6 million in grants for magnet school programs in 19 cities throughout the State and \$81.9 million in aid to small city school districts.

The 2006-07 Executive Budget includes various new initiatives to: enhance the quality of math and science education in New York State; strengthen the administration of the Regents' testing program; enhance access to health services for students in Big Four City school districts; increase school choice; and strengthen school governance:

- **Math/Science Initiatives:** The following initiatives are proposed to strengthen math and science education programs across the State:
  - **“Partnership for Prosperity”:** Creation of a Science and Technology Taskforce to develop a comprehensive statewide plan to strengthen science and technology education through public/private partnerships;
  - **“Engineers of the Future”:** \$5 million to enable 500 middle/high schools to offer pre-engineering programs.

- **Math/Science Summer Institutes:** \$5 million in new funding including \$2.5 million for summer math/science programs at community colleges for middle school students and \$2.5 million to support university-based programs to refresh and renew the competency of math/science teachers;
  - **Teachers of Tomorrow:** \$5 million increase to provide recruitment incentives and tuition reimbursement to expand the pool of math/science teachers entering the teaching profession via alternative certification;
  - **STEP/CSTEP:** \$9.5 million to double existing funding for the Science and Technology Entry Program/Collegiate Science and Technology Program to increase the number of under-represented students pursuing math and science programs at the secondary and postsecondary level; and
  - **Math and Science Teaching Initiative:** 500 new scholarships will be provided annually for up to 5 years in amounts up to SUNY tuition for students at the State's public or private colleges who commit to teaching math or science in New York's public schools for five years.
- **Review of State Testing Administration:** The Executive Budget recommends creation of a panel of experts to provide guidance and recommendations to strengthen administration of the Regents' testing program. This new panel would be independent of the Regents and provide an on-going capacity for objective and thorough reviews of issues related to the administration of the Regents' testing program. The Budget includes \$500,000 for the expenses of the Panel;
  - **School Health Services:** The Executive Budget recommends \$5.8 million to support student health services in the Big Four City school districts. The allocation of these funds is reflective of the number of school buildings and enrollment in each of the Big Four City school districts;
  - **School Choice:** In addition to continuing \$6 million in funding for charter schools, the Executive Budget proposes legislation to: increase the charter school cap by 150 for a total of 250 schools; authorize not-for-profit agencies to grant charters; clarify the manner in which the charter school cap is calculated; provide charter schools with building aid in the same manner as Special Act school districts for allowable costs of school construction and leases; and provide charter schools with access to the Dormitory Authority for financing services;
  - **Strengthening the Qualifications of School Business Officials:** The Executive Budget recommends strengthening the qualifications for school business officials to require: completion of a minimum amount of coursework in finance and accounting; passing a State examination; completion of a school finance-related internship; and participation in on-going professional development; and
  - **Codes of Ethics for School District and BOCES Employees:** The Executive Budget recommends strengthening employee codes of ethics for school district and BOCES to prohibit the use of resources for personal gain. School boards will be required to review and approve their district's code of ethics on a yearly basis and submit it annually to the Office of the State Comptroller and SED.

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

For 2006-07 STAR will provide New York's taxpayers with savings of \$3.4 billion in school tax relief, including \$72 million in additional STAR savings for senior citizens that receive enhanced STAR. An estimated \$530 million in additional tax relief will also be available through the new STAR Plus program.

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

- In 2006-07, approximately 620,000 senior homeowners will be eligible to receive an enhanced exemption. For 2006-07, the Executive Budget would increase the \$50,000 enhanced exemption to \$56,800 to reflect increases in the cost of living since the full implementation of STAR. The statewide average STAR enhanced

## ***EDUCATION***

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- benefit for seniors is estimated at \$1,220. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age and have annual incomes of \$66,050 or less.
- Legislation accompanying the Executive Budget provides for automatic cost of living adjustments to the enhanced STAR exemption in future years.
  - In 2006-07, the school property tax exemption will provide nearly 2.7 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 relating to this basic STAR exemption will average \$710; and
  - The exemptions provided to all homeowners living in counties where median home sale prices exceed the statewide median are adjusted upward from the minimums stated above to account for regional variations in property values.

### ***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 \$668 million in 2006-07, reducing the New York City personal income tax by nearly 10 percent.

### ***STAR Plus***

Under the new STAR Plus program, a rebate check of \$400 will be provided to homeowners residing in school districts that adopt a spending cap limiting school spending increases to the lesser of 4 percent or 120 percent of the increase in the Consumer Price Index.

Exceptions to the spending cap would be provided for increases in enrollment, capital projects, certified emergencies, judgments, tax certiorari proceedings and court ordered funding to provide a sound basic education.

Taxpayers in fiscally dependent city school districts having a population of less than 1 million will also be eligible for STAR Plus if their district adopts a 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. The 2006-07 recommendations would expand the property tax report card to include information displaying the three-year change in 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 school spending under the spending cap; 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.

### ***Reforming the School Voting Process***

The 2006-07 Executive Budget recommends the following reforms to the school voting process:

- **Single School Vote:** For 2006-07 and thereafter, school districts would be required to hold a single vote on their school budget, and there would be no revotes;
- **Single Voting Day for Bond Resolutions:** Require all votes on bond resolutions to be held on the single statewide voting day for school budgets;
- **Extended Voting Hours:** The voting hours for school district elections would be conformed to those for general elections; and
- **Improved Supervision:** Conflicts of interest in election supervision would be eliminated by involving county boards of elections in the supervision process and limiting the role of school district employees, board members and candidates in election supervision.

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

New York provides a full spectrum of special education services for over 400,000 students aged 3 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 private schools for blind and deaf students.

Two State-operated schools provide specialized services for blind and deaf students with multiple disabilities. The Batavia School for the Blind serves 73 blind and multiply disabled students, including 18 developmentally disabled students in the Intermediate Care Facility (ICF). Effective May 23, 2005, the operation of the ICF was turned over to the Office of Mental Retardation and Developmental Disability (OMRDD) following an audit by OMRDD that found that the facility was not in compliance with various health and safety codes. To ensure continued compliance with health and safety requirements, the 2006-07 Executive Budget recommends regular inspections of the Batavia School for the Blind by appropriate State oversight agencies. The Rome School for the Deaf serves 94 deaf and multiply disabled school aged students. The 2006-07 Executive Budget recommends a \$7.5 million appropriation for a capital project at the Rome School for the Deaf to renovate the School's dormitories to conform to current health and safety standards.

### ***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 1.7 million lunches and 500,000 breakfasts are served daily under this program;

## ***EDUCATION***

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- **Summer Food Program:** Federal support for the provision of free meals for low-income students participating in summer recreation programs is supplemented by \$3.3 million in additional State funds. There are more than 270 sponsors of summer programs serving almost 237,000 students; and
- **Non-Public School Aid:** State funds of \$87.5 million are used to reimburse 1,400 non-public schools for the costs of administering State mandated tests, attendance taking and other data collection efforts.

### ***CULTURAL EDUCATION***

Cultural Education programs administered by the Department include support for public broadcasting stations and aid to public libraries and library systems. The State Library, the State Museum and the State Archives are located in the Cultural Education Center in Albany and are also administered by agency staff.

The State Library is the largest of its kind in the nation, providing reference information and other coordinated library services to State agencies, businesses and the public. The State Library also charters all libraries in the State and distributes State and Federal aid to local libraries.

The State Museum is the largest state-operated museum in the nation and contains exhibits on New York's cultural and natural history. The Museum is also a major research center and the home of the Geological Survey, Biological Survey, Anthropological Survey and the Historical Survey. Each of these surveys is involved with developing and maintaining the collections and exhibits of the State Museum. The State Museum also administers the Cultural Resource Survey which oversees the handling and preservation of artifacts found at construction sites.

The State Archives is responsible for the maintenance and preservation of important State and local government records. In addition to its operations in the Cultural Education Center, the State Archives also operates a regional Records Center at the Harriman State Office Campus in Albany. The operations of the State Museum, State Library and State Archives are largely supported by a surcharge on certain documents filed in county clerk's offices.

### ***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 are self-supporting, through the collection of fines and fees.



**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 nearly 13,300 individuals annually from an active caseload of 50,000.

# EDUCATION

## School Aid School Year Payments (millions)

Program	Estimated 2005-06	Recommended 2006-07	Change Amount	Change Percent
<b>I. Formula-Based Aids:</b>				
Flex Aid	\$8,499.69	\$8,499.69	\$0.00	0.00
Excess Cost - Public	2,397.11	2,528.40	131.29	5.48
Excess Cost - Private	218.03	120.07	(97.96)	(44.93)
Tax Limitation Aid	135.06	182.72	47.66	35.29
BOCES	546.37	536.25	(10.12)	(1.85)
Special Services (Career Ed./Computer Admin.)	141.50	142.63	1.13	0.80
Textbooks (Including Lottery)	186.29	186.51	0.22	0.12
Computer Software	46.00	46.73	0.73	1.59
Computer Hardware	28.84	29.03	0.19	0.66
Library Materials	19.27	19.31	0.04	0.21
Transportation (Including Summer)	1,209.57	1,299.55	89.98	7.44
Prekindergarten	202.00	202.00	0.00	0.00
Class Size Reduction	139.39	139.39	0.00	0.00
Building/Reorganization Building	1,520.81	1,597.37	76.56	5.03
Reorganization Incentive (Operating)	15.88	12.91	(2.97)	(18.70)
Full-Day K	3.82	2.19	(1.63)	(42.67)
Fiscal Stabilization Grants *	3.94	44.14	40.20	1,020.30
Teacher Support Aid	67.48	67.48	0.00	0.00
<b>Formula-Based Aids Total</b>	<b>\$15,381.05</b>	<b>\$15,656.37</b>	<b>\$275.32</b>	<b>1.79</b>
<b>II. Grant Programs and Other Aid Categories:</b>				
Teachers of Tomorrow	20.00	25.00	5.00	25.00
Teacher Centers	31.00	10.33	(20.67)	(66.68)
Teacher-Mentor Intern	6.00	2.00	(4.00)	(66.67)
Engineers of the Future	0.00	5.00	5.00	NA
Summer Institutes for Math and Science	0.00	5.00	5.00	NA
School Health Services	0.00	5.77	5.77	NA
Growth Aid	16.60	7.73	(8.87)	(53.43)
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	137.60	137.60	0.00	0.00
Aid to Small City School Districts	81.88	81.88	0.00	0.00
Fort Drum	3.00	3.00	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.00	90.00	(6.00)	(6.25)
Homeless Pupils	6.48	6.48	0.00	0.00
Incarcerated Youth	16.50	16.50	0.00	0.00
Bilingual	11.20	11.20	0.00	0.00
Education of OMH/OMR Pupils	34.00	34.00	0.00	0.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(31.00)	(31.00)	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	2.50	2.50	0.00	0.00
Native American Education *	27.75	30.00	2.25	8.11
Bus Driver Safety	0.40	0.40	0.00	0.00
Add'l Prekindergarten	2.68	2.68	0.00	0.00
Add'l Class Size Reduction	0.58	0.58	0.00	0.00
<b>Subtotal</b>	<b>609.07</b>	<b>592.55</b>	<b>(16.52)</b>	<b>(2.71)</b>
<b>SCHOOL YEAR TOTAL</b>	<b>\$15,990.12</b>	<b>\$16,248.92</b>	<b>\$258.80</b>	<b>1.62</b>
Sound Basic Education (SBE) Aid **	324.87	324.87	0.00	0.00
<b>TOTAL Including SBE Aid</b>	<b>\$16,314.99</b>	<b>\$16,573.79</b>	<b>\$258.80</b>	<b>1.59</b>
Sound Basic Education Reserve	0.00	375.13	375.13	NA
<b>TOTAL Including SBE Reserve</b>	<b>\$16,314.99</b>	<b>\$16,948.92</b>	<b>\$633.93</b>	<b>3.89</b>

\* Previously appropriated outside of school aid

\*\* A total of \$700 million in SBE Aid is recommended for 2006-07; the \$375 million increase in SBE Aid will be placed in a reserve to be allocated pursuant to a plan to promote the provision of sound basic education in schools throughout the State.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	478,463,500	519,349,900	40,886,400	493,705,600
Aid To Localities	24,241,758,600	25,947,596,200	1,705,837,600	5,640,682,400
Capital Projects	19,000,000	33,200,000	14,200,000	38,391,000
<b>Total</b>	<b>24,739,222,100</b>	<b>26,500,146,100</b>	<b>1,760,924,000</b>	<b>6,172,779,000</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Office of Management Services Program			
General Fund	161	161	0
Special Revenue Funds - Other	208	208	0
Internal Service Funds	115	115	0
Elementary, Middle and Secondary Education			
General Fund	147	147	0
Special Revenue Funds - Federal	300	300	0
School for the Blind			
Special Revenue Funds - Other	109	109	0
Batavia ICF/DD			
Special Revenue Funds - Other	37	0	(37)
School for the Deaf			
Special Revenue Funds - Other	103	103	0
Higher Education and the Professions, Office of			
General Fund	49	46	(3)
Special Revenue Funds - Federal	21	21	0
Special Revenue Funds - Other	444	447	3
Cultural Education			
General Fund	19	19	0
Special Revenue Funds - Federal	74	74	0
Special Revenue Funds - Other	298	298	0
Internal Service Funds	24	24	0
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	1,005	1,005	0
<b>Total</b>	<b>3,114</b>	<b>3,077</b>	<b>(37)</b>

# EDUCATION

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	42,424,000	40,963,000	(1,461,000)
Special Revenue Funds - Federal	269,698,300	286,495,500	16,797,200
Special Revenue Funds - Other	143,394,200	167,647,400	24,253,200
Internal Service Funds	22,947,000	24,244,000	1,297,000
Total	<u>478,463,500</u>	<u>519,349,900</u>	<u>40,886,400</u>

Adjustments:

Prior Year Deficiency			
Education Department, State			
General Fund	2,300,000		
Recommended Deficiency			
Education Department, State			
General Fund	(800,000)		
Appropriated 2005-06	<u>479,963,500</u>		

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Office of Management Services Program			
General Fund	16,362,000	17,474,000	1,112,000
Special Revenue Funds - Other	23,500,000	23,500,000	0
Internal Service Funds	14,371,000	15,553,000	1,182,000
Elementary, Middle and Secondary Education			
General Fund	18,939,000	19,664,000	725,000
Special Revenue Funds - Federal	118,233,000	125,537,000	7,304,000
Special Revenue Funds - Other	2,079,400	2,079,400	0
School for the Blind			
Special Revenue Funds - Other	9,308,000	9,587,000	279,000
Batavia ICF/DD			
General Fund	133,000	0	(133,000)
Special Revenue Funds - Other	3,282,000	0	(3,282,000)
School for the Deaf			
Special Revenue Funds - Other	8,956,000	9,225,000	269,000
Higher Education and the Professions, Office of			
General Fund	6,990,000	3,825,000	(3,165,000)
Special Revenue Funds - Federal	2,952,000	2,952,000	0
Special Revenue Funds - Other	55,412,000	59,923,000	4,511,000
Cultural Education			
Special Revenue Funds - Federal	9,080,000	10,594,000	1,514,000
Special Revenue Funds - Other	39,944,800	63,233,000	23,288,200
Internal Service Funds	8,576,000	8,691,000	115,000
Vocational and Educational Services for Individuals with Disabilities			
Special Revenue Funds - Federal	139,433,300	147,412,500	7,979,200
Special Revenue Funds - Other	912,000	100,000	(812,000)
Total	<u>478,463,500</u>	<u>519,349,900</u>	<u>40,886,400</u>

# EDUCATION

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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>
Office of Management Services Program Elementary, Middle and Secondary Education	9,973,000	402,000	9,973,000	402,000
Higher Education and the Professions, Office of	13,300,000	324,000	13,300,000	324,000
	2,559,000	(797,000)	2,559,000	(797,000)
Total	<u>25,832,000</u>	<u>(71,000)</u>	<u>25,832,000</u>	<u>(71,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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 Elementary, Middle and Secondary Education	7,501,000	710,000	400,000	0
Batavia ICF/DD	6,364,000	401,000	282,000	0
Higher Education and the Professions, Office of	0	(133,000)	0	0
	1,266,000	(2,368,000)	0	0
Total	<u>15,131,000</u>	<u>(1,390,000)</u>	<u>682,000</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>
Office of Management Services Program Elementary, Middle and Secondary Education	350,000	0	4,601,000	235,000
Batavia ICF/DD	698,000	0	5,109,000	126,000
Higher Education and the Professions, Office of	0	0	0	0
	0	0	266,000	(2,568,000)
Total	<u>1,048,000</u>	<u>0</u>	<u>9,976,000</u>	<u>(2,207,000)</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 Elementary, Middle and Secondary Education	250,000	0	1,900,000	475,000
Batavia ICF/DD	0	0	0	0
Higher Education and the Professions, Office of	0	0	0	0
Total	<u>250,000</u>	<u>0</u>	<u>1,900,000</u>	<u>475,000</u>

<b>Program</b>	<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>
Office of Management Services Program Elementary, Middle and Secondary Education	0	0
Batavia ICF/DD	275,000	275,000
Higher Education and the Professions, Office of	0	(133,000)
	1,000,000	200,000
Total	<u>1,275,000</u>	<u>342,000</u>

# EDUCATION

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Office of Management Services Program	39,053,000	1,182,000	16,359,000	1,510,000
Elementary, Middle and Secondary Education	127,616,400	7,304,000	53,252,000	2,155,000
School for the Blind	9,587,000	279,000	5,709,106	(894)
Batavia ICF/DD	0	(3,282,000)	0	(1,975,000)
School for the Deaf	9,225,000	269,000	5,412,540	(137,460)
Higher Education and the Professions, Office of	62,875,000	4,511,000	5,186,000	153,000
Cultural Education	82,518,000	24,917,200	9,313,600	850,000
Vocational and Educational Services for Individuals with Disabilities	147,512,500	7,167,200	60,522,300	1,917,200
<b>Total</b>	<b>478,386,900</b>	<b>42,347,400</b>	<b>155,754,546</b>	<b>4,471,846</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Office of Management Services Program	19,444,000	2,139,000	3,250,000	(2,467,000)
Elementary, Middle and Secondary Education	72,285,000	5,149,000	2,079,400	0
School for the Blind	3,877,894	279,894	0	0
Batavia ICF/DD	0	(1,307,000)	0	0
School for the Deaf	3,812,460	406,460	0	0
Higher Education and the Professions, Office of	5,750,000	153,000	51,939,000	4,205,000
Cultural Education	14,963,400	952,000	58,241,000	23,115,200
Vocational and Educational Services for Individuals with Disabilities	86,890,200	6,062,000	100,000	(812,000)
<b>Total</b>	<b>207,022,954</b>	<b>13,834,354</b>	<b>115,609,400</b>	<b>24,041,200</b>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	14,947,855,600	16,148,074,200	1,200,218,600
Special Revenue Funds - Federal	3,662,753,000	3,739,060,000	76,307,000
Special Revenue Funds - Other	5,631,150,000	6,060,462,000	429,312,000
<b>Total</b>	<b>24,241,758,600</b>	<b>25,947,596,200</b>	<b>1,705,837,600</b>

Adjustments:			
Prior Year Deficiency			
Education Department, State Special Revenue Funds - Other	72,000,000		
Recommended Deficiency			
Education Department, State Special Revenue Funds - Other	(97,000,000)		
Appropriated 2005-06	<u>24,216,758,600</u>		

# EDUCATION

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

Program	Available 2005-06	Recommended 2006-07	Change
STAR Plus			
General Fund	0	530,000,000	530,000,000
School Tax Relief			
Special Revenue Funds - Other	3,319,000,000	3,368,000,000	49,000,000
Elementary, Middle and Secondary Education			
General Fund	14,674,290,000	15,335,794,600	661,504,600
Special Revenue Funds - Federal	2,855,021,000	2,909,628,000	54,607,000
Special Revenue Funds - Other	2,302,000,000	2,680,000,000	378,000,000
Higher Education and the Professions, Office of			
General Fund	86,597,000	95,311,000	8,714,000
Cultural Education			
General Fund	105,280,000	105,280,000	0
Special Revenue Funds - Federal	4,660,000	4,860,000	200,000
Special Revenue Funds - Other	10,150,000	11,650,000	1,500,000
Vocational and Educational Services for Individuals with Disabilities			
General Fund	81,688,600	81,688,600	0
Special Revenue Funds - Federal	803,072,000	824,572,000	21,500,000
Special Revenue Funds - Other	0	812,000	812,000
Total	<u>24,241,758,600</u>	<u>25,947,596,200</u>	<u>1,705,837,600</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Education Building				
Capital Projects Fund	0	3,300,000	3,300,000	1,375,000
Capital Projects Fund - Advances	0	0	0	100,000
School for the Blind				
Capital Projects Fund	3,000,000	0	(3,000,000)	3,000,000
Capital Projects Fund - Advances	0	0	0	200,000
Cultural Education Trust				
Misc. Capital Projects	0	20,000,000	20,000,000	0
School for the Deaf				
Capital Projects Fund	0	7,500,000	7,500,000	2,575,000
Schools For Native American Reservations				
Capital Projects Fund	0	0	0	4,915,000
Cultural Education Center				
Capital Projects Fund	0	0	0	5,463,000
Capital Projects Fund - Advances	0	0	0	2,360,000
Administration				
Capital Projects Fund	1,000,000	2,400,000	1,400,000	3,403,000
Public Broadcasting Facilities				
Capital Projects Fund - Authority Bonds	15,000,000	0	(15,000,000)	15,000,000
Total	<u>19,000,000</u>	<u>33,200,000</u>	<u>14,200,000</u>	<u>38,391,000</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 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 also serves nearly 2,000 youth through the operation of 37 residential facilities and eight day-placement facilities statewide. The workforce for fiscal year 2006-07 is estimated at 3,822 positions.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Office of Children and Family Services receives 49 percent of its \$3.26 billion budget from State tax dollars and 51 percent from Federal and other funds. The State Operations budget of \$436.12 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 2006-07 OCFS State Operations General Fund budget reflects the net impact of closing three community residential homes to align capacity with population, additional funding for Evidence-based Community Initiatives (EbCI), negotiated salary and fixed cost increases and the increased use of State staff to provide computer and child abuse hotline services.

The Local Assistance budget of \$2.79 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 \$32.5 million support the maintenance of State-operated juvenile justice facilities in order to provide a safe living environment, appropriate education, recreation and vocational program space; and the necessary level of security for youth while they are in residential care. Capital projects appropriations include an increase of \$8.6 million from 2005-06 primarily for security projects.

## **CHILDREN AND FAMILY SERVICES**

The Executive Budget provides more than \$1.5 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 nearly \$30 million in 2006-07, from \$351.8 million to \$381.7 million, to support this child welfare funding source.
- **Investments in Child Welfare Quality Enhancement:** OCFS will distribute \$1.9 million in State funding to counties and not-for-profit groups in 2006-07 to promote the development of innovative child welfare service delivery models.

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

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- **Enhanced Detection and Treatment of Substance Abuse Issues Among Child Welfare Families:** There has been growing recognition of the relationship between parental substance abuse and entry of a family into the child welfare system. Executive Budget recommendations include \$5 million in State funding to support demonstration projects that will improve access to substance abuse preventive services and treatment within child welfare offices in order to speed detection and treatment of substance abuse problems for families served by the child welfare system.
- **Improved Access to Mental Health Services:** The Executive Budget includes an increase of almost \$2 million in State 65 percent reimbursements to expand the Office of Mental Health's home and community based waiver by an additional 150 slots, and to fully implement the 245 slots added in 2005-06 to meet the mental health needs of children in foster care or at risk of institutional placement.
- **Enhanced Services for Children in Foster Care:** The Executive Budget includes funding to develop Medicaid waivers associated with enhancing services to children in foster care with multiple needs.
- **Flexible Fund for Family Services:** The Flexible Fund for Family Services, supported by Federal Temporary Assistance for Needy Families (TANF) dollars, will be increased to \$1.025 billion. This fund will continue to provide significant local flexibility that can be used to support child welfare and child care services, as well as any other TANF allowable purposes.
- **Adoption Subsidies:** The Executive Budget includes \$193.5 million for the State's share of subsidies provided to families who adopt children with special needs. These funds will support over 50,000 children in adoptive homes and include a cost of living adjustment (COLA) for adoptive parents.
- **Foster Care Block Grant:** The \$378.5 million Foster Care Block Grant provides counties with a clear incentive to reduce the number of children in foster care. Under the Block Grant, savings 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. The Executive Budget includes a \$5 million increase in the Foster Care Block Grant to support a COLA for foster care providers.
- **Enhanced Support for Foster Care Providers:** The Executive Budget includes \$7.8 million in State funding to pay a portion of the costs of reimbursing foster care providers up to the maximum allowable State rate.
- **Increased Support for Home Visiting:** The Executive Budget includes \$18.6 million for the Healthy Families New York Home Visiting Program; an increase of \$1 million over the 2005-06 Enacted Budget. This program provides expectant and new parents with training and support to promote child health and development and to prevent child abuse and maltreatment. The Home Visiting Program which also provides increased access to health care for children has resulted in fewer incidences of low birth weight babies and abuse and neglect.
- **Advantage Schools:** The Budget increases TANF funding for Advantage After-School programs by \$7.3 million from \$20.2 million to \$27.5 million. This funding will support program expansion of educational and recreational after-school activities for elementary, middle and high school students.
- **Enhanced Support for Child Advocacy Centers:** The Executive Budget includes \$2.31 million for new and existing Child Advocacy Centers and Multi-Disciplinary Teams, an increase of \$500,000 over the 2005-06 Enacted Budget. This program provides a method for coordinating and conducting interviews of children who are victims of abuse in a non-threatening environment. A trained interviewer provides the voice for law enforcement, social workers, mental health professionals, and other personnel who must gather information on these cases. This approach avoids multiple interviews with potentially differing information, leads to higher rates of conviction, and reduces the trauma to the child.

## **CHILDREN AND FAMILY SERVICES**

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### **CHILD CARE**

The Executive Budget continues to allow districts the flexibility to transfer funds from the \$1.025 billion TANF-funded Flexible Fund for Family Services to the State Child Care Block Grant. Using the TANF transfer funding and a combination of other Federal, State, and local funding, the Child Care 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 public assistance. The State also provides subsidized child care to families at risk of becoming dependent on public assistance. The State Child Care Block Grant and funds transferred from the TANF-funded Flexible Fund for Family Services will enable districts to tailor expenditures to meet local needs and to comply with mandated work participation requirements for public assistance.

Consistent with the Governor's dedication to quality child care, in 2006-07 the maximum amount child care providers can be fined for operating without a license or for violating State regulations will be increased from \$500 to \$1,000 per day.

### **YOUTH FACILITIES**

The Youth Facilities Program includes the Office's 37 residential facilities and eight 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 vocational training designed to promote positive youth development and foster a youth's return to the community as a law-abiding, productive citizen.

The Executive Budget seeks to better align community residential homes capacity with population by closing three of six homes. Part of the savings from these closures will be reinvested into Evidence-based Community Initiative (EbCI) programs that provide an array of services to youth in their home communities and reduce the length of time youth spend in facilities. EbCI uses local non-profit agencies to provide services ranging from family-based counseling to specialized after-school programs. In 2006-07, OCFS will invest \$7.6 million in EbCI programs.

As part of the Governor's commitment to helping troubled youth become productive citizens, the Budget proposes a pilot project for the operation of a minimum secure facility by a voluntary provider under a performance-based contract. This initiative seeks new and innovative program models to lower recidivism and evaluate alternate systems for serving youth under OCFS jurisdiction.

### **INFORMATION TECHNOLOGY**

The Executive Budget includes approximately \$76 million in State and Federal funding to operate and continue development of CONNECTIONS, the State's child welfare information system. The CONNECTIONS project offers enhanced case and fiscal management of child welfare services while providing greater access to preventive and protective services for children and families.

### **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

## **CHILDREN AND FAMILY SERVICES**

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, municipalities and community-based not-for-profit agencies for the provision of youth development and delinquency prevention programs. The 2006-07 Budget continues nearly \$38 million for these programs including more than \$36 million in General Fund support and \$1.5 million in Federal Workforce Investment Act (WIA) dollars.

The State Central Register Child Abuse Hotline receives more than 337,000 calls each year reporting alleged child maltreatment or abuse through a toll-free 800 telephone number. 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 child abuse.

OCFS also oversees a variety of programs serving the State's most needy and vulnerable adult residents. 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.

OCFS and local governments share equally in the cost of local detention facilities that care for youth while their cases are pending in Family Court. Reform legislation enacted in 2005-06 reduces the placement of persons-in-need of supervision (PINS) in detention facilities and requires the Family Courts and local governments to serve PINS youth through comprehensive community-based programs whenever possible. Continuing support of this reform proposal, the Executive Budget provides \$6.6 million for community-based programs to serve PINS, an increase of \$1.4 million from 2005-06.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	419,746,000	436,115,000	16,369,000	281,368,000
Aid To Localities	2,733,881,000	2,794,733,000	60,852,000	2,333,927,000
Capital Projects	23,927,000	32,510,000	8,583,000	93,134,000
<b>Total</b>	<b>3,177,554,000</b>	<b>3,263,358,000</b>	<b>85,804,000</b>	<b>2,708,429,000</b>

# CHILDREN AND FAMILY SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Central Administration			
General Fund	346	348	2
Special Revenue Funds - Federal	6	6	0
Special Revenue Funds - Other	79	79	0
Capital Projects Funds - Other	7	7	0
Child Care			
Special Revenue Funds - Federal	234	234	0
Commission for the Blind and Visually Handicapped			
General Fund	11	11	0
Special Revenue Funds - Federal	167	167	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	408	428	20
Special Revenue Funds - Federal	79	79	0
Special Revenue Funds - Other	2	2	0
National and Community Service, Office of			
General Fund	3	3	0
Special Revenue Funds - Federal	6	6	0
Systems Support			
General Fund	142	192	50
Training and Development			
Special Revenue Funds - Other	52	52	0
Youth Facilities			
General Fund	2,256	2,196	(60)
Total	<u>3,810</u>	<u>3,822</u>	<u>12</u>

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	218,647,000	233,479,000	14,832,000
Special Revenue Funds - Federal	81,478,000	81,829,000	351,000
Special Revenue Funds - Other	119,021,000	120,232,000	1,211,000
Enterprise Funds	500,000	475,000	(25,000)
Internal Service Funds	100,000	100,000	0
Total	<u>419,746,000</u>	<u>436,115,000</u>	<u>16,369,000</u>

# CHILDREN AND FAMILY SERVICES

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

Program	Available 2005-06	Recommended 2006-07	Change
Central Administration			
General Fund	32,123,000	35,466,000	3,343,000
Special Revenue Funds - Federal	528,000	528,000	0
Special Revenue Funds - Other	18,126,000	18,126,000	0
Internal Service Funds	100,000	100,000	0
Commission for the Blind and Visually Handicapped			
General Fund	8,114,000	8,259,000	145,000
Special Revenue Funds - Federal	30,003,000	30,354,000	351,000
Special Revenue Funds - Other	1,905,000	1,905,000	0
Departmental Administrative Reimbursement			
General Fund	(29,043,000)	(29,043,000)	0
Special Revenue Funds - Other	35,543,000	35,543,000	0
Family and Children Services			
General Fund	30,366,000	32,329,000	1,963,000
Special Revenue Funds - Federal	20,354,000	20,354,000	0
Special Revenue Funds - Other	2,207,000	2,207,000	0
Systems Support			
General Fund	29,707,000	35,173,000	5,466,000
Special Revenue Funds - Federal	30,593,000	30,593,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Training and Development			
General Fund	7,514,000	7,383,000	(131,000)
Special Revenue Funds - Other	51,240,000	52,451,000	1,211,000
Enterprise Funds	200,000	200,000	0
Youth Facilities			
General Fund	139,866,000	143,912,000	4,046,000
Enterprise Funds	300,000	275,000	(25,000)
Total	<u>419,746,000</u>	<u>436,115,000</u>	<u>16,369,000</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	22,565,000	1,452,000	21,111,000	1,368,000
Family and Children Services	23,881,000	1,967,000	22,880,000	1,903,700
Systems Support	10,948,000	3,373,000	10,818,000	3,373,000
Youth Facilities	111,484,000	1,616,000	100,583,000	1,458,000
Total	<u>168,878,000</u>	<u>8,408,000</u>	<u>155,392,000</u>	<u>8,102,700</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Central Administration	1,201,000	70,000	253,000	14,000
Family and Children Services	0	0	1,001,000	63,300
Systems Support	0	0	130,000	0
Youth Facilities	5,392,000	78,000	5,509,000	80,000
Total	<u>6,593,000</u>	<u>148,000</u>	<u>6,893,000</u>	<u>157,300</u>

# CHILDREN AND FAMILY SERVICES

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	12,901,000	1,891,000	200,000	(9,000)
Commission for the Blind and Visually Handicapped	8,259,000	145,000	0	0
Departmental Administrative Reimbursement	12,000,000	0	0	0
Family and Children Services	8,448,000	(4,000)	568,000	(270,600)
Systems Support	24,225,000	2,093,000	233,000	0
Training and Development	7,383,000	(131,000)	0	0
Youth Facilities	32,428,000	2,430,000	10,256,000	692,000
<b>Total</b>	<b>105,644,000</b>	<b>6,424,000</b>	<b>11,257,000</b>	<b>412,400</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	944,000	137,000	9,194,000	765,000
Commission for the Blind and Visually Handicapped	0	0	0	0
Departmental Administrative Reimbursement	0	0	0	0
Family and Children Services	360,000	(29,800)	7,490,000	297,700
Systems Support	52,000	0	9,452,000	(465,000)
Training and Development	0	0	0	0
Youth Facilities	942,000	64,000	13,215,000	892,000
<b>Total</b>	<b>2,298,000</b>	<b>171,200</b>	<b>39,351,000</b>	<b>1,489,700</b>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Central Administration	1,093,000	955,000	1,470,000	43,000
Commission for the Blind and Visually Handicapped	0	0	8,259,000	145,000
Departmental Administrative Reimbursement	0	0	12,000,000	0
Family and Children Services	30,000	(1,300)	0	0
Systems Support	233,000	0	14,255,000	2,558,000
Training and Development	0	0	7,383,000	(131,000)
Youth Facilities	1,199,000	81,000	6,816,000	701,000
<b>Total</b>	<b>2,555,000</b>	<b>1,034,700</b>	<b>50,183,000</b>	<b>3,316,000</b>

# CHILDREN AND FAMILY SERVICES

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Administration	18,754,000	0	0	0
Commission for the Blind and Visually Handicapped	32,259,000	351,000	0	0
Family and Children Services	22,561,000	0	0	0
Systems Support	40,593,000	0	0	0
Training and Development	52,651,000	1,211,000	3,224,000	1,270,000
Youth Facilities	275,000	(25,000)	0	0
<b>Total</b>	<b>167,093,000</b>	<b>1,537,000</b>	<b>3,224,000</b>	<b>1,270,000</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Administration	1,925,000	0	16,829,000	0
Commission for the Blind and Visually Handicapped	0	0	32,259,000	351,000
Family and Children Services	7,753,000	0	14,808,000	0
Systems Support	0	0	40,593,000	0
Training and Development	3,298,000	(59,000)	46,129,000	0
Youth Facilities	275,000	(25,000)	0	0
<b>Total</b>	<b>13,251,000</b>	<b>(84,000)</b>	<b>150,618,000</b>	<b>351,000</b>

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	1,319,982,000	1,380,834,000	60,852,000
Special Revenue Funds - Federal	1,398,119,000	1,398,119,000	0
Special Revenue Funds - Other	15,780,000	15,780,000	0
<b>Total</b>	<b>2,733,881,000</b>	<b>2,794,733,000</b>	<b>60,852,000</b>

Adjustments:

Prior Year Deficiency	
Children and Family Services Office of General Fund	1,830,000
Appropriated 2005-06	2,735,711,000

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Child Care			
General Fund	140,066,000	136,066,000	(4,000,000)
Special Revenue Funds - Federal	360,000,000	360,000,000	0
Special Revenue Funds - Other	350,000	350,000	0
Family and Children Services			
General Fund	1,174,916,000	1,239,768,000	64,852,000
Special Revenue Funds - Federal	1,018,900,000	1,018,900,000	0
Special Revenue Funds - Other	15,430,000	15,430,000	0
Training and Development			
General Fund	5,000,000	5,000,000	0
Special Revenue Funds - Federal	19,219,000	19,219,000	0
<b>Total</b>	<b>2,733,881,000</b>	<b>2,794,733,000</b>	<b>60,852,000</b>



# **CHILDREN AND FAMILY SERVICES**

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Design and Construction Supervision				
Youth Facilities Improvement Fund	5,000,000	7,000,000	2,000,000	9,064,000
Child Care Facilities Development Program				
Capital Projects Fund - Authority Bonds	0	0	0	7,923,000
Maintenance and Improvement of Facilities				
Capital Projects Fund	1,325,000	1,825,000	500,000	7,618,000
Youth Facilities Improvement Fund	15,602,000	15,685,000	83,000	52,961,000
Executive Direction and Administrative Services				
Misc. Capital Projects	0	0	0	2,780,000
Program Improvement or Program Change				
Youth Facilities Improvement Fund	2,000,000	8,000,000	6,000,000	7,295,000
Youth Center				
Capital Projects Fund	0	0	0	5,493,000
Total	<u>23,927,000</u>	<u>32,510,000</u>	<u>8,583,000</u>	<u>93,134,000</u>



# **OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**

## **MISSION**

The Office of Temporary and Disability Assistance (OTDA), working in close collaboration with the Office of Children and Family Services and other agencies, 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 (SSI) and Social Security Disability Insurance (SSDI). The Office is authorized at 2,529 positions for 2006-07. Approximately 460 of these positions are paid by State tax dollars from the General Fund with partial Federal reimbursement and 1,634 are funded directly by Federal grants. The remaining 17 percent are supported by various revenues.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

A total of \$5.2 billion is recommended from all funding sources in 2006-07 to support State Operations and Aid to Localities programs including Family Assistance, Safety Net, Supplemental Security Income (SSI), Home Energy Assistance (HEAP), Child Support Enforcement and Food Stamp Administration.

Aid to Localities is funded by \$4.7 billion in Federal funds, General Fund dollars and other revenue, and includes modest increases in SSI for the aged and disabled.

A State Operations appropriation of approximately \$453 million is recommended from all funding sources and will support a workforce of approximately 2,529. The recommended \$57 million General Fund State Operations appropriation includes funding for: staff and other costs related to the oversight of local district administration of public assistance and child support enforcement programs; administrative hearings for public assistance; Food Stamps; and operation of the major computer systems supporting public assistance programs.

General Fund support of \$15 million is appropriated for the cost of redesigning the Welfare Management System (WMS), costs associated with the Welfare-to-Work Caseload Management System and other related systems initiatives.

Specific priorities for the OTDA in 2006-07 include:

- Continuing to promote personal responsibility through reforms that encourage welfare recipients to attain independence;
- Targeting investments to support local districts in their efforts to assist hard-to-serve welfare recipients and low-income families in securing and sustaining employment; and
- Encouraging non-custodial parents to strengthen their ties to employment and economic support for their children.

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

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### ***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 in achieving independence from publicly-supported welfare programs.

This approach has resulted in a dramatic decline in welfare caseloads. Since 1995, over one million recipients have left the welfare rolls, a decline of over 60 percent. In addition to generating significant State and local government savings, this historic caseload decrease has allowed the State to use the TANF Block Grant to fund supportive services that encourage employment. The programs funded include the Earned Income Tax Credit (EITC), child care and transportation services.

OTDA programs also emphasize prevention of welfare dependency by providing work supports and services to at-risk households. Legislation will be introduced to create a Strengthening Families through Stronger Fathers initiative to encourage employment and related activities for young, low-income non-custodial parents. These activities help families address life events, and significantly expand the resources and services available to low-income New Yorkers.

### ***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 determined to be exempt, 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 cash assistance during this period, the family typically moves to the Safety Net Assistance program while the head of household continues to search for a job.

In addition, Federal law mandates a 50 percent work participation rate for all Family Assistance cases. Although the Federal government applies a credit to this work requirement, the pending reconciliation bill for the Federal budget amends the credit in a manner which makes the rate more difficult to achieve.

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 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.

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

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

### ***SUPPORTIVE SERVICE PROGRAMS***

The Governor's welfare reform program has strengthened child support enforcement to ensure that parents provide for the economic well-being of their children. 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; and administrative authority for social services districts to order genetic tests, subpoena information and collect relevant data from Federal, State and local agencies. The Executive Budget continues to re-invest Federal incentive bonuses in child support initiatives to strengthen performance in "hard-to-collect" cases, and continue State-local partnerships to increase criminal prosecution of parents who refuse to pay child support. These measures have helped to increase total child support collections to their current level of \$1.5 billion.

Federal Supplemental Security Income (SSI) provides cash assistance to the aged, visually handicapped and disabled. The State's SSI benefit is currently among the highest nationally. The 2006-07 recommendation of \$655 million funds the State cost of SSI benefits for more than 630,000 recipients. Eligibility for SSI and SSDI is evaluated by OTDA's Division of Disability Determinations (DDD).

In State Fiscal Year 2006-07 the Governor continues funding for the State's transitional and emergency shelter system, which assists homeless individuals and families in achieving self-sufficiency by strengthening their independent living skills and helping them acquire permanent housing. In addition, the State has partnered with New York City in NY/NY III to provide 9,000 new units of Supportive Housing for homeless individuals living with mental illness, and homeless families with special needs.

The Federal Food Stamp Program provides low-income households with an electronic benefit card that can be used as cash at grocery stores to purchase food. New York receives \$2.1 billion per year in Federal Food Stamp benefits, with an average monthly benefit of \$200 to support needy households and those making the transition from welfare to work.

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

While welfare reform continues to be an unprecedented success, cost containment measures remain necessary not only to preserve basic income support for eligible children and adults, but also to foster individual self-sufficiency and employment. In order to accomplish this, the 2006-07 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;

## **TEMPORARY AND DISABILITY ASSISTANCE**

- Increase the amount of earnings disregarded for purpose of determining welfare eligibility to 50 percent for recipients on welfare less than five years; and reduce the disregard percentage to 25 percent for recipients on welfare more than five years;
- Hold accountable those counties that fail to meet at least a 50 percent work participation rate for their TANF Families, Five Year Families and Safety Net Singles populations; and
- Target additional funding to the Flexible Fund for Family Services to enable local administrators to make resource decisions that meet their service needs.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	425,239,000	453,168,000	27,929,000	270,500,000
Aid To Localities	4,813,742,000	4,682,181,000	(131,561,000)	3,604,818,000
Capital Projects	30,000,000	30,000,000	0	140,086,000
<b>Total</b>	<b>5,268,981,000</b>	<b>5,165,349,000</b>	<b>(103,632,000)</b>	<b>4,015,404,000</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	150	147	(3)
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
Employment Services			
Special Revenue Funds - Federal	185	185	0
Executive Direction			
General Fund	16	16	0
Legal Affairs			
General Fund	150	150	0
System Support and Information Services			
General Fund	90	90	0
Special Revenue Funds - Federal	16	16	0
Special Revenue Funds - Other	59	59	0
Temporary and Disability Assistance Programs			
General Fund	36	36	0
Special Revenue Funds - Federal	21	21	0
Special Revenue Funds - Other	148	148	0
Transitional Supports and Policy, Division of			
General Fund	21	21	0
Special Revenue Funds - Federal	29	29	0
Special Revenue Funds - Other	15	15	0
<b>Total</b>	<b>2,532</b>	<b>2,529</b>	<b>(3)</b>

## **TEMPORARY AND DISABILITY ASSISTANCE**

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	50,282,000	57,001,000	6,719,000
Special Revenue Funds - Federal	217,000,000	227,300,000	10,300,000
Special Revenue Funds - Other	156,757,000	167,667,000	10,910,000
Internal Service Funds	1,200,000	1,200,000	0
Total	<u>425,239,000</u>	<u>453,168,000</u>	<u>27,929,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	24,689,000	25,465,000	776,000
Special Revenue Funds - Federal	7,000,000	7,000,000	0
Special Revenue Funds - Other	19,850,000	21,160,000	1,310,000
Internal Service Funds	1,200,000	1,200,000	0
Child Support Enforcement			
Special Revenue Funds - Federal	3,500,000	3,800,000	300,000
Special Revenue Funds - Other	30,000,000	30,000,000	0
Departmental Administrative Reimbursement			
General Fund	(75,463,000)	(84,963,000)	(9,500,000)
Special Revenue Funds - Other	79,032,000	88,532,000	9,500,000
Disability Determinations			
Special Revenue Funds - Federal	166,000,000	176,000,000	10,000,000
Special Revenue Funds - Other	9,500,000	9,600,000	100,000
Executive Direction			
General Fund	1,818,000	1,954,000	136,000
Legal Affairs			
General Fund	13,390,000	13,786,000	396,000
System Support and Information Services			
General Fund	78,634,000	93,353,000	14,719,000
Special Revenue Funds - Federal	35,000,000	35,000,000	0
Special Revenue Funds - Other	13,100,000	13,100,000	0
Temporary and Disability Assistance Programs			
General Fund	5,189,000	5,300,000	111,000
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Transitional Supports and Policy, Division of			
General Fund	2,025,000	2,106,000	81,000
Special Revenue Funds - Federal	500,000	500,000	0
Special Revenue Funds - Other	1,275,000	1,275,000	0
Total	<u>425,239,000</u>	<u>453,168,000</u>	<u>27,929,000</u>

# TEMPORARY AND DISABILITY ASSISTANCE

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	11,437,000	303,000	11,304,700	300,000
Executive Direction	1,649,000	131,000	1,570,000	136,000
Legal Affairs	11,148,000	380,000	10,817,954	336,000
System Support and Information Services	7,459,000	71,000	7,437,000	71,000
Temporary and Disability Assistance Programs	3,419,000	(845,000)	2,939,019	(845,000)
Transitional Supports and Policy, Division of	1,863,000	70,000	1,824,548	76,000
Total	36,975,000	110,000	35,893,221	74,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	97,800	3,000	34,500	0
Executive Direction	79,000	(5,000)	0	0
Legal Affairs	34,286	20,000	295,760	24,000
System Support and Information Services	0	0	22,000	0
Temporary and Disability Assistance Programs	445,144	0	34,837	0
Transitional Supports and Policy, Division of	0	0	38,452	(6,000)
Total	656,230	18,000	425,549	18,000

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	14,528,000	473,000	154,300	0
Executive Direction	305,000	5,000	32,900	1,000
Legal Affairs	2,638,000	16,000	138,500	1,000
System Support and Information Services	85,894,000	14,648,000	38,900	1,000
Temporary and Disability Assistance Programs	1,881,000	956,000	38,000	2,000
Transitional Supports and Policy, Division of	243,000	11,000	48,000	3,000
Total	105,489,000	16,109,000	450,600	8,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	257,700	21,000	7,905,300	225,000
Executive Direction	49,500	4,000	210,600	0
Legal Affairs	130,700	15,000	2,302,800	0
System Support and Information Services	34,700	1,000	10,874,400	244,000
Temporary and Disability Assistance Programs	62,500	4,000	802,000	23,000
Transitional Supports and Policy, Division of	85,000	8,000	104,000	0
Total	620,100	53,000	22,199,100	492,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	371,700	0	5,839,000	227,000
Executive Direction	12,000	0	0	0
Legal Affairs	66,000	0	0	0
System Support and Information Services	72,000	2,000	74,874,000	14,400,000
Temporary and Disability Assistance Programs	28,500	(23,000)	950,000	950,000
Transitional Supports and Policy, Division of	6,000	0	0	0
Total	556,200	(21,000)	81,663,000	15,577,000



# **TEMPORARY AND DISABILITY ASSISTANCE**

## **STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 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	28,860,000	1,310,000	0	0
Child Support Enforcement	33,800,000	300,000	0	0
Disability Determinations	185,600,000	10,100,000	78,000,000	3,000,000
System Support and Information Services	48,100,000	0	0	0
Temporary and Disability Assistance Programs	9,000,000	0	58,000	0
Transitional Supports and Policy, Division of	1,775,000	0	778,000	(46,000)
<b>Total</b>	<b>307,135,000</b>	<b>11,710,000</b>	<b>78,836,000</b>	<b>2,954,000</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	28,860,000	1,310,000
Child Support Enforcement	0	0	33,800,000	300,000
Disability Determinations	98,000,000	7,000,000	9,600,000	100,000
System Support and Information Services	0	0	48,100,000	0
Temporary and Disability Assistance Programs	26,000	0	8,916,000	0
Transitional Supports and Policy, Division of	497,000	46,000	500,000	0
<b>Total</b>	<b>98,523,000</b>	<b>7,046,000</b>	<b>129,776,000</b>	<b>1,710,000</b>

## **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>2005-06</b>	<b>2006-07</b>	
General Fund	1,472,953,000	1,310,059,000	(162,894,000)
Special Revenue Funds - Federal	3,294,428,000	3,335,737,000	41,309,000
Special Revenue Funds - Other	26,361,000	16,385,000	(9,976,000)
Fiduciary Funds	20,000,000	20,000,000	0
<b>Total</b>	<b>4,813,742,000</b>	<b>4,682,181,000</b>	<b>(131,561,000)</b>

Adjustments:  
 Recommended Deficiency  
     Temporary and Disability Assistance,  
     Office of  
     General Fund  
 Appropriated 2005-06

(50,000,000)  
4,763,742,000

# **TEMPORARY AND DISABILITY ASSISTANCE**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Child Support Enforcement			
General Fund	34,000,000	34,000,000	0
Special Revenue Funds - Federal	120,000,000	125,000,000	5,000,000
Food Assistance Program			
General Fund	100,000	0	(100,000)
Special Revenue Funds - Other	100,000	0	(100,000)
Food Stamp Administration Program			
Special Revenue Funds - Federal	294,530,000	335,000,000	40,470,000
Special Revenue Funds - Other	6,261,000	6,385,000	124,000
Temporary and Disability Assistance Administration			
General Fund	337,950,000	359,716,000	21,766,000
Temporary and Disability Assistance Programs			
General Fund	976,593,000	794,883,000	(181,710,000)
Special Revenue Funds - Federal	2,826,473,000	2,822,312,000	(4,161,000)
Special Revenue Funds - Other	10,000,000	0	(10,000,000)
Fiduciary Funds	20,000,000	20,000,000	0
Transitional Supports and Policy, Division of			
General Fund	124,310,000	121,460,000	(2,850,000)
Special Revenue Funds - Federal	53,425,000	53,425,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>4,813,742,000</u>	<u>4,682,181,000</u>	<u>(131,561,000)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Supported Housing Program				
Housing Program Fund	30,000,000	30,000,000	0	140,086,000
Total	<u>30,000,000</u>	<u>30,000,000</u>	<u>0</u>	<u>140,086,000</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 700 employees in 2006-07. Virtually all employees are paid through funds received for the administration of Federal student loans. General administrative operations are located in Albany, while data processing operations are located in Troy.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends \$942 million in support of agency operations and programs. Of this amount, approximately \$110 million will be available to support administration of State and Federal student aid programs and \$832 million will be awarded in financial aid to students or colleges to promote access to postsecondary educational opportunities.

Of the \$832 million invested in financial aid and institutional grants, General Fund support accounts for nearly \$805 million. Support for the remaining expenditures is provided from special revenue and Federal funds.

## **STATE OPERATIONS**

The Corporation will continue to improve its operational efficiency in 2006-07 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.

## **FINANCIAL AID PROGRAMS**

The 2006-07 recommended All Funds appropriation for the Tuition Assistance Program (TAP) is \$783.4 million which reflects taxpayer support of \$756.4 million, utilization of

## ***HIGHER EDUCATION SERVICES***

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HESC operating fund balances of \$20 million and \$7.0 million in federal funds. This reflects \$189.9 million in savings from the TAP reforms described below, offset by an increase of \$6.4 million for reimbursement to certain institutions for their pre-financing costs.

For the coming year, the following TAP reforms are proposed to ensure taxpayer funds are invested wisely and to protect students from exhausting their TAP eligibility prior to degree completion:

- Institutions will be required to pre-finance TAP awards provided to first-time TAP applicants who are admitted to postsecondary programs without having a high school diploma (\$42.0 million);
- Institutions will be reimbursed for their pre-financing costs, including interest, upon the students' successful completion of 24 credit hours or its equivalent;
- Full-time study will be defined as 15 credits per semester to ensure students complete their degree programs before exhausting their eight semesters of TAP eligibility;
- Students enrolling in fewer than 15 credits or earning fewer than 15 credits per semester would receive 80 percent of a full TAP award (\$70.0 million);
- Academic standards for TAP will be strengthened to reflect appropriate progress to a timely degree (\$13.5 million);
- TAP awards for accelerated study will require credit accumulation rates that demonstrate actual acceleration in time-to-completion (\$57.0 million);
- Students must be in full-time attendance at the time that institutions certify them for TAP eligibility (\$3.1 million); and
- All students in default on federal student loans will be ineligible for TAP, regardless of the loan guarantor (\$4.3 million).

The 2006-07 Executive Budget provides \$33.5 million for various scholarship and fellowship programs, reflecting a decrease of \$2.6 million from 2005-06. A total of \$2.3 million of this decrease reflects the statutory sunset of new scholarships in 2006-07 for the Regents Health Care Opportunity Scholarships and the Regents Professional Opportunity Scholarships.

To increase the State's pool of math and science teachers, legislation accompanying the Budget establishes the New York State Math and Science Teaching Initiative for students at our public and private colleges who make a five-year commitment to teach math and science in middle or high schools located within the State. Under this program, 500 new annual scholarships will be provided every year in amounts equal to the tuition charged at the State University of New York or actual tuition, whichever is less.

## ***PROGRAM HIGHLIGHTS***

### ***STATE OPERATIONS***

The Corporation is continuing to move more of its services to the Internet. 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 reached an agreement with the Federal Department of Education to allow State residents to apply for Federal and State financial aid through the Internet.

In 2006-07, the Corporation will continue to coordinate the State's participation in the Federal GEAR-UP program. In 1999, the Corporation was awarded a six-year Federal GEAR-UP grant to provide early college preparation and guidance services to low-income individuals. In 2005-06, HESC successfully coordinated the State's application for a new six-year GEAR-UP grant totaling \$21 million.

### **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 \$19.9 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:

- \$6.0 billion in new guaranteed loans in 2004-05;
- Processing of student loans for over 673,000 borrowers; and
- Defaulted loan collections of \$385 million and defaulted loan purchases of \$292 million in 2004-05.

### **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: \$783.4 million in aid will be provided to recipients in all sectors of higher education;
- 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: \$33.5 million will be provided for various scholarships and fellowships including the American Airlines Flight 587 Memorial Scholarships, Senator Patricia K. McGee Nursing Faculty Scholarships/Nursing Faculty Loan Forgiveness Incentive Program and the Regents Licensed Social Worker Loan Forgiveness Program. Over 25,000 recipients are projected to receive aid under the fifteen State and Federal scholarship programs administered by HESC.

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

Enacted 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 387,000 accounts have been opened, with contributions totaling approximately \$4.0 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	108,307,000	110,455,000	2,148,000	5,000,000
Aid To Localities	959,876,000	831,503,000	(128,373,000)	7,000,000
Capital Projects	0	0	0	0
Total	1,068,183,000	941,958,000	(126,225,000)	12,000,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
Special Revenue Funds - Other	320	320	0
Guaranteed Loan Programs			
Special Revenue Funds - Other	380	380	0
Total	700	700	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	103,307,000	105,455,000	2,148,000
Total	108,307,000	110,455,000	2,148,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
Special Revenue Funds - Other	50,676,000	51,451,000	775,000
Guaranteed Loan Programs			
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	52,631,000	54,004,000	1,373,000
Total	108,307,000	110,455,000	2,148,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	51,451,000	775,000	15,763,000	459,000
Guaranteed Loan Programs	59,004,000	1,373,000	21,502,000	626,000
Total	110,455,000	2,148,000	37,265,000	1,085,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	35,188,000	316,000	500,000	0
Guaranteed Loan Programs	32,502,000	747,000	5,000,000	0
Total	67,690,000	1,063,000	5,500,000	0

# HIGHER EDUCATION SERVICES

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	882,946,000	800,503,000	(82,443,000)
Special Revenue Funds - Federal	7,000,000	7,000,000	0
Special Revenue Funds - Other	69,930,000	24,000,000	(45,930,000)
Total	<u>959,876,000</u>	<u>831,503,000</u>	<u>(128,373,000)</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Scholarships and Fellowships			
General Fund	32,068,000	29,468,000	(2,600,000)
Special Revenue Funds - Other	4,000,000	4,000,000	0
State Grant Programs			
General Fund	850,878,000	756,405,000	(94,473,000)
Special Revenue Funds - Federal	7,000,000	7,000,000	0
Special Revenue Funds - Other	51,300,000	20,000,000	(31,300,000)
Tuition Awards for Part-Time Students			
General Fund	0	14,630,000	14,630,000
Special Revenue Funds - Other	14,630,000	0	(14,630,000)
Total	<u>959,876,000</u>	<u>831,503,000</u>	<u>(128,373,000)</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. Protection under the Human Rights Law also includes prohibiting discrimination based on military status and 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 2006-07: 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 two per diem administrative law judges not reflected in the 203 salaried staff.

## BUDGET AND PROGRAM HIGHLIGHTS

During the last decade, the Division has made progress in reducing the number of open cases. Open cases totaled 5,104 as of November 2005, down from 16,880 in January 1995; a reduction of 70 percent. The agency continues to work vigorously to reduce the caseload and meet reasonable standards for timely case processing. The Division has also added an Outreach Unit whose primary function is to expand public awareness of the Human Rights Law and develop community relations. The Division also recently developed a Mediation Unit to expeditiously settle a case at its earliest stage.

In December 2005, the Division completed transition of its payroll processing to the Office of Temporary and Disability Assistance. In 2006-07, the Office of Temporary and Disability Assistance will continue to assume partial responsibility for basic administrative functions of the Division such as personnel and finance. This "host agency" concept is designed to produce savings through increased administrative efficiencies.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	18,954,000	19,261,000	307,000	14,204,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	18,954,000	19,261,000	307,000	14,204,000

# HUMAN RIGHTS

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

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

<b>Program</b>	<b>2005-06</b>	<b>2006-07</b>	<b>FTE Change</b>
	<b>Estimated FTEs 03/31/06</b>	<b>Estimated FTEs 03/31/07</b>	
Administration			
General Fund	166	166	0
Special Revenue Funds - Federal	37	37	0
Total	<u>203</u>	<u>203</u>	<u>0</u>

**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>2005-06</b>	<b>2006-07</b>	
General Fund	14,110,000	14,492,000	382,000
Special Revenue Funds - Federal	4,704,000	4,704,000	0
Special Revenue Funds - Other	140,000	65,000	(75,000)
Total	<u>18,954,000</u>	<u>19,261,000</u>	<u>307,000</u>

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

<b>Program</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2005-06</b>	<b>2006-07</b>	
Administration			
General Fund	14,110,000	14,492,000	382,000
Special Revenue Funds - Federal	4,704,000	4,704,000	0
Special Revenue Funds - Other	140,000	65,000	(75,000)
Total	<u>18,954,000</u>	<u>19,261,000</u>	<u>307,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	11,609,000	382,000	11,382,000	382,000
Total	<u>11,609,000</u>	<u>382,000</u>	<u>11,382,000</u>	<u>382,000</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	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  
2006-07 RECOMMENDED  
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,533,000	0	27,000	0
Total	3,533,000	0	27,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	88,000	0	3,320,000	0
Total	88,000	0	3,320,000	0

Program	Equipment	
	Amount	Change
Administration	98,000	0
Total	98,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	4,769,000	(75,000)	3,000	0
Total	4,769,000	(75,000)	3,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,000	0	4,765,000	(75,000)
Total	1,000	0	4,765,000	(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 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 two Unemployment Insurance Telephone Claims Centers and eight employment service regional offices that oversee employment services staff at 83 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 3,946 in State fiscal year 2006-07. Approximately 84 percent of these positions are financed by Federal grants and 15 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.

Federal funds support specific programs and activities that include Workforce Investment Act (WIA) job training services and re-employment services for persons who may be affected adversely by international trade agreements. Federal appropriations also include funding to assist individuals and families that are the victims of disasters.

Fee revenues support funding for 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 \$3.8 billion is funded from Unemployment Insurance (UI) taxes paid by employers.

In 2006-07, existing fees and assessments received by the Department of Labor will help to finance the Department's ongoing program to modernize its unemployment insurance computer system, which is 40 years old and incapable of providing the level of services or accountability expected from a system of its type.

## **PROGRAM HIGHLIGHTS**

### **JOB SERVICES**

Consistent with the Workforce Investment Act (WIA) requirements, the Department of Labor and local governments have worked together to open 83 local One-Stop Centers and affiliated sites 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.

## **LABOR**

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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 \$299 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 20,326 amusement park devices, 963 ski lifts, 6,042 places of public assembly (e.g., bleachers at concerts) and 29,428 commercial boilers. It also reviewed applications for 672 radioactive materials licenses and 46,108 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 the last two completed State fiscal years indicate the Division inspected 899 businesses for compliance with child labor laws and collected nearly \$16 million in back wages, unpaid fringe benefits and minimum wage underpayments for approximately 27,856 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 two Tele-Claims Centers located in Troy and Endicott, 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 currently accepts Unemployment Insurance claims and employer registration through the Internet.

A continued projected deficit in the Unemployment Insurance Trust Fund, which originally resulted from the September 11<sup>th</sup> terrorist attacks and the downturn in the national economy, will require the State to continue to borrow funding from the Federal government in 2006 thereby incurring Federal interest costs. These interest costs, normally paid through an assessment on employer taxes, are expected to be paid from existing funds in the interest assessment account; therefore, no new interest assessment payments will be required of employers in 2006. In addition, according to current projections the Unemployment Insurance Trust Fund is expected to achieve structural balance during the second half of calendar year 2006.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	4,419,397,000	4,370,680,000	(48,717,000)	686,896,000
Aid To Localities	315,329,000	299,671,000	(15,658,000)	487,606,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>4,734,726,000</b>	<b>4,670,351,000</b>	<b>(64,375,000)</b>	<b>1,174,502,000</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	18	0	(18)
Special Revenue Funds - Federal	3,339	3,339	0
Employment Relations Board			
General Fund	16	16	0
Employment and Training			
Special Revenue Funds - Other	89	89	0
Labor Standards			
Special Revenue Funds - Other	242	242	0
Occupational Safety and Health			
Special Revenue Funds - Other	249	260	11
<b>Total</b>	<b>3,953</b>	<b>3,946</b>	<b>(7)</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	3,137,000	1,720,000	(1,417,000)
Special Revenue Funds - Federal	487,844,000	466,509,000	(21,335,000)
Special Revenue Funds - Other	128,416,000	102,451,000	(25,965,000)
Enterprise Funds	3,800,000,000	3,800,000,000	0
<b>Total</b>	<b>4,419,397,000</b>	<b>4,370,680,000</b>	<b>(48,717,000)</b>

# LABOR

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	1,417,000	0	(1,417,000)
Special Revenue Funds - Federal	420,344,000	395,009,000	(25,335,000)
Employment Relations Board			
General Fund	1,720,000	1,720,000	0
Employment and Training			
Special Revenue Funds - Other	7,817,000	11,644,000	3,827,000
Labor Standards			
Special Revenue Funds - Other	20,991,000	22,888,000	1,897,000
Occupational Safety and Health			
Special Revenue Funds - Other	34,608,000	37,919,000	3,311,000
Unemployment Insurance Benefit Fund			
Special Revenue Funds - Federal	67,500,000	71,500,000	4,000,000
Special Revenue Funds - Other	65,000,000	30,000,000	(35,000,000)
Enterprise Funds	3,800,000,000	3,800,000,000	0
Total	<u>4,419,397,000</u>	<u>4,370,680,000</u>	<u>(48,717,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	(1,111,000)	0	(1,111,000)
Employment Relations Board	1,251,000	0	1,251,000	0
Total	<u>1,251,000</u>	<u>(1,111,000)</u>	<u>1,251,000</u>	<u>(1,111,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	(306,000)	0	(34,000)
Employment Relations Board	469,000	0	469,000	0
Total	<u>469,000</u>	<u>(306,000)</u>	<u>469,000</u>	<u>(34,000)</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	0	(20,000)	0	(222,000)
Employment Relations Board	0	0	0	0
Total	<u>0</u>	<u>(20,000)</u>	<u>0</u>	<u>(222,000)</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	0	(30,000)
Employment Relations Board	0	0
Total	<u>0</u>	<u>(30,000)</u>



**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	395,009,000	(25,335,000)	8,549,200	0
Employment and Training	11,644,000	3,827,000	0	0
Labor Standards	22,888,000	1,897,000	13,546,000	1,039,000
Occupational Safety and Health	37,919,000	3,311,000	17,249,000	840,000
Unemployment Insurance Benefit Fund	3,901,500,000	(31,000,000)	0	0
<b>Total</b>	<b>4,368,960,000</b>	<b>(47,300,000)</b>	<b>39,344,200</b>	<b>1,879,000</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	3,887,300	0	382,572,500	(25,335,000)
Employment and Training	0	0	11,644,000	3,827,000
Labor Standards	9,342,000	858,000	0	0
Occupational Safety and Health	20,670,000	2,471,000	0	0
Unemployment Insurance Benefit Fund	0	0	3,901,500,000	(31,000,000)
<b>Total</b>	<b>33,899,300</b>	<b>3,329,000</b>	<b>4,295,716,500</b>	<b>(52,508,000)</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	10,442,000	0	(10,442,000)
Special Revenue Funds - Federal	304,457,000	299,241,000	(5,216,000)
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>315,329,000</b>	<b>299,671,000</b>	<b>(15,658,000)</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Employment and Training			
General Fund	10,442,000	0	(10,442,000)
Special Revenue Funds - Federal	304,457,000	299,241,000	(5,216,000)
Occupational Safety and Health			
Special Revenue Funds - Other	430,000	430,000	0
<b>Total</b>	<b>315,329,000</b>	<b>299,671,000</b>	<b>(15,658,000)</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 2006-07 Executive Budget will support a staffing level of 401 positions and operating expenses of \$42.6 million for the Office of Real Property Services through 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.

Budget recommendations for the Office of Real Property Services for 2006-07 include funding for the following aid programs from the General Fund:

- \$5.0 million for local administration of the School Tax Relief (STAR) and STAR Plus programs;
- \$2.5 million to reimburse local governments for their revenue losses relating to the Rail Infrastructure Investment Act of 2002; and
- \$13.3 million for financial incentives for local governments to improve assessment administration through various programs that include annual updates of assessment rolls pursuant to State standards, and for reimbursement of local assessment officials for State-mandated training.

## **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 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.

## ***REAL PROPERTY SERVICES***

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### ***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 2005, the assessment ratios supplied by 82 percent of local assessors were adopted without change as State equalization rates and that rate of adoption is expected to increase again in 2006;
- 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;
- As a result of the acceleration of the preparation of equalization rates, localities and the State can now analyze market data on the same cycle, creating opportunities for efficiencies in intergovernmental collaboration;
- 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 2 percent in 2005, 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 7 percent in 2005; 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, including 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 \$12 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 and STAR Plus administration aid to ensure that localities are compensated for their workload associated with the administration of the State's school tax relief programs;
- 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 New York. 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, 108 towns in 24 counties have come together to form 46 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	44,750,700	42,609,000	(2,141,700)	0
Aid To Localities	21,197,000	20,800,000	(397,000)	0
Capital Projects	0	0	0	0
Total	<u>65,947,700</u>	<u>63,409,000</u>	<u>(2,538,700)</u>	<u>0</u>

# REAL PROPERTY SERVICES

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Policy and Organizational Support Services			
Special Revenue Funds - Other	401	401	0
Total	401	401	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
Special Revenue Funds - Other	44,750,700	42,609,000	(2,141,700)
Total	44,750,700	42,609,000	(2,141,700)

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Policy and Organizational Support Services			
Special Revenue Funds - Other	44,750,700	42,609,000	(2,141,700)
Total	44,750,700	42,609,000	(2,141,700)

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	42,609,000	(2,141,700)	23,433,000	(686,000)
Total	42,609,000	(2,141,700)	23,433,000	(686,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Policy and Organizational Support Services	19,176,000	244,300	0	(1,700,000)
Total	19,176,000	244,300	0	(1,700,000)

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	21,197,000	20,800,000	(397,000)
Total	21,197,000	20,800,000	(397,000)

**REAL PROPERTY SERVICES**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Policy and Organizational Support Services			
General Fund	21,197,000	20,800,000	(397,000)
Total	<u>21,197,000</u>	<u>20,800,000</u>	<u>(397,000)</u>





# **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. For the coming year, legislation will be advanced that adds a distinguished faculty member, appointed by the Governor, as a voting member of the Board of Trustees. 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 39,400 full-time equivalent positions consisting of 23,300 positions that are supported through a combination of State tax dollars and tuition revenues and 16,100 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 2006-07 Executive Budget recommends \$6.2 billion to support the operations of the State University's campuses, central administration and University-wide programs. In addition to \$2.0 billion in support from the General Fund, the University's budget includes \$4.2 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 2006-07 gross operating budget will total \$3.1 billion, an increase of \$115.4 million or 3.9 percent. Within this amount, taxpayer support will total nearly \$2.0 billion, an increase of \$34.3 million or 1.8 percent. SUNY's General Revenue Offset Account will total \$1.1 billion, which reflects a net increase of \$81.0 million or 8.0 percent attributable to an additional revenue authorization of \$85.3 million, increased interest earnings, and fringe benefit recoveries from SUNY's other special revenue accounts, offset by a transfer to the State University Tuition Reimbursement Account for tuition revenue through targeted enrollment growth in 2005-06. The recommended \$85.3 million revenue authorization provides the SUNY Trustees with the flexibility to generate increased revenue to support additional spending, should they so choose.

The 2006-07 Executive Budget also provides greater flexibility to the Board of Trustees to establish the tuition levels that are charged at SUNY campuses. Legislation accompanying this Budget authorizes the Trustees to:

- adopt a tuition policy that permits annual incremental adjustments to tuition, based on an annual inflation index;
- guarantee a fixed tuition rate for a four-year period for entering resident undergraduate students who maintain full-time enrollment and complete their degree programs within four years;
- adjust tuition levels beyond those driven by the annual inflation index and lift the tuition guarantee in the event that State taxpayer support for SUNY State-operated campuses is reduced from the prior year level or is not sufficient to fully fund collectively bargained salary increases or other fixed costs;
- eliminate existing restrictions that prohibit the Trustees from establishing differential tuition rates for like degree programs among SUNY campuses; and
- adopt a tuition increase prior to the enactment of the State budget.

SUNY's special revenue funding, exclusive of the General Revenue Offset Account, will total \$2.9 billion, an increase of \$306.7 million, including:

- an increase of \$151.8 million for the SUNY hospitals reflecting collectively bargained salary increases and support for their revenue-generating strategic and operational initiatives;
- an increase of \$80 million for the Stabilization Account, which has a two-year life and is appropriated every other year;
- an increase of \$25.0 million for the Tuition Reimbursable Account reflecting inflation and an increase to permit the SUNY State-operated campuses to increase tuition revenue through enrollment expansion;
- an increase of \$19.5 million for the General Income Fund Reimbursable (IFR) Account reflecting inflation;
- an increase of \$19.0 million for the University-wide Hospital Reimbursable Account reflecting an increase to allow for expansion of hospital operations, as revenues permit; and
- an increase of \$10.0 million for the Dormitory IFR account reflecting inflation.

For 2006-07, Federal appropriations totaling \$200.5 million will support the Pell grant program and various other student financial aid programs.

A total of \$58.6 million in contingency appropriation authority is provided outside of SUNY's and CUNY's appropriation schedules to cover any extraordinary energy cost increases experienced by our public universities in 2006-07.

The 2006-07 Executive Budget provides \$275,000 to continue the Just for the Kids - New York project. This program is part of the national Just for the Kids project and represents a partnership between the University at Albany's School of Education, the New York State Business Council and various private companies. The project is designed to standardize and disseminate school achievement data and best practices so that schools may identify opportunities for improvement by modeling the successful practices of high performing schools.

**EMPIRE INNOVATION PROGRAM**

A new \$6.0 million Empire Innovation Program will be established at the SUNY State-Operated campuses to attract 200 new research faculty over three years beginning in 2006-07 and to retain existing faculty. This funding will help SUNY compete for research grants, generate additional revenue through the growth in patents and indirect recoveries and contribute to the economic growth of the surrounding community and the State.

**PRIORITY ACADEMIC PROGRAMS**

Additional funding of \$3 million is provided to increase the number of students in priority academic programs in areas critical to New York's economy, such as information sciences, engineering, nursing and other allied health professions. This funding will support approximately 420 additional students in these high priority programs. The additional State support will be partially offset by savings of \$2 million generated through a reallocation of funds from lower priority programs for a net State cost of \$1 million.

**SUNY HOSPITALS**

The 2006-07 Budget continues the appropriation structure enacted in 2001-02 for the SUNY hospitals. All hospital spending is 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 increased by \$10.1 million to a total of \$139.5 million to reflect collectively bargained salary increases and costs attributable to employee fringe benefits. The State will also make a payment of \$8.3 million for its share of a multi-year effort to address the accumulated deficit of the hospitals. To address the capital needs and priorities of SUNY's hospitals, \$350 million has been provided as part of the existing Multi-Year Capital Investment Program enacted in the 2003-04 Budget. These capital projects, which are either in the design or construction phase, include the vertical expansion at Syracuse which will provide 135 adult medical, surgical, and intensive care beds as well as a 70 bed pediatric unit; the construction of a new ambulatory care pavilion at Stony Brook which will enable the development of a multi-disciplinary comprehensive cancer center; and a variety of upgrades for specialized services at Brooklyn. 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 \$407.8 million reflects an increase of \$22.5 million from 2005-06 attributable to: a \$100 per full-time student base aid increase (\$12.4 million); enrollment growth and reconciliation of actual enrollment for prior years (\$4.8 million); annualization of the \$115 per full-time equivalent student base aid increase provided in 2005-06 (\$4.7 million) and an increase in rental aid for leased space (\$0.6 million). Funding for childcare and contract courses for workforce development is continued at \$1.1 million and \$1 million respectively.

## **STATE UNIVERSITY**

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### **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 2006-07 Executive Budget recommendations include additional capital projects totaling \$440.0 million to supplement the \$3.4 billion Multi-Year Capital Investment Program first enacted in 2004-05. The additional \$440.0 million consists of \$350.0 million to construct and renovate dormitory facilities over a multi-year period and \$90.0 million for critical maintenance and specific priority projects including: \$22.3 million to design a new academic facility at Old Westbury, \$6.0 million to supplement existing funds and construct a new \$13.0 million Center for Distance Learning at Empire State College; a \$20.0 million lump sum for critical maintenance and other high priority projects; and \$41.7 million to provide for the State share of various community college projects.

In 2005-06, the University received additional capital funding totaling \$784.5 million for various projects. These funds, when combined with the \$1.8 billion capital investment authorized in 2004-05 and the \$895 million enacted as part of the 2003-04 capital budget provides over \$3.4 billion for SUNY over a multi-year period. Re-appropriations allow this continuing investment to support the ongoing revitalization of SUNY facilities; ensure the ability of campuses to successfully meet the needs of students, faculty and residents; and enable the University to maintain its competitive edge.

SUNY's bond cap for educational facilities will be increased by \$600.0 million, for a total bonding authorization of \$6.6 billion, to cover SUNY's planned bond sales for the multi-year period of the Capital Investment Program.

### **PROGRAM HIGHLIGHTS**

The State University of New York is the nation's largest comprehensive public university, offering 6,688 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. Almost 412,000 full-time and part-time SUNY students — 205,000 at State-operated campuses and 207,000 in community colleges — are pursuing studies ranging from one-year certificate programs to doctorates.

The academic profile of incoming students continues to grow stronger at SUNY campuses. More than half of all students that enrolled at SUNY University Centers in fall 2005 had SAT scores above 1200 and grade point averages above 90, comparable to admission profiles found at top public flagship institutions in California, Michigan, Texas and North Carolina.

The State University is also working to expand the volume of 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 is expected to reach an all-time high of nearly \$900 million in 2005, a growth of 5 percent from 2004. SUNY grants now underwrite over 10,500 projects, which directly support more than 18,600 full and part-time jobs across New York State. In addition, the State University, for the second year in a row, surpassed other top-ranked universities in the amount of income received from patent royalties coming from faculty research and joined IBM, Corning, and GE among the top recipients of patents in New York State.

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 2004-05 academic year, the SUNY Learning Network reached over 100,000 enrollments in 4,300 online courses. The 40 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:

- 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 established a 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)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	5,782,735,600	6,204,831,000	422,095,400	216,340,000
Aid To Localities	388,913,250	411,436,000	22,522,750	0
Capital Projects	784,445,000	440,000,000	(344,445,000)	4,023,715,000
Total	<u>6,956,093,850</u>	<u>7,056,267,000</u>	<u>100,173,150</u>	<u>4,240,055,000</u>

# STATE UNIVERSITY

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
All State University Colleges and Schools			
General Fund	23,300	23,300	0
Special Revenue Funds - Federal	4	4	0
Special Revenue Funds - Other	16,096	16,096	0
Total	<u>39,400</u>	<u>39,400</u>	<u>0</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	1,922,129,000	1,956,475,000	34,346,000
Special Revenue Funds - Federal	200,500,000	200,500,000	0
Special Revenue Funds - Other	3,648,106,600	4,035,856,000	387,749,400
Internal Service Funds	12,000,000	12,000,000	0
Total	<u>5,782,735,600</u>	<u>6,204,831,000</u>	<u>422,095,400</u>

### Adjustments:

Recommended Deficiency	
State University of New York	
General Fund	(29,100,000)
Transfer(s) From	
Special Pay Bill	
General Fund	(6,972,000)
Special Revenue Funds - Other	(472,600)
Appropriated 2005-06	<u>5,746,191,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
All State University Colleges and Schools			
General Fund	1,053,996,000	1,057,585,000	3,589,000
Special Revenue Funds - Federal	200,500,000	200,500,000	0
Special Revenue Funds - Other	3,648,106,600	4,035,856,000	387,749,400
Internal Service Funds	12,000,000	12,000,000	0
Employee Fringe Benefits			
General Fund	868,133,000	898,890,000	30,757,000
Total	<u>5,782,735,600</u>	<u>6,204,831,000</u>	<u>422,095,400</u>

# STATE UNIVERSITY

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
All State University Colleges and Schools	1,626,383,450	84,611,000	1,626,354,250	84,611,000
Total	<u>1,626,383,450</u>	<u>84,611,000</u>	<u>1,626,354,250</u>	<u>84,611,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
All State University Colleges and Schools	1,500	0	27,700	0
Total	<u>1,500</u>	<u>0</u>	<u>27,700</u>	<u>0</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
All State University Colleges and Schools	527,057,550	0	3,456,500	0
Employee Fringe Benefits	898,890,000	30,757,000	0	0
Total	<u>1,425,947,550</u>	<u>30,757,000</u>	<u>3,456,500</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
All State University Colleges and Schools	12,000	0	523,581,550	0
Employee Fringe Benefits	0	0	0	0
Total	<u>12,000</u>	<u>0</u>	<u>523,581,550</u>	<u>0</u>

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
All State University Colleges and Schools	7,500	0	0	0
Employee Fringe Benefits	0	0	898,890,000	30,757,000
Total	<u>7,500</u>	<u>0</u>	<u>898,890,000</u>	<u>30,757,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
All State University Colleges and Schools	3,152,500,000	222,727,400	2,477,992,500	281,727,400
Total	<u>3,152,500,000</u>	<u>222,727,400</u>	<u>2,477,992,500</u>	<u>281,727,400</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
All State University Colleges and Schools	606,638,900	(59,000,000)	67,868,600	0
Total	<u>606,638,900</u>	<u>(59,000,000)</u>	<u>67,868,600</u>	<u>0</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	388,913,250	411,436,000	22,522,750
Total	<u>388,913,250</u>	<u>411,436,000</u>	<u>22,522,750</u>

# STATE UNIVERSITY

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Colleges			
General Fund	385,243,250	407,766,000	22,522,750
County Cooperative Extension Program - Cornell University			
General Fund	3,670,000	3,670,000	0
Total	<u>388,913,250</u>	<u>411,436,000</u>	<u>22,522,750</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Senior Universities				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	22,533,000
Capital Projects Fund - Advances	731,175,000	48,300,000	(682,875,000)	2,931,126,000
State University Capital Projects Fund				
State University Capital Projects Fund	0	0	0	243,643,000
State University Residence Hall Rehabilitation Fund				
State University Residence Hall Rehabilitation Fund	0	0	0	83,724,000
SUNY Dorms (Direct Auth Bonds)	0	350,000,000	350,000,000	235,000,000
Subtotal	<u>731,175,000</u>	<u>398,300,000</u>	<u>(332,875,000)</u>	<u>3,516,026,000</u>
Community Colleges				
General Maintenance and Improvements				
Capital Projects Fund	0	0	0	36,629,000
Capital Projects Fund - Advances	53,270,000	0	(53,270,000)	101,394,000
Cap Proj Fund - SUNY CC (Direct Auth Bonds)	0	41,700,000	41,700,000	350,000,000
New Facilities				
Capital Projects Fund - Advances	0	0	0	19,666,000
Subtotal	<u>53,270,000</u>	<u>41,700,000</u>	<u>(11,570,000)</u>	<u>507,689,000</u>
Total	<u>784,445,000</u>	<u>440,000,000</u>	<u>(344,445,000)</u>	<u>4,023,715,000</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 2006-07 is maintained at 125 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 2006-07 Executive Budget recommendation of over \$16.1 million from proceeds of State University Educational Facilities Revenue bonds will enable the Fund to oversee existing SUNY facility projects and to administer SUNY's \$3.9 billion Multi-Year Capital Investment Program first enacted in 2004-05 and increased in 2005-06. An additional \$90 million is recommended in 2006-07 for priority projects at SUNY State-operated colleges and community colleges, and \$350 million is provided for dormitory projects.

## **PROGRAM HIGHLIGHTS**

The 2006-07 Executive Budget recommendations include additional capital projects totaling \$440 million to supplement the multi-year Capital Investment Program first enacted in 2004-05. As of March 31, 2005, the Fund has completed more than 4,396 academic, dormitory and dining hall capital projects with a replacement value exceeding \$15.9 billion. During the 2004-05 fiscal year, the Fund initiated the design of 12 projects having a total value of \$7.2 million and began construction of 18 projects having an estimated cost of \$87 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	Appropriations	Change	Reappropriations
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	14,533,000	16,077,000	1,544,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	14,533,000	16,077,000	1,544,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
Special Revenue Funds - Other	125	125	0
Total	125	125	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
Special Revenue Funds - Other	14,533,000	16,077,000	1,544,000
Total	14,533,000	16,077,000	1,544,000

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Administration			
Special Revenue Funds - Other	14,533,000	16,077,000	1,544,000
Total	14,533,000	16,077,000	1,544,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	16,077,000	1,544,000	9,957,000	1,183,000
Total	16,077,000	1,544,000	9,957,000	1,183,000

Program	Nonpersonal Service	
	Amount	Change
Administration	6,120,000	361,000
Total	6,120,000	361,000

# **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, or government employees 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, a General Counsel, staff attorneys, 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 a workforce of 10 for 2006-07, which is consistent with 2005-06 staffing levels.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget recommends total appropriations of \$1,234,000 for the Office of Welfare Inspector General, including \$794,000 in General Fund support and \$440,000 in Federal funds the agency receives for fraud investigations related to welfare, Food Stamps and Medicaid. The 2006-07 Budget includes a \$104,000 increase from 2005-06 for negotiated salary and fuel and rent increases.

## **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 all levels of government 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 conducting fraud investigations, the Office makes recommendations to the Department of Family Assistance and county and New York City social services offices on how to administer welfare programs and services more effectively throughout the State.

# WELFARE INSPECTOR GENERAL

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,130,000	1,234,000	104,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,130,000	1,234,000	104,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
General Fund	730,000	794,000	64,000
Special Revenue Funds - Other	400,000	440,000	40,000
Total	1,130,000	1,234,000	104,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Welfare Inspector General, Office of the General Fund	730,000	794,000	64,000
Special Revenue Funds - Other	400,000	440,000	40,000
Total	1,130,000	1,234,000	104,000

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Welfare Inspector General, Office of the Total	794,000	39,000	794,000	39,000
	794,000	39,000	794,000	39,000

# WELFARE INSPECTOR GENERAL

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	440,000	65,000	38,400	6,500
Total	<u>440,000</u>	<u>65,000</u>	<u>38,400</u>	<u>6,500</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	21,200	6,800	360,600	48,100
Total	<u>21,200</u>	<u>6,800</u>	<u>360,600</u>	<u>48,100</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Welfare Inspector General, Office of the	19,800	3,600
Total	<u>19,800</u>	<u>3,600</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>	
	<b>Amount</b>	<b>Change</b>
Total	<u>0</u>	<u>0</u>



***HEALTH AND  
MENTAL HYGIENE***





# OVERVIEW AND PERFORMANCE MEASURES

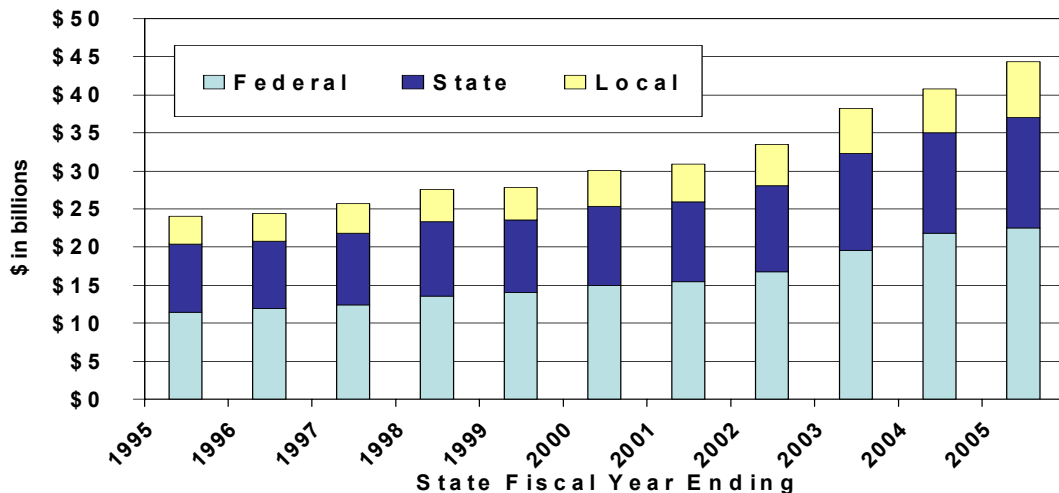
## HEALTH CARE

The following charts provide some information on performance and fiscal measures related to New York's health care programs. New York State's Medicaid spending totaled \$44.3 billion in State Fiscal Year 2004-05. New York spends more than any other state on both a total and per capita basis. Medicaid expenditures are the result of several factors, such as access to services, beneficiary mix, eligibility, benefits provided and managed care enrollment. New York's enrollment in Medicaid managed care programs and other State-supported health care programs has increased dramatically over the past ten years, illustrating that more New Yorkers, especially children, are receiving comprehensive, preventive health care.

Family Health Plus and the Elderly Pharmaceutical Insurance Coverage (EPIC) programs have all resulted in improving the lives of New York State residents. In addition, enrollment in Medicaid managed care has increased. The Family Health Plus program was established in 2001 to provide health insurance coverage for low-income New Yorkers between the ages of 19 and 64 who have income or resources too high to qualify for Medicaid. The EPIC program provides comprehensive prescription drug coverage for individuals over 65 with incomes up to \$35,000 (single) or \$50,000 (married).

The information below is based on the most recent actual data available from the New York State Division of the Budget, the New York State Department of Health, and the Centers for Medicare and Medicaid Services.

### Federal, State and Local Medicaid Spending from 1994-95 through 2004-05

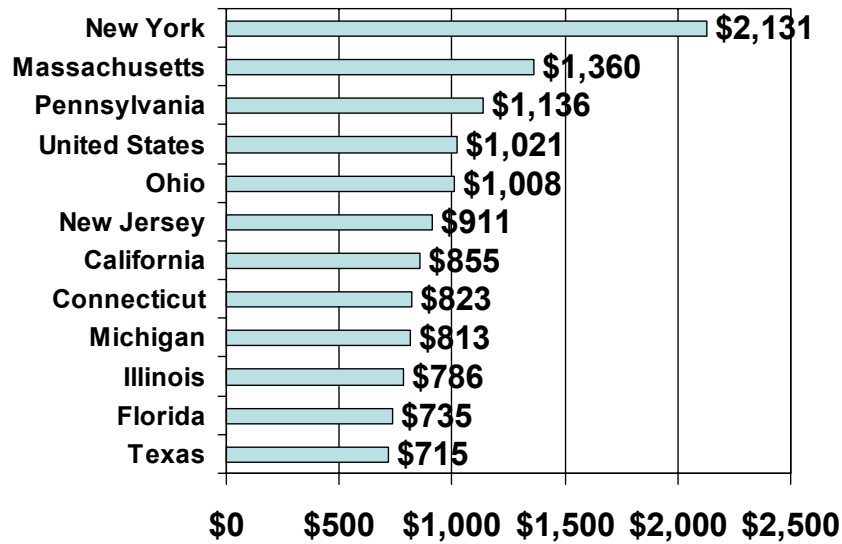


Federal, State and local Medicaid spending has increased steadily since 1995 as caseload and health care costs have increased. Total Federal, State and local spending for State Fiscal Year 2004-05 was more than \$44 billion.

Source: New York State Division of the Budget

## HEALTH CARE

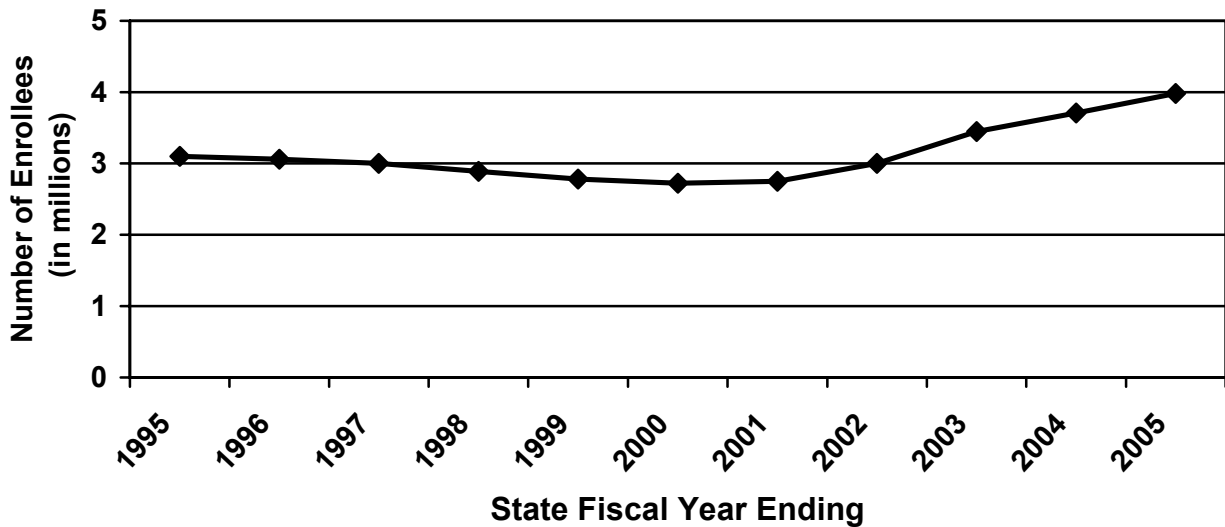
### Total Per Capita Medicaid Spending by Selected States



New York ranks first in total Medicaid spending compared to a select number of other states. In 2004, New York's Medicaid spending of \$2,131 per person was over twice the amount of \$1,021 spent nationally.

Source: Centers for Medicare and Medicaid Services

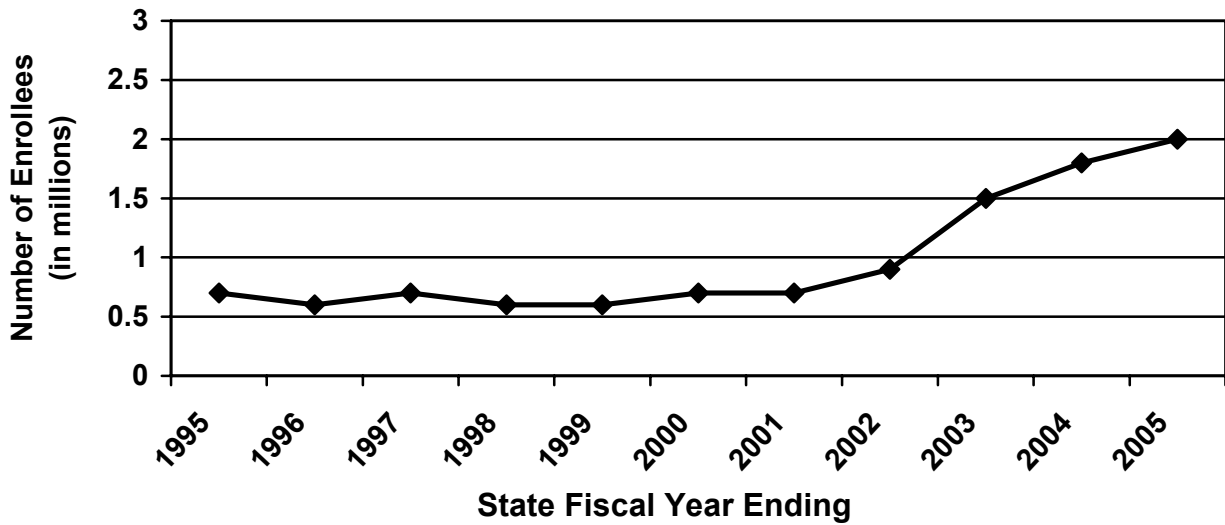
### Total Medicaid Caseload from 1994-95 through 2004-05



New York State's Medicaid caseload, including those enrolled in Family Health Plus, has increased by 1 million individuals from slightly more than 3 million enrollees in 1994-95 to nearly 4 million in 2004-05. Average annual caseload for the Family Health Plus program, which began in 2001, grew from 5,800 in 2001-02 to 445,000 in 2004-05, representing 11 percent of total caseload.

Source: New York State Department of Health

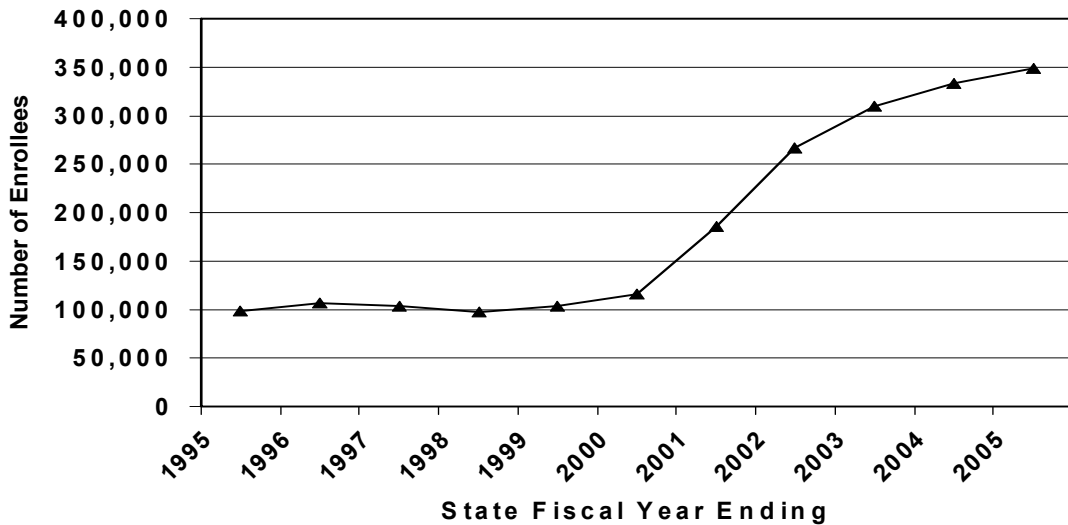
**Total Medicaid Managed Care Caseload from 1994-95 through 2004-05**



Medicaid managed care is a health insurance plan or health care system that coordinates the provision, quality and cost of care for its enrolled members. New York’s Medicaid managed care caseload has increased from slightly more than 650,000 individuals in 1994-95 to more than 2 million in 2004-05. In 1997, Governor Pataki initiated New York’s mandatory Medicaid managed care program to improve access to coordinated health care and provide a medical “home” to recipients in a cost-effective manner.

Source: New York State Department of Health

**Total Caseload for EPIC from 1994-95 through 2004-05**



New York State’s EPIC program, which assists the elderly with their prescription drug costs, has increased four-fold since 1994-95. Caseload increased from slightly more than 98,000 in 1995 to nearly 390,000 in 2005, representing a 254 percent increase. In 2001, income eligibility levels were increased to help more seniors enroll in EPIC.

Source: New York State Department of Health



# **MENTAL HYGIENE**

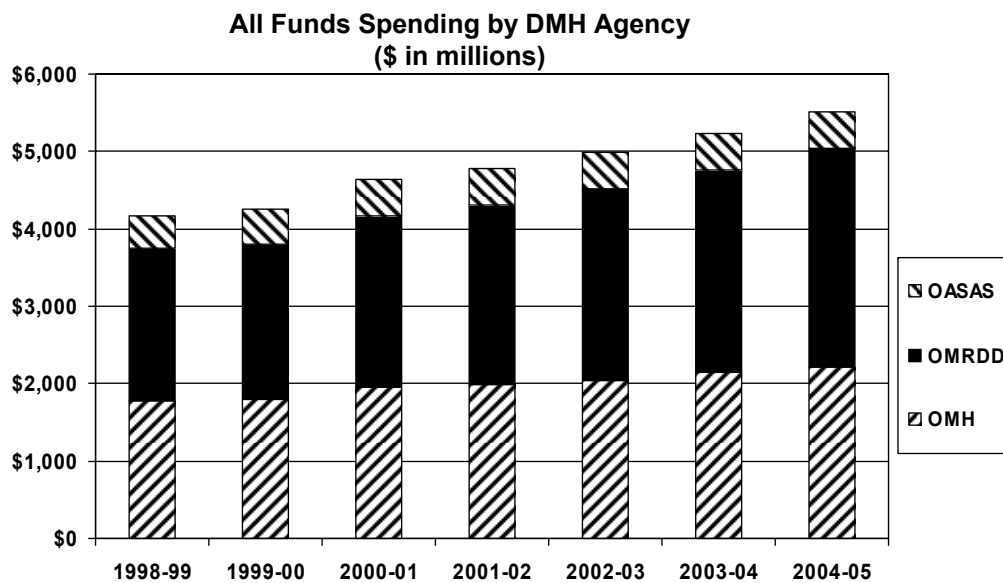
New York State makes a substantial investment in the provision of services to individuals with mental illnesses, chemical dependencies and mental retardation and developmental disabilities. Taxpayers, advocates and other stakeholders need to be informed as to how these service systems are performing and how consumer needs are being met.

The State’s Department of Mental Hygiene (DMH) agencies – Office of Mental Health (OMH), Office of Mental Retardation and Developmental Disabilities (OMRDD) and Office of Alcoholism and Substance Abuse Services (OASAS) – are responsible for providing and overseeing services for these at-risk populations.

Accordingly, the following charts show that All Funds spending for New York’s mental hygiene agencies has increased by nearly \$1.4 billion since 1998-99. This level of mental hygiene funding places New York as the second leading state in the nation, with per capita funding levels that are more than double the national average.

The majority of new spending has been invested in the expansion of community-based services consistent with the U.S. Supreme Court’s *Olmstead* judgment. In the last ten years, the number of institutional beds has declined by over 7,100 while new community bed development has surpassed 21,000 beds.

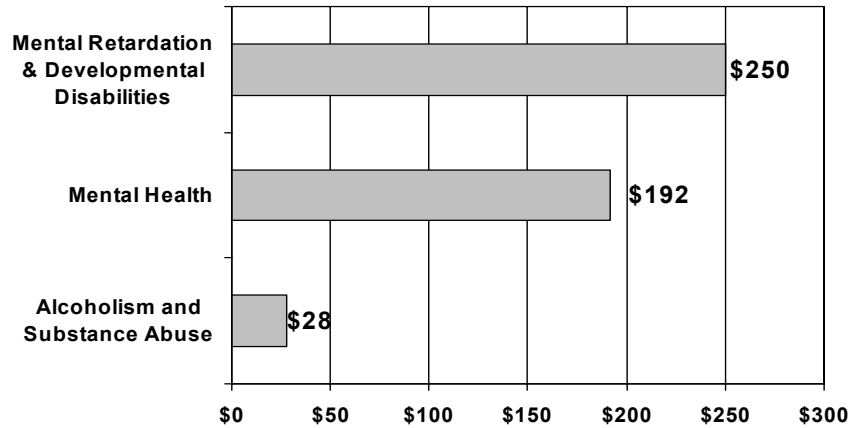
While major advances are being made in the development of outcome measures in the mental hygiene field, consumer satisfaction remains one of the most significant performance value indicators. New York scores high (over 90 percent of consumers satisfied) in all three mental hygiene areas and is still striving to improve on this measure by offering consumers a greater choice of rehabilitative services and opportunities.



All Funds spending for New York’s mental hygiene agencies has increased \$1.4 billion, or 34 percent, over the last seven years. During this period, significant investments were made to improve the mental hygiene service system including community bed development and expanded case management enhancements for special populations in OMH and OASAS, and a substantial reduction of the OMRDD out-of-home residential waitlist through the NYS-CARES (I and II) multi-year initiatives.

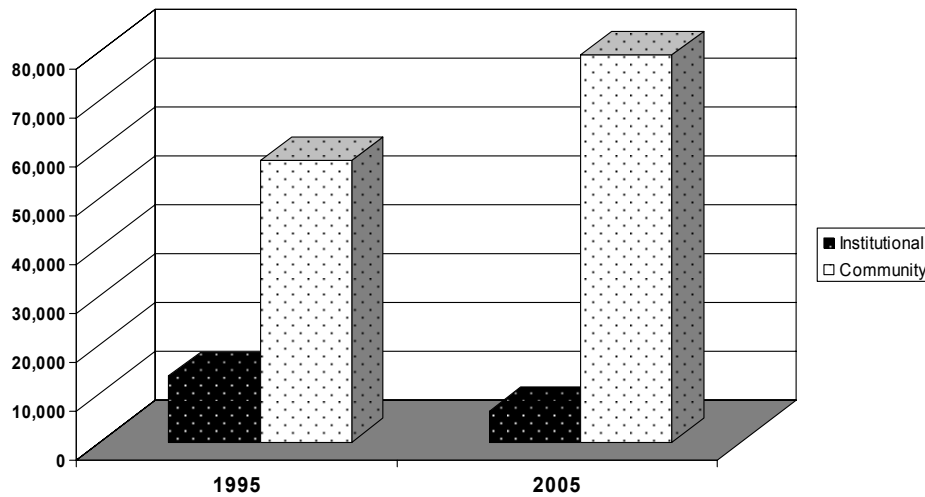
# MENTAL HYGIENE

### New York Mental Hygiene Per Capita Spending



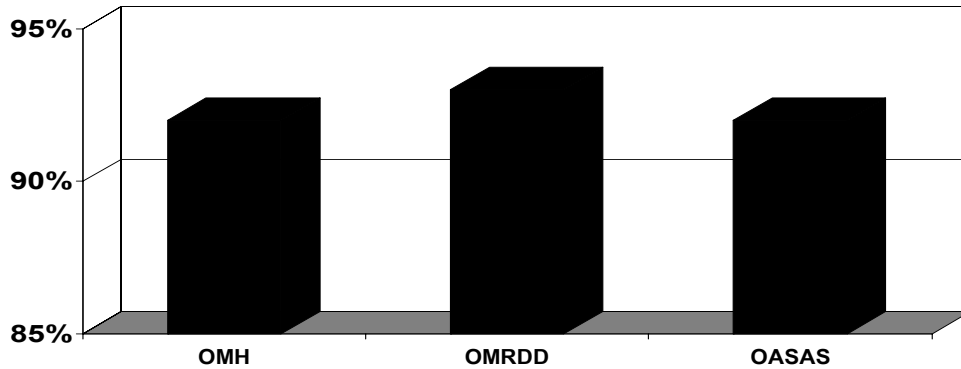
For every New Yorker, the State spends an average of \$250 in services for mental retardation and developmental disabilities; \$192 for mental health care; and \$28 for substance abuse services. New York's spending on these health services more than doubles the national average in all three mental hygiene categories.

### Mental Hygiene Community Bed Expansion



Since 1995, the DMH has increased the total number of residential beds in the community by 21,569 (OMH – 10,200; OMRDD – 7,997; OASAS – 3,372). Concurrently, the DMH agencies have reduced the total number of institutional beds by 7,147 (OMH – 4,870; OMRDD – 2,277).

**Consumer Satisfaction with Mental Hygiene Services**



Assessing consumer satisfaction is a key measure of the effectiveness of mental hygiene services. The chart above illustrates that a vast majority of all clients are satisfied with the services they receive. Specifically, based on a 2005 survey of State-operated outpatient programs conducted by OMH, 92 percent of all recipients rated services in the good to excellent range, indicating they were generally satisfied with services. In addition, OMRDD conducted a survey of its nationally renowned NYS-CARES program, and found that 93 percent of the consumers surveyed were highly satisfied with their Day and Residential services. Lastly, OASAS surveyed clients who received inpatient services at its Addiction Treatment Centers (ATCs) and roughly 92 percent reported satisfaction.





# **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 134 positions during 2006-07, 128 funded within the agency, and an additional six funded by other State agencies. Approximately 45 percent of Office operations are funded by the General Fund and 55 percent are financed by Federal grants and other revenue sources.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget recommends \$219 million in State and Federal funds for the operations of the Office and support for community-based services for the elderly. The Budget includes additional funding for the Expanded In-home Services for the Elderly Program (EISEP), while achieving cost efficiencies by expanding on a host agency relationship with the Division of the Budget for administrative activities. The Executive Budget includes funding to support a Cost of Living Adjustment tied to the Consumer Price Index effective October 1, 2006 for the following SOFA programs: Expanded In-home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE) Program and the Supplemental Nutrition Assistance Program (SNAP). 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 \$389 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.

## **COMMUNITY BASED LONG TERM CARE SERVICES**

The 2006-07 Budget maintains the Governor's commitment to double the funding for EISEP over a two-year period. 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. EISEP is expected to serve almost 51,000 persons in 2006-07.

## **AGING**

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The 2006-07 Executive Budget recommendation also includes \$150,000 to support a Community Green House Pilot Program to be planned and managed by the State Office for the Aging. This program would establish a facility of 10-16 beds in a rural or suburban area to serve frail nursing home eligible seniors. Health services would be provided via a partnership with a health care network, hospital or Skilled Nursing Facility.

### **NUTRITION SERVICES**

Through a combination of State tax dollars and Federal grants, the State annually provides over 23.7 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 \$41 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 \$19 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 \$12 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 1,600 trained volunteers on the behalf of the approximately 163,000 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	13,189,000	13,009,000	(180,000)	9,263,000
Aid To Localities	188,224,300	205,735,300	17,511,000	124,946,300
Capital Projects	0	0	0	0
Total	201,413,300	218,744,300	17,331,000	134,209,300

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

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

<b>Program</b>	<b>2005-06</b>	<b>2006-07</b>	<b>FTE Change</b>
	<b>Estimated FTEs 03/31/06</b>	<b>Estimated FTEs 03/31/07</b>	
Administration and Grants Management			
General Fund	28	27	(1)
Special Revenue Funds - Federal	106	106	0
Special Revenue Funds - Other	1	1	0
Total	<u>135</u>	<u>134</u>	<u>(1)</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	2,539,000	2,359,000	(180,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	300,000	300,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>13,189,000</u>	<u>13,009,000</u>	<u>(180,000)</u>

Adjustments:

Prior Year Deficiency	
Aging, Office for the	
Special Revenue Funds - Other	50,000
Appropriated 2005-06	<u>13,239,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration and Grants Management			
General Fund	2,539,000	2,359,000	(180,000)
Special Revenue Funds - Federal	10,250,000	10,250,000	0
Special Revenue Funds - Other	300,000	300,000	0
Enterprise Funds	100,000	100,000	0
Total	<u>13,189,000</u>	<u>13,009,000</u>	<u>(180,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	1,903,000	(80,000)	1,889,500	(80,000)
Total	<u>1,903,000</u>	<u>(80,000)</u>	<u>1,889,500</u>	<u>(80,000)</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  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Grants Management	456,000	(100,000)	33,000	0
Total	456,000	(100,000)	33,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Grants Management	56,000	0	210,000	0
Total	56,000	0	210,000	0

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	7,000	0	150,000	(100,000)
Total	7,000	0	150,000	(100,000)

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Grants Management	10,650,000	0	7,600,000	0
Total	10,650,000	0	7,600,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Grants Management	2,650,000	0	400,000	0
Total	2,650,000	0	400,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	76,624,300	94,135,300	17,511,000
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	188,224,300	205,735,300	17,511,000

Adjustments:

Prior Year Deficiency	
Aging, Office for the	
Special Revenue Funds - Other	3,000,000
Appropriated 2005-06	191,224,300

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Services			
General Fund	76,624,300	94,135,300	17,511,000
Special Revenue Funds - Federal	107,600,000	107,600,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Total	188,224,300	205,735,300	17,511,000

# ***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 2006-07 recommendation of \$4.6 million in Federal funds represents the same level of funding as in 2005-06 and is based on the level of anticipated Federal Funding. 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 policy papers on issues affecting the disabled, providing training and technical assistance and developing a five-year State Plan. For 2006-07, the Council will continue to identify and fund new and innovative demonstration programs in support of its multi-year State Plan, including those aimed at increasing the number of available employment opportunities, promoting choice in housing, and reducing obstacles in transportation to facilitate community integration. In support of these and other strategic objectives, the Council works 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	4,560,000	4,560,000	0	5,829,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>	<u>5,829,000</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Developmental Disabilities Planning			
Special Revenue Funds - Federal	4,550,000	4,550,000	0
Enterprise Funds	10,000	10,000	0
Total	<u>4,560,000</u>	<u>4,560,000</u>	<u>0</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	4,560,000	0	1,020,000	(20,000)
Total	<u>4,560,000</u>	<u>0</u>	<u>1,020,000</u>	<u>(20,000)</u>
Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Developmental Disabilities Planning	950,000	10,000	2,590,000	10,000
Total	<u>950,000</u>	<u>10,000</u>	<u>2,590,000</u>	<u>10,000</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 food and waterborne illnesses, hepatitis, HIV, meningitis, sexually transmitted infections, tuberculosis, vaccine-preventable diseases 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 2006-07, the Department of Health will have a workforce of 5,843 positions, with 29 percent of those positions employed in the Department's health care facilities.

- Approximately 15 percent of these positions are paid exclusively by the General Fund;
- 10 percent are directly supported by fees;
- 58 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 17 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 \$47.6 billion in 2006-07. The 2006-07 Medicaid Budget reflects a continued

## **HEALTH**

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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 most vulnerable 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 Governor's recently enacted cap legislation provides significant fiscal relief to local governments by capping their share of Medicaid costs up to the amount they will have spent in 2005, as modified by a predictable growth factor. To help control escalating State costs, the Budget recommends a series of actions to limit Medicaid cost increases to keep the program affordable for State taxpayers while ensuring continued access to needed health care services for recipients.

In addition, the Executive Budget advances a comprehensive plan to improve and expand the State's Medicaid fraud, waste and abuse control efforts. The Budget supports the establishment of an independent Office of Medicaid Inspector General, advances legislation to assist in the fight against fraud, transfers existing audit and investigative resources from various State agencies to the Office and dedicates additional funding to support the Medicaid Inspector General's activities.

### **Pharmacy**

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach nearly \$1.3 billion in 2006-07. The 2006-07 Executive Budget recommends several measures to control these costs, including: strengthening the Preferred Drug Program; authorizing prior approval of certain high risk / high cost drugs; eliminating coverage for erectile dysfunction drugs consistent with recent Federal legislation; and, reducing pharmacy reimbursement from Average Wholesale Price (AWP) less 16.5 percent to AWP less 30 percent for generics and from AWP less 12.75 percent to AWP less 15 percent for brand name drugs and other actions.

The Budget ensures that individuals who are eligible for both Medicaid and Medicare have a safe and seamless transition to the new Medicare prescription drug program by providing funding for a six-month transition period (through July 1, 2006) during which the Medicaid program will continue to fund all medically necessary drugs in the event they are not available under Medicare Part D. In addition, the Budget includes additional funding for the State Medicaid program to continue, on a permanent basis, a wrap around benefit for certain drugs used in the treatment of mental illnesses, HIV/AIDS drugs and organ transplants.

### **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 2006-07 Executive Budget recommendations for HCRA secure the fiscal stability of the program by increasing available revenues; reducing costs where feasible; continuing to provide hospitals and clinics with adequate funding; and ensure that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to be approximately \$2.2 billion in 2006-07, which reflects a number of Budget recommendations to limit the growth in those costs. These include reducing Graduate Medical Education (GME) payments to facilities that lack the costs necessary to support existing reimbursement levels, eliminating annual inflationary increase, modifying the volume adjustment calculation and reforming inpatient uncomplicated detoxification services.



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**Long Term Care**

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$4.8 billion in 2006-07. The 2006-07 Executive Budget recommends several initiatives that affect nursing homes including recouping delinquent nursing home assessments from delinquent payors; changing the reimbursement methodology to reduce inappropriate provider practices; holding nursing home adult day health care reimbursement to actual costs; requiring providers to offset inflationary cost increases; permanently continuing the reimbursable assessment at six percent; and other actions.

Starting in January 2007, the nursing home reimbursement methodology will be updated, or “rebased” using 2003 data, over a five-year period. To help finance the cost of this initiative, outdated rate adjustments will be eliminated, including rate add-ons for facilities with 300 plus beds and hospital-based facilities, and case mix enhancements for Medicare patients which are inappropriate because of changes in Federal reimbursement policy. Once fully implemented, the Governor’s proposal will provide more than \$340 million in new resources for nursing homes.

While progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997, new actions are necessary to meet the future needs of the elderly and disabled. These include: additional funding for the Office for the Aging’s Expanded In-home Services for the Elderly Program; expanding the “Access to Home” program which would offer financial assistance to homeowners who undertake adaptation and accessibility work on dwellings occupied by low and moderate income persons with disabilities; and funding targeted investments to expand and promote the provision of care in community-based settings. Also, the Budget recommends closing existing eligibility loopholes that allow individuals to receive services without contributing to the cost of their care.

**Managed Care**

The 2006-07 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 23 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Genesee, Greene, Herkimer, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Rockland, Saratoga, Suffolk 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 2006-07.

A key component of the expansion already underway is to require mandatory enrollment of Supplemental Security Income (SSI) and Seriously and Persistently Mentally Ill (SPMI) individuals into managed care for their health care benefits. In addition, the remaining voluntary counties — Allegany, Dutchess, Orange, Putnam, Schenectady, Ulster and Washington — which currently have the required two managed care plans will implement mandatory enrollment starting in April 2006. Legislation is also advanced to allow other counties with a single managed care plan to require mandatory participation. The Office of Mental Health and the Office of Alcoholism and Substance Abuse Services will also work to establish State-sponsored managed care programs for individuals with co-occurring disorders.

Managed care enrollment is projected to reach approximately 2.1 million by the end of 2005-06 and 2.3 million in 2006-07. When fully implemented, over 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, better access to specialists and better care based on standard quality measures.

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

## **HEALTH**

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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. The 2006-07 Executive Budget proposes legislation to extend the Medicaid Managed Care program permanently and eliminates the six month guaranteed eligibility for individuals enrolling in 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 are now made through the State's new computerized payment system — commonly known as eMedNY — that is operated by a private company with oversight by State personnel. The new eMedNY Medicaid System replaced both the Medicaid Management Information System (MMIS) and the Electronic Medicaid Eligibility Verification System (EMEVs) with an integrated claims processing system which began full operation in March 2005. The new system provides updated technologies and brings New York State into compliance with new Federal reporting requirements. In addition, eMedNY is being used to substantially enhance front-end detection of Medicaid fraud.

### **CHILD HEALTH PLUS**

New York's Child Health Plus (CHPlus) program — currently authorized through September 2007 — continues to set a national standard for children's health insurance coverage for children up to age 19. CHPlus 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 nearly 440,000 children in 2005. 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, CHPlus will provide comprehensive coverage to virtually all eligible children in the State.

### **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 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 2006-07 Executive Budget recommends prohibiting coverage for individuals employed by large businesses; increasing co-payments for inappropriate use of emergency services; and requiring mandatory co-payments for all services.

### **OTHER PUBLIC HEALTH PROGRAMS**

General Fund appropriations finance 16 percent of the Department of Health's budget in 2006-07 after excluding Medicaid and HCRA program costs. 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 39 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 45 percent is provided by Federal grants and Enterprise funds.

Capital Project appropriations promote the efficient operation of healthcare facilities statewide and 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 the General Fund, HCRA and/or facility revenues.

This overall recommendation ensures that public health priorities are preserved. As such, the 2006-07 Executive Budget:

- Provides the second \$250 million installment, increasing available appropriation levels to \$500 million of the \$1 billion commitment over four-years, for the Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) Program authorized in the 2005-06 Budget. This program will support healthcare projects to upgrade information and healthcare technology, enhance the efficiency of facility operations and support facility improvement, reconfiguration and consolidation. This appropriation includes \$25 million for capital projects at the Roswell Park Cancer Institute;
- Provides \$893 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 372,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program as a result of coordinating benefits with the new Medicare prescription drug program. The Executive Budget also proposes reducing pharmacy reimbursement for brand name and generic drugs to bring retail reimbursement rates more in line with actual costs and eliminating funding for drugs used in the treatment of erectile dysfunction. New York will continue to assist in covering prescription drug costs for more seniors than any other state in the nation;
- Provides \$208 million for the State share of Early Intervention (EI) which provides needed services to 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 requires the use of a fiscal agent by both the State and counties to standardize the fiscal management of the EI program.
- Includes \$260 million for the General Public Health Work program to reimburse counties for core and optional services at a rate of thirty-six percent, increase the base grants to counties by \$100,000, add vector-borne diseases to the list of disease control activities eligible for reimbursement, and provide a \$20 million reserve appropriation to address any public health emergencies at the discretion of the Commissioner of Health;
- Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of more than \$3.4 billion, a year-to-year increase of \$128 million, including \$104.6 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;
- Includes \$78 million in direct support for the Roswell Park Cancer Institute Corporation;
- Includes \$95 million, funded largely from HCRA, for an anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping, cancer research, strict enforcement of laws regulating the sale and use of tobacco products. This appropriation includes \$15 million for cancer research at Roswell Park Cancer Institute;
- Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$31 million, as well as an additional \$10.8 million in support of other hunger assistance programs, making New York one of only 7 states to augment Federal nutrition funds; and

## **HEALTH**

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- Includes funding to support an ongoing Cost of Living Adjustment tied to the Consumer Price Index, effective October 1, 2006, for various public health and AIDS programs;
- Includes \$2.75 million to continue the State's ongoing commitment to improve the lives of adult home residents in New York. The Department, working with the Office of Mental Health, the Commission on Quality of Care and Advocacy for Persons with Disabilities and the State Office for the Aging, has undertaken a statewide effort to further expand the various initiatives already underway in adult homes, including: vocational and educational training, recreational activities, independent living skills, as well as the general maintenance and upkeep of the homes, which is critical to ensuring the health and safety of residents. Additionally, \$5.25 million is available in the Office of Mental Health for enhanced care coordination and more than 3,500 additional case management slots for mentally ill residents of adult homes.
- Includes additional funding for the Wadsworth Center for Laboratories and Research of \$5 million for the purchase of critical equipment, as well as \$10 million for capital improvements to the Wadsworth Laboratories.
- Includes \$6.7 million in support of the State's seventeen Regional Perinatal Centers to ensure the quality of care for newborns and their mothers.

## **PROGRAM HIGHLIGHTS**

### **MEDICAID**

Medicaid was established in 1965 by the Federal government as a health insurance program for the poor. Absent reform, New York's Medicaid program costs would total \$47.6 billion in 2006-07, and provide coverage to nearly 4 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State's General Fund Medicaid spending being held to average annual increases of only 3.5 percent since 1994-95. 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.

### **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, important 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 and 2005 HCRA was extended for two years, most recently through June 2007. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of insurance conversion proceeds 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 2006-07 Executive Budget ensures HCRA's financial stability through its authorization period. Most significantly, the Budget dedicates \$308 million in new revenues to HCRA by increasing the State cigarette tax to \$2.50 per pack — from the current \$1.50 — and reinvesting a portion of these funds in anti-tobacco initiatives, raising funding levels to \$95 million consistent with Federal Centers for Disease Control and Prevention (CDC) recommendations. In addition, \$138 million in new cost containment actions are proposed (which includes \$118.5 million in General Fund savings) while needed investments are made to support the HEAL NY Program, increase reimbursement through the Excess Medical Malpractice Program and stockpile medications and supplies to respond in the event of a future epidemic

## **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 Wadsworth Laboratories address public health concerns such as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. In 2005-06, the newborn screening program expanded significantly, and now includes a total of 45 disorders, making New York State a national leader in the area of newborn testing. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, West Nile virus, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 700 environmental laboratories and more than 1,800 clinical laboratories and patient service centers to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Centers for Community and Environmental Health continue to play key roles in managing the State's preparation for response to bioterrorism.

## **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 \$3.4 billion to combat HIV/AIDS next year.

# HEALTH

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## 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	4,648,552,000	4,645,606,000	(2,946,000)	9,402,411,000
Aid To Localities	44,365,425,185	43,879,956,300	(485,468,885)	24,819,679,000
Capital Projects	326,600,000	300,537,000	(26,063,000)	450,603,000
Total	<u>49,340,577,185</u>	<u>48,826,099,300</u>	<u>(514,477,885)</u>	<u>34,672,693,000</u>

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

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

<b>Program</b>	<b>2005-06</b>	<b>2006-07</b>	<b>FTE Change</b>
	<b>Estimated FTEs 03/31/06</b>	<b>Estimated FTEs 03/31/07</b>	
Administration and Executive Direction			
General Fund	88	88	0
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	253	253	0
AIDS Institute			
General Fund	164	164	0
Child Health Insurance			
Special Revenue Funds - Other	37	37	0
Community Health			
General Fund	7	15	8
Special Revenue Funds - Federal	631	631	0
Special Revenue Funds - Other	103	117	14
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	5	5	0
Special Revenue Funds - Other	22	27	5
Environmental Health			
General Fund	99	99	0
Special Revenue Funds - Federal	137	137	0
Special Revenue Funds - Other	84	78	(6)
Capital Projects Funds - Other	80	80	0
Health Care Financing			
General Fund	81	92	11
Special Revenue Funds - Other	57	57	0
Health Care Standards and Surveillance			
General Fund	547	547	0
Special Revenue Funds - Other	314	304	(10)
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	374	405	31
Special Revenue Funds - Federal	81	81	0
Special Revenue Funds - Other	192	208	16
Managed Care			
General Fund	152	158	6
Medicaid Management, Office of			
General Fund	420	426	6
Special Revenue Funds - Federal	88	88	0
Special Revenue Funds - Other	2	2	0
Total	<u>5,762</u>	<u>5,843</u>	<u>81</u>

# HEALTH

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	153,812,000	162,242,000	8,430,000
Special Revenue Funds - Federal	4,004,825,000	3,979,144,000	(25,681,000)
Special Revenue Funds - Other	489,905,000	504,210,000	14,305,000
Enterprise Funds	10,000	10,000	0
Total	<u>4,648,552,000</u>	<u>4,645,606,000</u>	<u>(2,946,000)</u>
Adjustments:			
Transfer(s) To			
Medicaid Inspector General, Office of the			
General Fund	15,753,000		
Special Revenue Funds - Federal	50,073,000		
Special Revenue Funds - Other	4,500,000		
Appropriated 2005-06	<u>4,718,878,000</u>		



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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration and Executive Direction			
General Fund	21,063,000	21,953,000	890,000
Special Revenue Funds - Federal	9,824,000	8,984,000	(840,000)
Special Revenue Funds - Other	32,901,000	35,954,000	3,053,000
AIDS Institute			
General Fund	16,238,000	16,329,000	91,000
Child Health Insurance			
Special Revenue Funds - Federal	58,300,000	64,131,000	5,831,000
Special Revenue Funds - Other	11,408,000	11,421,000	13,000
Community Health			
General Fund	0	9,132,000	9,132,000
Special Revenue Funds - Federal	117,128,000	117,128,000	0
Special Revenue Funds - Other	7,746,000	9,084,000	1,338,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Federal	34,000,000	0	(34,000,000)
Special Revenue Funds - Other	14,292,000	19,125,000	4,833,000
Environmental Health			
General Fund	9,287,000	9,287,000	0
Special Revenue Funds - Federal	15,678,000	15,678,000	0
Special Revenue Funds - Other	17,208,000	18,166,000	958,000
Health Care Financing			
General Fund	4,807,000	8,414,000	3,607,000
Special Revenue Funds - Other	9,084,000	8,425,000	(659,000)
Health Care Standards and Surveillance			
General Fund	53,806,000	52,681,000	(1,125,000)
Special Revenue Funds - Federal	300,000	0	(300,000)
Special Revenue Funds - Other	65,423,000	64,691,000	(732,000)
Institution Management			
Special Revenue Funds - Other	150,899,000	140,327,000	(10,572,000)
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	32,726,000	39,812,000	7,086,000
Special Revenue Funds - Federal	11,448,000	15,076,000	3,628,000
Special Revenue Funds - Other	44,422,000	45,995,000	1,573,000
Maintenance Undistributed			
General Fund	(123,962,000)	(138,962,000)	(15,000,000)
Special Revenue Funds - Other	123,962,000	138,962,000	15,000,000
Managed Care			
General Fund	14,841,000	15,372,000	531,000
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Management, Office of			
General Fund	50,971,000	51,427,000	456,000
Special Revenue Funds - Federal	3,662,424,000	3,662,424,000	0
Special Revenue Funds - Other	12,500,000	12,000,000	(500,000)
Medicaid Management Information System			
General Fund	74,035,000	76,797,000	2,762,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,648,552,000</u>	<u>4,645,606,000</u>	<u>(2,946,000)</u>

# HEALTH

STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	7,463,000	0	6,958,000	(80,000)
AIDS Institute	10,448,000	91,000	10,448,000	91,000
Environmental Health	7,350,000	0	7,350,000	199,000
Health Care Financing	7,198,000	3,202,000	7,128,000	3,167,000
Health Care Standards and Surveillance	36,691,000	(1,008,000)	36,321,000	(1,008,000)
Laboratories and Research	25,086,000	2,086,000	24,765,000	2,086,000
Managed Care	10,961,000	451,000	10,961,000	451,000
Medicaid Management, Office of	26,418,000	381,000	26,418,000	381,000
Total	131,615,000	5,203,000	130,349,000	5,287,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Executive Direction	250,000	25,000	255,000	55,000
AIDS Institute	0	0	0	0
Environmental Health	0	(187,000)	0	(12,000)
Health Care Financing	0	0	70,000	35,000
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 Management, Office of	0	0	0	0
Total	434,000	(162,000)	832,000	78,000

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	14,490,000	890,000	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Community Health	9,132,000	9,132,000	0	0
Environmental Health	1,937,000	0	0	(159,000)
Health Care Financing	1,216,000	405,000	63,000	51,000
Health Care Standards and Surveillance	15,990,000	(117,000)	279,500	0
Laboratories and Research	14,726,000	5,000,000	3,285,000	0
Managed Care	4,411,000	80,000	114,000	80,000
Medicaid Management, Office of	25,009,000	75,000	0	0
Medicaid Management Information System	76,797,000	2,762,000	0	0
Total	169,589,000	18,227,000	5,815,381	(28,000)

<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	12,547,000	0
AIDS Institute	311,700	0	3,556,900	0
Community Health	0	0	0	0
Environmental Health	0	(415,000)	1,937,000	714,000
Health Care Financing	118,300	80,000	934,000	212,000
Health Care Standards and Surveillance	1,247,300	0	13,997,700	110,000
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Management, Office of	0	0	4,955,000	75,000
Medicaid Management Information System	0	0	76,797,000	2,762,000
Total	2,015,300	(335,000)	125,081,600	3,873,000

<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	51,000	0	890,000	890,000
AIDS Institute	228,519	0	450,000	0
Community Health	0	0	9,132,000	9,132,000
Environmental Health	0	(140,000)	0	0
Health Care Financing	100,700	62,000	0	0
Health Care Standards and Surveillance	192,500	0	273,000	(227,000)
Laboratories and Research	5,305,000	5,000,000	0	0
Managed Care	0	0	0	0
Medicaid Management, Office of	0	0	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	5,877,719	4,922,000	30,799,000	9,795,000

# HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	44,938,000	2,213,000	16,276,000	(542,000)
Child Health Insurance	75,552,000	5,844,000	2,428,000	0
Community Health	126,212,000	1,338,000	0	0
Elderly Pharmaceutical Insurance Coverage	19,125,000	(29,167,000)	1,701,000	301,000
Environmental Health	33,844,000	958,000	5,643,000	579,000
Health Care Financing	8,425,000	(659,000)	4,467,000	0
Health Care Standards and Surveillance	64,691,000	(1,032,000)	16,529,000	1,249,000
Institution Management	115,893,000	(9,680,000)	0	0
Laboratories and Research	61,071,000	5,201,000	9,450,000	30,000
Managed Care	60,000	0	0	0
Medicaid Management, Office of	3,674,424,000	(500,000)	3,766,000	0
Medicaid Management Information System	95,723,000	0	0	0
<b>Total</b>	<b>4,319,958,000</b>	<b>(25,484,000)</b>	<b>60,260,000</b>	<b>1,617,000</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	18,450,000	3,558,000	10,212,000	(803,000)
Child Health Insurance	8,993,000	13,000	64,131,000	5,831,000
Community Health	0	0	126,212,000	1,338,000
Elderly Pharmaceutical Insurance Coverage	17,231,000	4,507,000	193,000	(33,975,000)
Environmental Health	11,123,000	379,000	17,078,000	0
Health Care Financing	3,958,000	(659,000)	0	0
Health Care Standards and Surveillance	24,517,000	(181,000)	23,645,000	(2,100,000)
Institution Management	0	0	115,893,000	(9,680,000)
Laboratories and Research	14,039,000	337,000	37,582,000	4,834,000
Managed Care	0	0	60,000	0
Medicaid Management, Office of	11,961,000	0	3,658,697,000	(500,000)
Medicaid Management Information System	0	0	95,723,000	0
<b>Total</b>	<b>110,272,000</b>	<b>7,954,000</b>	<b>4,149,426,000</b>	<b>(35,055,000)</b>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	9,103,817,600	9,538,589,300	434,771,700
Special Revenue Funds - Federal	25,688,743,585	25,800,206,000	111,462,415
Special Revenue Funds - Other	7,801,664,000	6,769,961,000	(1,031,703,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
<b>Total</b>	<b>44,365,425,185</b>	<b>43,879,956,300</b>	<b>(485,468,885)</b>

Adjustments:			
Prior Year Deficiency			
Health, Department of			
General Fund	225,000,000		
Special Revenue Funds - Other	27,000,000		
Recommended Deficiency			
Health, Department of			
General Fund	(606,000,000)		
Transfer(s) To			
Medicaid Inspector General, Office of the			
General Fund (State Operations)	5,550,000		
Appropriated 2005-06	<u>44,016,975,185</u>		

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration and Executive Direction			
General Fund	602,000	608,000	6,000
AIDS Institute			
General Fund	8,564,300	9,187,000	622,700
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	435,000,000	478,500,000	43,500,000
Special Revenue Funds - Other	435,000,000	435,000,000	0
Community Health			
General Fund	600,847,300	547,117,300	(53,730,000)
Special Revenue Funds - Federal	694,035,000	694,035,000	0
Special Revenue Funds - Other	80,373,000	99,385,000	19,012,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	851,000,000	874,075,000	23,075,000
Environmental Health			
General Fund	6,000,000	6,000,000	0
Special Revenue Funds - Federal	3,206,000	3,206,000	0
Special Revenue Funds - Other	200,000	200,000	0
Health Care Reform Act Program			
Special Revenue Funds - Other	1,608,550,000	1,154,310,000	(454,240,000)
Health Care Standards and Surveillance			
General Fund	12,731,000	9,731,000	(3,000,000)
Special Revenue Funds - Federal	350,000	400,000	50,000
Special Revenue Funds - Other	5,500,000	2,750,000	(2,750,000)
Laboratories and Research			
General Fund	931,000	931,000	0
Special Revenue Funds - Federal	3,201,000	3,201,000	0
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Medicaid Management, Office of			
General Fund	10,108,000	11,477,000	1,369,000
Medical Assistance			
General Fund	8,349,522,000	8,828,821,000	479,299,000
Special Revenue Funds - Federal	24,071,151,585	24,139,064,000	67,912,415
Special Revenue Funds - Other	4,725,500,000	4,108,700,000	(616,800,000)
Fiduciary Funds	1,771,200,000	1,771,200,000	0
Medical Assistance Administration			
General Fund	121,800,000	132,005,000	10,205,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>44,365,425,185</u>	<u>43,879,956,300</u>	<u>(485,468,885)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Health Care Efficiency and Affordability Law for New Yorkers				
Capital Projects Fund	65,000,000	165,000,000	100,000,000	65,000,000
Capital Projects Fund - Advances	185,000,000	85,000,000	(100,000,000)	185,000,000
Laboratories and Research				
Capital Projects Fund	4,000,000	10,000,000	6,000,000	13,995,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	26,805,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	21,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	32,937,000	(32,063,000)	138,803,000
Total	<u>326,600,000</u>	<u>300,537,000</u>	<u>(26,063,000)</u>	<u>450,603,000</u>



# **OFFICE OF MEDICAID INSPECTOR GENERAL**

## **MISSION**

The 2006-07 Executive Budget establishes the Office of Medicaid Inspector General (OMIG) — an independent entity within the Department of Health — in statute to improve and preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for services funded by Medicaid.

In carrying out its mission, the Office will conduct and supervise all prevention, detection, audit and investigation efforts and coordinate such activities with the Department of Health's Office of Medicaid Management, and the Office of Mental Health, Office of Mental Retardation and Developmental Disabilities and Office of Alcoholism and Substance Abuse Services. In addition, the Medicaid Inspector General will work closely with the Attorney General's Medicaid Fraud and Control Unit (MFCU) and strengthen partnerships with Federal and local law enforcement agencies.

## **ORGANIZATION AND STAFFING**

The Office will be headed by the Medicaid Inspector General appointed by the Governor with the advice and consent of the Senate. The Medicaid Inspector General will be headquartered in Albany with five regional field offices located throughout the state.

The Office was created by Executive Order in the current State Fiscal Year. Staff working on Medicaid fraud, waste and abuse prevention activities in the Department of Health and other State agencies will be administratively transferred to OMIG.

The 2006-07 Executive Budget funds 411 existing positions related to fraud, waste and abuse control activities and provides additional resources to establish 81 new positions. In total, the Office of Medicaid Inspector General will have a State workforce of 492 full-time employees, and another 135 employees funded by contractual resources. Approximately 55 percent of the positions are supported by the General Fund and the remaining 45 percent are supported by Federal and other funds.

## **BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget recommends \$94 million to support the operations of the Office of Medicaid Inspector General. The Budget transfers all existing audit and investigative resources to this new Office and provides additional funding totaling \$18.3 million (an increase of 24 percent) to improve the State's ability to combat fraud, waste and abuse by:

- Contracting with clinicians at the State University of New York at Stony Brook and other universities for program expertise to develop clinical guidelines and improve protocols to identify patterns associated with fraud, waste or abuse;
- Strengthening the prepayment identification and verification process to maximize third party recoveries;
- Enhancing the State's ability to investigate fraud and ensure compliance with provider Medicaid standards;
- Implementing new technologies to utilize the capabilities of the eMedNY system for assisting in the detection of fraud, waste and abuse; and
- Improving the coordination of anti-fraud activities with other State agencies in order to improve the procedures and protocols for the detection and prevention of Medicaid fraud.

## **MEDICAID INSPECTOR GENERAL**

In addition, the Budget advances a series of statutory reforms to improve the State's ability to combat Medicaid fraud including: imposing criminal penalties for certain fraudulent health care practices, increasing penalties for the submission of fraudulent claims, establishing whistleblower protections for employees reporting health care fraud, permitting prosecutions for the possession of diverted prescription drugs and changing the court venue consistent with the practice used for other State agencies.

### **PROGRAM HIGHLIGHTS**

The Medicaid program was established by the Federal government in 1965 as a health insurance program for the poor. Absent any additional reforms, New York's Medicaid program costs would total \$47.6 billion in 2006-07. Medicaid provides coverage to nearly 4 million New Yorkers.

The Department of Health now processes more than 400 million Medicaid claims annually to approximately 60,000 active health care providers offering a wide range of services including nursing facility care, inpatient and outpatient hospital care, home health care, physician services, pharmaceuticals, and other services. In the last six years alone, the Department of Health's efforts — aided in large part by the tremendous investments in detection systems upgrades and improvements — have saved the State Medicaid program more than \$12.8 billion.

Building on that record of achievement, the Office of Medicaid Inspector General will improve fraud, waste and abuse control activities by prioritizing and focusing existing fraud efforts and developing new innovative approaches to prevent, detect, investigate and prosecute fraud.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	76,226,000	94,596,000	18,370,000	34,216,400
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>76,226,000</b>	<b>94,596,000</b>	<b>18,370,000</b>	<b>34,216,400</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Medicaid Audit and Fraud Prevention			
General Fund	199	280	81
Special Revenue Funds - Federal	180	180	0
Special Revenue Funds - Other	32	32	0
<b>Total</b>	<b>411</b>	<b>492</b>	<b>81</b>



# MEDICAID INSPECTOR GENERAL

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	21,653,000	35,023,000	13,370,000
Special Revenue Funds - Federal	50,073,000	55,073,000	5,000,000
Special Revenue Funds - Other	4,500,000	4,500,000	0
Total	<u>76,226,000</u>	<u>94,596,000</u>	<u>18,370,000</u>

Adjustments:

Transfer(s) From

Alcoholism and Substance Abuse Services, Office of General Fund	(100,000)
Health, Department of General Fund	(15,753,000)
General Fund (Aid To Localities)	(5,550,000)
Special Revenue Funds - Federal	(50,073,000)
Special Revenue Funds - Other	(4,500,000)
Mental Retardation and Developmental Disabilities, Office of General Fund	(250,000)
Appropriated 2005-06	<u>0</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Medicaid Audit and Fraud Prevention General Fund	21,653,000	35,023,000	13,370,000
Special Revenue Funds - Federal	50,073,000	55,073,000	5,000,000
Special Revenue Funds - Other	4,500,000	4,500,000	0
Total	<u>76,226,000</u>	<u>94,596,000</u>	<u>18,370,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Medicaid Audit and Fraud Prevention	18,872,000	6,725,000	18,872,000	6,725,000
Total	<u>18,872,000</u>	<u>6,725,000</u>	<u>18,872,000</u>	<u>6,725,000</u>

# MEDICAID INSPECTOR GENERAL

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 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>
Medicaid Audit and Fraud Prevention	16,151,000	6,645,000	800,000	800,000
Total	16,151,000	6,645,000	800,000	800,000

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Medicaid Audit and Fraud Prevention	45,000	45,000	7,807,000	0
Total	45,000	45,000	7,807,000	0

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Medicaid Audit and Fraud Prevention	800,000	800,000	6,699,000	5,000,000
Total	800,000	800,000	6,699,000	5,000,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Medicaid Audit and Fraud Prevention	59,573,000	5,000,000	13,935,000	0
Total	59,573,000	5,000,000	13,935,000	0

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Medicaid Audit and Fraud Prevention	45,638,000	5,000,000
Total	45,638,000	5,000,000

# 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.

The recommended \$150 million in new appropriations 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 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	(150,000,000)	(150,000,000)	0
Special Revenue Funds - Other	150,000,000	150,000,000	0
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 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Mental Hygiene			
General Fund	(150,000,000)	(150,000,000)	0
Special Revenue Funds - Other	150,000,000	150,000,000	0
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, treatment, and recovery for chemical dependency and compulsive gambling. In conjunction with other State agencies, 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 and compulsive gambling. The Office 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 chemical dependence and compulsive gambling prevention and treatment services and as a conduit for Federal and State financial assistance. The Office also furthers 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 2006-07, OASAS will have a workforce of 963, of which nearly 60 percent provide an array of clinical treatment services through the ATCs.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget recommends \$592 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.

OASAS will achieve administrative and other operational efficiencies in 2006-07 by developing and implementing Business Plans for both State Operations and Local Assistance that will generate savings as well as provide resources to reinvest in key program initiatives. 2006-07 activities include:

- Collaborating with the newly-created Office of the State Medicaid Inspector General in the area of Medicaid regulatory compliance and enforcement and saving a projected \$9 million in wasteful, inappropriate or unnecessary spending;
- Reducing funding to local chemical dependency prevention and treatment services providers, whose agency administration and overhead costs are higher than system-wide and regional averages, saving a projected \$1.3 million;
- Implementing initiatives to shift detoxification services from high cost over-utilized medically-managed to medically-supervised withdrawal services models, as appropriate; expanding other intensive case management initiatives to improve patient care and outcomes while reducing costs; coordinating and enhancing care for individuals with both mental illness and chemical dependence; continuing to implement a new residential treatment model for adolescents; and
- Maximizing non-General Fund revenue sources and effectively managing cash outlays to minimize State taxpayers support by implementing structural and procedural changes in business practices.

## **ALCOHOLISM AND SUBSTANCE ABUSE SERVICES**

As a result of these cost savings efforts, and in conjunction with other savings achieved by the Governor's recommendations, this Budget supports several new initiatives in the chemical dependence area. The recommendation includes \$4.1 million in funding to support partial-year funding of an annual cost-of-living adjustment (COLA) for three years tied to the Consumer Price Index for existing funded providers of chemical dependence and compulsive gambling services. Effective October 1, 2006, this COLA will be used by OASAS to enhance funding by nearly 2.5 percent for localities and not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other inflationary pressures.

The Budget also provides \$2 million to support a new initiative, Veterans' Enhanced Treatment Services (VETS), to develop 50 residential treatment beds to provide a comprehensive range of services to meet the unique needs of veterans, primarily those returning home from fighting the War on Terror in Iraq and Afghanistan.

In 2006-07, recommendations also enable OASAS to work with other State and local service delivery systems to improve and better coordinate services. Specifically, \$5.3 million in combined funding has been provided to support a demonstration between OASAS and the Office of Children and Family Services to reduce the incidence of foster care placements by appropriately assessing and screening family members for alcohol and other drug use and by encouraging their entry into OASAS treatment programs. In addition, OASAS and the Division of Parole will collaborate using \$6 million in combined funding in a pilot initiative to forge effective societal re-entry linkages to chemical dependence treatment and such other support services as housing and employment, to reduce recidivism rates amongst those released from prison. Moreover, in conjunction with the New York City Department of Homeless Services, OASAS will use \$2.3 million in new resources to pilot the establishment of at least three medically-supervised outpatient detoxification units in the City's homeless shelters to ensure the chronically homeless enter long-term addiction treatment and find permanent housing and employment opportunities. In the area of co-occurring disorders involving New Yorkers with both a mental illness and a chemical dependence, OASAS will collaborate with OMH to utilize \$2 million in combined, new funding for a co-occurring disorder pilot program.

\$2 million in new funding will also strengthen OASAS' collaboration with institutions of higher education and communities to combat underage drinking through OASAS' nationally recognized "Underage Drinking — Not a Minor Problem" Campaign. Another \$2 million is provided to implement four pilot programs for an outpatient treatment alternative for youth at-risk of placement in the child welfare and/or juvenile justice systems.

The Budget also provides a total commitment of over \$24 million in bonded capital funds to develop a total of 108 non-profit-operated residential treatment beds to bolster capacity to meet the needs of two specialty populations — adolescents and women with children.

### ***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, OASAS licenses and regulates program providers, ensures that fiscal resources are appropriately spent, and assists local programs in providing the highest quality services.

Approximately 300,000 patients are served annually in New York State's licensed chemical dependence treatment and rehabilitation and compulsive gambling system, which consists of approximately 1,200 community-based programs. 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 alcohol and substance abuse, and lack of commitment to school, which research shows are predictive of adolescent problem behaviors like alcohol and substance abuse, delinquency,

## **ALCOHOLISM AND SUBSTANCE ABUSE SERVICES**

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 alcohol and substance abuse.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	77,634,000	81,912,000	4,278,000	4,695,000
Aid To Localities	413,326,000	432,949,000	19,623,000	152,927,000
Capital Projects	38,650,000	77,416,000	38,766,000	163,608,000
Total	<u>529,610,000</u>	<u>592,277,000</u>	<u>62,667,000</u>	<u>321,230,000</u>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Community Treatment Services Program			
Special Revenue Funds - Federal	0	2	2
Executive Direction			
General Fund	317	319	2
Special Revenue Funds - Federal	70	70	0
Special Revenue Funds - Other	12	12	0
Capital-Administration			
Capital Projects Funds - Other	8	8	0
Institutional Services			
General Fund	531	536	5
Special Revenue Funds - Federal	16	16	0
Total	<u>954</u>	<u>963</u>	<u>9</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	46,581,000	52,721,000	6,140,000
Special Revenue Funds - Federal	6,221,000	6,359,000	138,000
Special Revenue Funds - Other	24,832,000	22,832,000	(2,000,000)
Total	<u>77,634,000</u>	<u>81,912,000</u>	<u>4,278,000</u>

Adjustments:

Transfer(s) To

Medicaid Inspector General, Office of the

General Fund

Appropriated 2005-06

100,000

77,734,000

# ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

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

Program	Available 2005-06	Recommended 2006-07	Change
Executive Direction			
General Fund	21,956,000	23,509,000	1,553,000
Special Revenue Funds - Federal	5,021,000	5,159,000	138,000
Special Revenue Funds - Other	9,232,000	9,232,000	0
Institutional Services			
General Fund	24,625,000	29,212,000	4,587,000
Special Revenue Funds - Federal	1,200,000	1,200,000	0
Special Revenue Funds - Other	15,600,000	13,600,000	(2,000,000)
Total	<u>77,634,000</u>	<u>81,912,000</u>	<u>4,278,000</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	22,363,000	349,000	22,183,000	349,000
Institutional Services	31,842,000	1,194,000	30,945,000	1,158,000
Total	<u>54,205,000</u>	<u>1,543,000</u>	<u>53,128,000</u>	<u>1,507,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	112,000	0	68,000	0
Institutional Services	472,000	18,000	425,000	18,000
Total	<u>584,000</u>	<u>18,000</u>	<u>493,000</u>	<u>18,000</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	9,046,000	1,204,000	600,000	98,000
Institutional Services	10,970,000	1,393,000	3,775,000	487,000
Total	<u>20,016,000</u>	<u>2,597,000</u>	<u>4,375,000</u>	<u>585,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	600,000	10,000	7,746,000	1,021,000
Institutional Services	283,000	24,000	6,488,000	820,000
Total	<u>883,000</u>	<u>34,000</u>	<u>14,234,000</u>	<u>1,841,000</u>

Program	Equipment	
	Amount	Change
Executive Direction	100,000	75,000
Institutional Services	424,000	62,000
Total	<u>524,000</u>	<u>137,000</u>



# ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction	6,491,000	138,000	3,351,000	(14,000)
Institutional Services	1,200,000	0	865,000	0
Total	<u>7,691,000</u>	<u>138,000</u>	<u>4,216,000</u>	<u>(14,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	1,263,000	2,000	1,877,000	150,000
Institutional Services	335,000	0	0	0
Total	<u>1,598,000</u>	<u>2,000</u>	<u>1,877,000</u>	<u>150,000</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	261,475,000	286,595,000	25,120,000
Special Revenue Funds - Federal	145,311,000	138,314,000	(6,997,000)
Special Revenue Funds - Other	6,540,000	8,040,000	1,500,000
Total	<u>413,326,000</u>	<u>432,949,000</u>	<u>19,623,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Treatment Services Program			
General Fund	211,575,000	231,437,000	19,862,000
Special Revenue Funds - Federal	102,185,000	98,523,000	(3,662,000)
Prevention and Program Support			
General Fund	49,900,000	55,158,000	5,258,000
Special Revenue Funds - Federal	43,126,000	39,791,000	(3,335,000)
Special Revenue Funds - Other	6,540,000	8,040,000	1,500,000
Total	<u>413,326,000</u>	<u>432,949,000</u>	<u>19,623,000</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Design and Construction Supervision				
Capital Projects Fund	1,500,000	2,500,000	1,000,000	2,403,000
MH Capital Improvements - Authority Bonds	500,000	500,000	0	500,000
Administration				
Capital Projects Fund	1,140,000	1,170,000	30,000	0
Community Alcoholism and Substance Abuse Facilities				
Capital Projects Fund	5,310,000	4,810,000	(500,000)	20,776,000
MH Capital Improvements - Authority Bonds	26,250,000	59,386,000	33,136,000	121,347,000
Institutional Services Program				
Capital Projects Fund	500,000	500,000	0	2,713,000
MH Capital Improvements - Authority Bonds	2,700,000	7,800,000	5,100,000	15,869,000
Non-Bondable				
Capital Projects Fund	750,000	750,000	0	0
Total	<u>38,650,000</u>	<u>77,416,000</u>	<u>38,766,000</u>	<u>163,608,000</u>



# OFFICE OF MENTAL HEALTH

## MISSION

The mission of the Office of Mental Health (OMH) is to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious mental illness and children with serious emotional disturbances.

## VISION

OMH envisions a future when everyone with a mental illness will recover, when all mental illnesses can be prevented or cured, when everyone with a mental illness at any stage of life has access to effective treatment and supports — essential for living, working, learning, and participating fully in the community.

OMH's vision and mission are embodied in a strategic planning and management framework known as the "ABCDs of mental health care" — **A**ccountability for Results, **B**est Practices, **C**oordination of Care, and **D**isparities Elimination and Cultural Competence.

## OPERATING HIGHLIGHTS

OMH's two primary functions as New York's mental health authority are to promote overall public mental health for all New Yorkers through education and advocacy, and to ensure access to quality services for adults with severe mental illness and children with serious emotional disturbances, with the goal of helping individuals to live productive, full lives in their communities. The agency has four lines of business underpinning these functions:

- **Regulating, Certifying, Financing and Overseeing New York's Public Mental Health System.** Regulates and licenses more than 2,500 mental health programs operated by local governments and private agencies serving 600,000 persons annually, and includes inpatient, outpatient, emergency, residential, and community support services. Will oversee All Funds appropriations of \$2.9 billion in State Fiscal Year 2006-07 and employ a workforce of 17,506.
- **Providing State-operated Inpatient and Outpatient Mental Health Services.** Manages State-operated inpatient services through a network of 25 psychiatric centers that include 16 psychiatric centers serving adults with serious mental illness, six serving children with serious emotional disturbances, and three serving forensic patients involved with the criminal justice system.
- **Conducting Basic and Applied Research to Advance Prevention, Treatment, and Recovery.** Conducts basic and applied research at the New York State Psychiatric Institute and Nathan S. Kline Institute for Psychiatric Research focused on identifying interventions that have been proven by scientific research to be effective and that can be incorporated into mainstream practice.
- **Promoting Public Mental Health.** Supports a variety of educational activities focusing on the nature and impact of mental illness, effective treatments and services, useful preventive and coping strategies, and how to get help.

In addition, OMH has developed key measures to track progress in meeting the agency's strategic goals. Through a web-based tool known as the OMH Balanced Scorecard, the agency tracks system-wide performance in such measures as reduced hospitalizations for recipients enrolled in the Assertive Community Treatment program; quality of care in OMH

## ***MENTAL HEALTH***

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licensed outpatient programs; obtainment of treatment goals for children enrolled in the Home and Community-Based Services (HCBS) waiver; and the reduction of high-risk behaviors for recipients receiving Assisted Outpatient Treatment services under Kendra's Law, among others.

### ***ENVIRONMENTAL CHALLENGES AND OPPORTUNITIES***

OMH faces several significant fiscal, programmatic and workforce challenges that are addressed in the 2006-07 Executive Budget. These challenges include the following:

- **Funding and management strategies for the voluntary-operated, community-based service system need to balance expansion efforts with ongoing infrastructure needs to address staff recruitment and retention issues and other inflationary pressures.** Accordingly, OMH will need to continue working with community-based providers to ensure that all available funding is used in the most efficient and effective manner to meet the needs of consumers and their families, and that stable funding sources are pursued to ensure adequate support for agency operating expenses.
- **Epidemiological studies demonstrate that the onset of serious mental illness often occurs in adolescence and that a significant delay occurs between onset and diagnosis and treatment, resulting in more intensive and costly treatment interventions that require out-of-home placements during adolescence as well as more serious mental illness and disability later in life.** In response, OMH will need to develop initiatives to identify high-risk children for mental illness and increase access at a much earlier age to appropriate and cost-effective mental health services that alleviate distress and keep children at home with their families.
- **According to the Federal New Freedom Commission report, the lack of decent, safe, affordable, and integrated housing is one of the most significant barriers to full participation in community life for people with mental illness.** This suggests that OMH will need to continue developing integrated and affordable housing opportunities and accompanying support services for individuals with mental illness.
- **Public safety in New York State communities needs to be increased via civil commitment, where appropriate, for the care and treatment of sexually violent predators in secure facilities.** OMH will need to establish discrete, secure treatment facility capacity to support the Governor's ongoing civil commitment initiative.
- **A disproportionate share of OMH's funding of the State's public mental health system supports the 25 State-operated psychiatric centers (PCs) serving slightly more than 5,000 inpatients contrasted to over 93,000 inpatients served in 1955. The declining need for adult, inpatient psychiatric center beds allowed the State to eliminate unneeded capacity and invest savings in expanded evidence-based, community based services. The ability to further close or consolidate inpatient capacity is currently infeasible due to the leveling off of previously declining demand for inpatient services, utilization of current inpatient capacity, and the need to evaluate future inpatient capacity needs.** These challenges present two important opportunities. First, OMH will need to assure that adequate, ongoing inpatient capacity is provided in the most efficient and cost-effective manner possible. Second, OMH will need to continuously evaluate the need for inpatient capacity and propose further consolidations or closures when they are feasible, including working with the Commission on Health Care Facilities in the 21<sup>st</sup>

Century with regard to non-State-operated psychiatric inpatient capacity. Both of these opportunities will support the delivery of quality inpatient services and maximize the availability of financial support for evidence-based, community-based services.

- **As the population ages, there is a greater need for mental health services for older adults.** Under the Geriatric Mental Health Act, a geriatric service demonstration program to provide grants to providers of mental health care to the elderly will be established. Such programs will be administered by the Office of Mental Health and the Office of the Aging. OMH will need to provide collaboration and support for these demonstration efforts.
- **Suicide continues to be a major concern. Ten percent of adolescents experience suicidal ideation, and the risk of suicide for individuals over 55 years of age is nearly double that of other age groups.** This means the agency will have to improve public understanding of the causes, effects and treatment of serious emotional disturbances and mental illnesses that increase individuals' susceptibility to suicidal ideation. OMH will need to increase the number of localities that have developed and implemented local suicide prevention plans tailored to their communities.
- **A key Governor's priority in the mental hygiene area is the importance of accountability and performance management, as well as transforming government operations through structural and service enhancements and improving efficiency through technology.** Accordingly, OMH will continue to make available the necessary data and information to the State and counties to monitor quality of care and cost-effectiveness as well as improve performance-based outcomes measurement and provider certification and licensing process.

### KEY AGENCY STRATEGIES

OMH has thoroughly assessed the environmental challenges and opportunities addressed above and their impact on the agency mission, vision, management strategies and lines of business. This assessment has led to identification of the following key agency strategies:

- **Enhancing community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures**
- **Enhancing access to effective community-based services for children and families**
- **Providing access to safe and affordable community housing**
- **Increasing public safety through the civil commitment of sexually violent predators, where appropriate, to secure treatment facilities for care and treatment**
- **Providing access to efficient and high-quality inpatient services**
- **Enhancing access to effective community-based services for older adults**
- **Promoting public mental health by reducing the risk of suicide**
- **Implementing an effective performance and accountability infrastructure**

The section below details the specific management actions that OMH will take to implement these key strategies, and the specific performance indicators it will use to measure and report progress. As indicated in the earlier Vision statement, OMH is committed to Disparities Elimination and Cultural Competence as a priority focus in advancing its strategic priorities. Each performance measure will be assessed to address disparities in access to, and participation in, services based on race, ethnicity, age and gender.

## **MENTAL HEALTH**

### **ACTIONS TO IMPLEMENT THE STRATEGIES**

#### ***Enhance community-based program models to recruit and retain a qualified workforce and respond to other inflationary pressures.***

Actions to implement this strategy include providing a three-year, annual cost-of-living adjustment tied to the Consumer Price Index for targeted OMH non-trended programs to reflect actual inflation-related growth and/or providing targeted resources to shore up certain residential models.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
➤ Cost of Living Adjustment (COLA).	\$16.6 million (\$22.1 million annualized)	• Increase proportion of culturally competent, qualified clinical staff recruited and retained.
➤ Supported Housing Stipend Increase.	\$6.5 million	• Maintain existing base of supported housing capacity.

#### ***Enhance access to effective community-based services for children and families.***

New York's public mental health system serves about 130,000 children with serious emotional disturbances (SED) annually. To reach more children, the Governor's Budget includes an interrelated series of new initiatives that support early identification of, and interventions for, high-risk children, expand access to new and existing in-home, and community-based services, and emphasize best practices education and consultation for community-based providers in the diagnosis and treatment of serious emotional disturbances in children and adolescents.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
➤ Child and Family Clinic Plus.	\$16.1 million (\$21.5 million annualized)	• Increase number of at-risk children and adolescents screened, assessed and treated for serious emotional disturbance, with up to 400,000 children screened; up to 76,000 children assessed; up to 36,000 additional children admitted to clinic services; and up to 22,400 children receiving in-home treatment services.
➤ New Home and Community Based (HCBS) Waiver Slots.	\$5.2 million (\$7 million annualized)	• Increase number of children receiving HCBS waiver services by expanding HCBS capacity by 300 slots, bringing total slots to some 1,440; provides HCBS services for up to 2,160 children.
➤ Child and Adolescent Tele-psychiatry for Rural/Shortage Area.	\$0.4 million	• Increase number of children and adolescents receiving comprehensive evaluations in target rural areas by achieving 600 additional comprehensive evaluations in 2006-07.
➤ Evidence-Based Practices (EBP) Dissemination Center.	\$0.5 million	• Increase the number of clinicians with demonstrated competency in EBPs for the treatment of depression and trauma in children and adolescents by providing education on EBPs for up to 400 clinicians. in 2006-07

***Provide access to safe and affordable community housing.***

Building on the success of prior supportive housing initiatives that will provide more than 31,000 beds in community settings when fully-developed for persons with mental illness, the 2006-07 Executive Budget includes strategies to develop additional housing capacity in a partnership with New York City.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
<ul style="list-style-type: none"> <li>➤ New York/New York III Supportive Housing Agreement.</li> </ul>	\$7.7 million	<ul style="list-style-type: none"> <li>• Increase the proportion of individuals and families affected by homelessness and serious mental illness who gain stable housing in the community by increasing housing capacity in NYC by 5,550 beds over the next 10 years (as part of an overall 9,000 bed effort, which will also serve individuals with HIV/AIDS; youth leaving foster care; and individuals/families with substance abuse disorders).</li> </ul>

***Increase public safety through the treatment of sexually violent predators.***

The SFY 2006-07 Executive Budget includes funding to support, where appropriate, the civil commitment of sexually violent predators (SVPs) upon their release from prison, providing care and treatment in secure facilities. Committing these individuals will protect the public and provide these persons with continued and needed treatment.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
<ul style="list-style-type: none"> <li>➤ Develop protocols and deliver services tailored to treat sexually violent predators that are civilly committed for secure care and treatment.</li> </ul>	\$26.8 million	<ul style="list-style-type: none"> <li>• Provide care and treatment to SVPs who are civilly committed for such care upon their release from prison.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Provide capital resources for new (or modification of existing) facilities and programs related to civil commitment. This includes constructing a new facility on the grounds of the Pharsalia Correctional Facility.</li> </ul>	\$165 million (capital)	<ul style="list-style-type: none"> <li>• Increase short- and long-term capacity to provide care and treatment to SVPs in secure facilities.</li> </ul>

## **MENTAL HEALTH**

### ***Provide access to efficient and high-quality inpatient services.***

Actions to implement this strategy include the more efficient deployment of inpatient staff, initiatives to generate more patient-driven revenue and capital investments to improve patient milieus where health and safety deficiencies have been identified.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
➤ Reduce mandatory overtime through deployment of an expanded workforce.	-\$1.6 million	<ul style="list-style-type: none"> <li>• Achieve lower levels of overtime worked and personal service savings.</li> </ul>
➤ Access new pharmacy billing opportunities with the implementation of the new Medicare Prescription Drug, Improvement and Modernization Act to generate net revenues of about \$10 million when annualized.	-\$0.5 million	<ul style="list-style-type: none"> <li>• Increase collection of Medicare revenues to support pharmaceutical costs.</li> </ul>
➤ Further enhance services to mentally ill inmates.	\$0.3 million	<ul style="list-style-type: none"> <li>• Increase number of inmates receiving mental health services in correctional settings.</li> </ul>
➤ Begin Phase I of a \$226 million capital plan to reconstruct inpatient units at the Bronx Adult and Children's psychiatric centers.	\$68 million (capital)	<ul style="list-style-type: none"> <li>• Increase number of adult and children's inpatient beds fully compliant with standards.</li> </ul>
➤ Begin Phase I of the re-location of Kirby Forensic PC to avoid \$25 million in net capital costs.	\$28 million (capital)	<ul style="list-style-type: none"> <li>• Increase number of forensic inpatient beds fully compliant with standards.</li> </ul>

### ***Enhance access to effective community-based services for older adults.***

Actions in the 2006-07 Executive Budget include initiatives to implement access strategies by focusing on the unique needs of this target population.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
➤ Provide funding for demonstration programs under Geriatric Mental Health Act.	\$2.0 million	<ul style="list-style-type: none"> <li>• Increase the proportion of older adults receiving mental health services tailored to their unique needs via the establishment of demonstration programs.</li> </ul>

### ***Promote public mental health by reducing the risk of suicide.***

Actions to implement this strategy include supporting initiatives to increase awareness of the prevalence of suicide and improving public understanding of the causes, effects and treatment of emotional disturbances that underlie suicidal ideation and behavior. OMH will also support programs that promote screening, early intervention and prevention strategies, particularly with primary care physicians, and other healthcare providers.

<b>Action</b>	<b>SFY 2006-07 Funding Levels</b>	<b>Performance indicators</b>
➤ Implementation of the New York State Suicide Prevention Plan.	\$1.5 million	<ul style="list-style-type: none"> <li>• Increase number of localities that have developed and implemented local suicide prevention plans tailored to their communities.</li> <li>• Improve public awareness of suicide risk and preventive factors.</li> </ul>



***Implementing an effective performance and accountability infrastructure.***

The SFY 2006-07 Executive Budget includes an array of initiatives to implement this strategy by focusing on the unique needs of targeted populations and ensuring that programs are not only funded effectively and efficiently, but that funding levels are equitable among providers. Actions to implement this strategy also include supporting initiatives that allow OMH to have the capacity to conduct intensive strategic financial analysis and develop the infrastructure it needs to monitor quality of care and improve performance-based outcomes measurement.

Action	SFY 2006-07 Funding Levels	Performance indicators
➤ Develop strategic financial directions to not only shore up base revenues and funding streams, but to also identify opportunities for additional revenue maximization.	\$0.5 million	• Protect and enhance revenue streams and pursue approaches to improve the efficiency of community mental health programs
➤ Provide more efficient and effective services to persons with co-occurring disorders through the implementation of a coordinated care demonstrations by OMH and OASAS.	N/A	• Increase proportion of individuals with co-occurring substance abuse and mental illness receiving evidence-based dual disorder treatment
➤ Personalized Recovery Oriented Services (PROS) client registration.	\$0.2 million	• Enroll eligible recipients in PROS efficiently to ensure continuity of care in a more cost effective environment.
➤ Eliminate special, unjustified Medicaid rates for certain Article 28 mental health programs which have not enhanced the treatment of clients.	-\$0.6 million	• Inequitable funding enhancements are eliminated, resulting in taxpayer savings.

# MENTAL HEALTH

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,205,536,000	1,302,099,000	96,563,000	1,272,000
Aid To Localities	897,933,000	968,736,000	70,803,000	42,124,000
Capital Projects	263,814,000	610,285,000	346,471,000	615,127,000
Total	2,367,283,000	2,881,120,000	513,837,000	658,523,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration and Finance			
General Fund	542	547	5
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,531	11,972	441
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	2,037	2,042	5
Forensic Services			
General Fund	1,943	1,951	8
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	471	471	0
Special Revenue Funds - Other	27	27	0
Total	17,047	17,506	459

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	589,210,000	771,407,000	182,197,000
Special Revenue Funds - Federal	1,272,000	1,358,000	86,000
Special Revenue Funds - Other	604,196,000	518,476,000	(85,720,000)
Enterprise Funds	8,349,000	8,349,000	0
Internal Service Funds	2,509,000	2,509,000	0
Total	1,205,536,000	1,302,099,000	96,563,000

### Adjustments:

Transfer(s) From	
Mental Health, Office of	
General Fund (Aid To Localities)	(2,600,000)
Appropriated 2005-06	1,202,936,000

# MENTAL HEALTH

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Finance			
General Fund	58,382,000	65,947,000	7,565,000
Special Revenue Funds - Federal	1,272,000	1,358,000	86,000
Special Revenue Funds - Other	1,870,000	3,870,000	2,000,000
Enterprise Funds	8,349,000	8,349,000	0
Internal Service Funds	2,509,000	2,509,000	0
Adult Services			
General Fund	804,378,000	876,361,000	71,983,000
Children and Youth Services			
General Fund	129,765,000	136,755,000	6,990,000
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	129,975,000	136,012,000	6,037,000
Maintenance Undistributed			
General Fund	(595,201,000)	(507,481,000)	87,720,000
Special Revenue Funds - Other	595,201,000	507,481,000	(87,720,000)
Research			
General Fund	42,311,000	44,213,000	1,902,000
Special Revenue Funds - Other	7,125,000	7,125,000	0
Total	<u>1,205,536,000</u>	<u>1,302,099,000</u>	<u>96,563,000</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	40,895,000	1,706,000	39,482,000	1,706,000
Adult Services	686,587,000	42,978,000	646,600,000	41,690,000
Children and Youth Services	120,284,000	5,174,000	112,915,000	5,174,000
Forensic Services	122,401,000	4,369,000	114,063,000	4,369,000
Research	39,148,000	1,180,000	38,551,000	1,180,000
Total	<u>1,009,315,000</u>	<u>55,407,000</u>	<u>951,611,000</u>	<u>54,119,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	1,080,000	0	333,000	0
Adult Services	5,023,000	0	34,964,000	1,288,000
Children and Youth Services	2,429,000	0	4,940,000	0
Forensic Services	2,280,000	0	6,058,000	0
Research	55,000	0	542,000	0
Total	<u>10,867,000</u>	<u>0</u>	<u>46,837,000</u>	<u>1,288,000</u>

# MENTAL HEALTH

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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 Finance	25,052,000	5,859,000	1,265,000	276,000
Adult Services	189,774,000	29,005,000	88,898,000	14,850,000
Children and Youth Services	16,471,000	1,816,000	7,708,000	884,000
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	13,611,000	1,668,000	8,093,000	1,339,000
Research	5,065,000	722,000	2,927,000	585,000
Total	269,573,000	39,070,000	108,891,000	17,934,000

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	1,649,000	360,000	19,835,000	4,720,000
Adult Services	3,077,000	321,000	92,006,000	13,616,000
Children and Youth Services	542,000	23,000	7,644,000	883,000
Enhanced Community Services	0	0	0	0
Forensic Services	665,000	43,000	4,641,000	273,000
Research	67,000	2,000	2,015,000	134,000
Total	6,000,000	749,000	126,141,000	19,626,000

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	2,303,000	503,000	0	0
Adult Services	2,628,000	218,000	3,165,000	0
Children and Youth Services	577,000	26,000	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	212,000	13,000	0	0
Research	56,000	1,000	0	0
Total	5,776,000	761,000	22,765,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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 Finance	16,086,000	2,086,000	4,403,000	24,000
Research	7,125,000	0	1,915,000	0
Total	23,211,000	2,086,000	6,318,000	24,000

<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 Finance	8,383,000	62,000	3,300,000	2,000,000
Research	5,210,000	0	0	0
Total	13,593,000	62,000	3,300,000	2,000,000

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	777,064,000	847,953,000	70,889,000
Special Revenue Funds - Federal	40,584,000	40,498,000	(86,000)
Special Revenue Funds - Other	80,285,000	80,285,000	0
Total	<u>897,933,000</u>	<u>968,736,000</u>	<u>70,803,000</u>

Adjustments:  
Transfer(s) To  
Mental Health, Office of  
General Fund (State Operations) 2,600,000  
Appropriated 2005-06 900,533,000

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Adult Services			
General Fund	615,490,450	656,235,000	40,744,550
Special Revenue Funds - Federal	32,749,000	32,663,000	(86,000)
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	154,573,550	184,718,000	30,144,450
Special Revenue Funds - Federal	7,835,000	7,835,000	0
Enhanced Community Services			
Special Revenue Funds - Other	72,550,000	72,550,000	0
Community Support and Workforce Reinvestment			
General Fund	7,000,000	7,000,000	0
Total	<u>897,933,000</u>	<u>968,736,000</u>	<u>70,803,000</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	2,000,000
MH Capital Improvements - Authority Bonds	8,000,000	8,000,000	0	10,935,000
Executive Direction				
Capital Projects Fund	0	0	0	3,245,000
MH Capital Improvements - Authority Bonds	3,591,000	3,591,000	0	5,308,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	6,000,000	0	27,831,000
MH Capital Improvements - Authority Bonds	80,513,000	226,525,000	146,012,000	193,918,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	34,010,000	34,010,000	0	47,300,000
MH Capital Improvements - Authority Bonds	128,700,000	329,159,000	200,459,000	316,590,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>263,814,000</u>	<u>610,285,000</u>	<u>346,471,000</u>	<u>615,127,000</u>



# **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 individuals with disabilities, their families, advocates, local governments, and non-profit providers to oversee a comprehensive system for delivery of services. Services are delivered through a network of programs operated by non-profit providers and OMRDD.

## **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 23,267 for 2006-07, 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 2006-07, OMRDD will operate approximately 500 developmental center beds, along with 1,249 special unit beds. From 1995 to the end of the 2006-07 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 \$3.4 billion supports a comprehensive system of care serving more than 140,000 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 2006-07 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.

OMRDD continues to improve the efficiency and cost-effectiveness of its operations and the network of non-profit providers it supports. In 2006-07, the Agency will achieve efficiencies through such Business Plan strategies as:

- Collaborating with the newly-created Office of the State Medicaid Inspector General (MIG) in the area of Medicaid regulatory compliance and enforcement;
- Aggressively pursuing non-General Fund financial support for all programs;
- Maximizing use of existing service capacity and emphasizing use of less costly services, when appropriate;
- Utilizing internal controls on billing procedures and diligently reviewing eligibility for services;
- Streamlining and updating, as appropriate, non-profit provider funding to realize efficiencies, while at the same time providing resources to stabilize the non-profit workforce;
- Providing more efficient employee and provider training, including working in partnership with voluntary providers to identify unmet staff training needs in the service system and to engage in collaborative training efforts; and
- Maintaining strict controls on hiring in administrative positions in both the DDSOs and Central Office, and continuing overtime abatement strategies.

## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

One of the centerpieces of OMRDD's 2006-07 Executive Budget recommendation is funding to support an annual cost-of-living adjustment (COLA) for three years tied to the Consumer Price Index (CPI) to improve existing services for non-trended voluntary programs. Effective October 1, 2006, this COLA will be used by OMRDD to enhance funding by nearly 2.5 percent for not-for-profit providers to strengthen efforts to recruit and retain qualified direct care and clinical staff and respond to other critical inflationary pressures.

The 2006-07 Executive Budget also 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 a wide range of developmentally disabled New Yorkers including those who are medically frail on waiting lists for residential services. Over 12,000 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. 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 2006-07 recommendation 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 including those who are medically frail 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. OMRDD has already approved over 60 NYS-OPTS proposals and over 25 have been implemented. Several hundred residential opportunities are expected to be converted or developed through NYS-OPTS by March 31, 2007.

The 2006-07 recommendation provides \$3 million in new funding — growing to \$5 million in 2007-08 — to expand Family Support Services such as respite and after-school services to families with autistic loved ones. The alarming increase in the incidence and identification of autism is a national and State phenomenon, and these funds should help families maintain their autistic family members at home. The recommendation also enhances OMRDD's Institute for Basic Research's (IBR) role in autism by adding five new research scientists that should qualify for the considerable extramural funding available for autism research and by establishing, in conjunction with IBR, two six-person community homes to serve individuals with autism. These additional resources are consistent with the recommendations of the Governor's Task Force on the future of IBR to render its research more programmatically relevant and cost effective. Other Task Force recommendations that OMRDD will implement in 2006-07 include: establishment of a Research Advisory Board comprising nationally renowned research scientists, parents and advocates to improve oversight of research activities; a review of billing practices and procedures to improve collection rates for the clinical services provided at IBR; and exploration of other options to maximize non-State revenues for IBR.

The 2006-07 Executive Budget continues to support access to existing, out-of-home, site-based respite and recreation services for eligible at-risk children who live in certain foster family boarding homes and kinship foster homes and additional family support services including services for children with autism.



## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

The effort to place individuals residing in institutional settings into more appropriate community settings will also continue in 2006-07. More than 60 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 2006-07, there will be approximately 500 people statewide living in developmental centers. OMRDD remains committed to deinstitutionalization for individuals with developmental disabilities who can be appropriately cared for in community settings.

The 2006-07 Executive Budget also supports additional residential capacity through the opening of 22 new State-operated community beds to accommodate individuals with severe behavioral issues, affording them the opportunity to move from an institutional setting to the most integrated and least restrictive setting possible. In addition, the Budget funds 15 new Multiply Disabled Unit openings for Office of Mental Health (OMH) 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 OMH's auspice to OMRDD, where they will receive more appropriate care.

Infrastructure throughout the State and not-for-profit systems will be maintained through new capital appropriations of \$147.6 million and reappropriations of \$273.7 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 individuals in institutional settings 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 both new and existing services — will support nearly 5,900 new day and residential opportunities in the community during 2006-07. This reflects nearly 1,500 people newly-placed in residential settings and almost 4,400 new service opportunities in non-residential programs. Community opportunities 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 been expanded within family support services.

### ***PROGRAM HIGHLIGHTS***

OMRDD serves more than 140,000 New Yorkers with developmental disabilities, which include primarily 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, individuals with developmental disabilities 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, 63 percent of the homes in the community are six beds or less; two-thirds of these are four beds or less.

## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

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

- Provides approximately 38,000 persons with certified residential services;
- Provides about 64,000 persons with community day services; and
- Assists in the care of more than 61,000 persons with developmental disabilities who are living in their own homes.

An overview of these services is provided below.

### **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 6,900 beds operated statewide by both State and not-for-profit providers — are appropriate for individuals requiring 24-hour care.

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 nearly 25,000 IRA beds and accompanying service coordination. Other community living arrangements include Community Residences and Family Care homes, which serve almost 4,500 people.

In addition to these community-based programs, OMRDD operates 10 campuses across the State. Some 1,700 people will be served in these settings by the end of 2006-07, of which 72 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. These services will be expanded by the infusion of \$3 million in 2006-07, growing to \$5 million in 2007-08, including a focus on families with autistic loved ones.

The Individualized Support Services program provides services to nearly 1,800 disabled individuals who live independently. In addition, approximately 9,000 individuals living in their own homes receive residential habilitation under the Federal Medicaid waiver.

## **MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES**

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. Support for up to 600 children is provided by the Executive Budget Recommendations.

### ALL FUNDS APPROPRIATIONS (dollars)

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	1,355,774,000	1,454,196,000	98,422,000	280,000
Aid To Localities	1,623,069,000	1,818,919,000	195,850,000	392,000
Capital Projects	136,280,000	147,600,000	11,320,000	273,675,000
Total	<u>3,115,123,000</u>	<u>3,420,715,000</u>	<u>305,592,000</u>	<u>274,347,000</u>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Central Coordination and Support			
General Fund	824	824	0
Community Services			
General Fund	16,343	16,419	76
Institutional Services			
General Fund	5,672	5,839	167
Research in Mental Retardation			
General Fund	180	185	5
Total	<u>23,019</u>	<u>23,267</u>	<u>248</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	502,371,000	537,123,000	34,752,000
Special Revenue Funds - Federal	230,000	230,000	0
Special Revenue Funds - Other	850,649,000	914,319,000	63,670,000
Enterprise Funds	2,374,000	2,374,000	0
Internal Service Funds	150,000	150,000	0
Total	<u>1,355,774,000</u>	<u>1,454,196,000</u>	<u>98,422,000</u>

Adjustments:	
Transfer(s) To	
Medicaid Inspector General, Office of the	
General Fund	250,000
Appropriated 2005-06	<u>1,356,024,000</u>

# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Central Coordination and Support			
General Fund	67,252,000	71,864,000	4,612,000
Special Revenue Funds - Federal	230,000	230,000	0
Internal Service Funds	150,000	150,000	0
Community Services			
General Fund	820,589,000	876,486,000	55,897,000
Institutional Services			
General Fund	448,318,000	485,666,000	37,348,000
Special Revenue Funds - Other	504,000	504,000	0
Enterprise Funds	2,374,000	2,374,000	0
Maintenance Undistributed			
General Fund	(850,095,000)	(913,765,000)	(63,670,000)
Special Revenue Funds - Other	850,095,000	913,765,000	63,670,000
Research in Mental Retardation			
General Fund	16,307,000	16,872,000	565,000
Special Revenue Funds - Other	50,000	50,000	0
Total	<u>1,355,774,000</u>	<u>1,454,196,000</u>	<u>98,422,000</u>

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 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>
Central Coordination and Support	50,100,000	1,618,000	47,721,000	1,542,000
Community Services	740,978,000	38,577,000	722,027,000	37,590,000
Institutional Services	284,157,000	21,043,000	273,278,000	20,258,000
Research in Mental Retardation	14,691,000	300,000	14,254,000	296,000
Total	<u>1,089,926,000</u>	<u>61,538,000</u>	<u>1,057,280,000</u>	<u>59,686,000</u>
<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Central Coordination and Support	2,116,000	68,000	263,000	8,000
Community Services	5,560,000	290,000	13,391,000	697,000
Institutional Services	2,119,000	153,000	8,760,000	632,000
Research in Mental Retardation	262,000	0	175,000	4,000
Total	<u>10,057,000</u>	<u>511,000</u>	<u>22,589,000</u>	<u>1,341,000</u>

# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Central Coordination and Support	21,764,000	2,994,000	609,000	84,000
Community Services	135,508,000	17,320,000	49,392,000	6,543,000
Institutional Services	201,509,000	16,305,000	33,489,000	3,849,000
Research in Mental Retardation	2,181,000	265,000	984,000	265,000
Total	360,962,000	36,884,000	84,474,000	10,741,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Central Coordination and Support	1,369,000	188,000	17,991,000	2,475,000
Community Services	8,130,000	1,077,000	61,958,000	8,208,000
Institutional Services	2,271,000	253,000	38,495,000	3,216,000
Research in Mental Retardation	57,000	0	871,000	0
Total	11,827,000	1,518,000	119,315,000	13,899,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	1,795,000	247,000	0	0
Community Services	7,184,000	952,000	8,844,000	540,000
Institutional Services	3,968,000	443,000	123,286,000	8,544,000
Research in Mental Retardation	269,000	0	0	0
Total	13,216,000	1,642,000	132,130,000	9,084,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Central Coordination and Support	380,000	0	0	0
Institutional Services	2,878,000	0	282,000	0
Research in Mental Retardation	50,000	0	0	0
Total	3,308,000	0	282,000	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Central Coordination and Support	0	0	380,000	0
Institutional Services	2,596,000	0	0	0
Research in Mental Retardation	50,000	0	0	0
Total	2,646,000	0	380,000	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	410,374,000	529,509,000	119,135,000
Special Revenue Funds - Other	1,212,695,000	1,289,410,000	76,715,000
Total	1,623,069,000	1,818,919,000	195,850,000

# MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Services			
General Fund	410,374,000	529,509,000	119,135,000
Special Revenue Funds - Other	1,212,695,000	1,289,410,000	76,715,000
Total	<u>1,623,069,000</u>	<u>1,818,919,000</u>	<u>195,850,000</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Design and Construction Supervision				
Capital Projects Fund	2,000,000	3,000,000	1,000,000	0
MH Capital Improvements - Authority Bonds	3,000,000	4,000,000	1,000,000	1,793,000
Voluntary-Operated Community Facilities				
Capital Projects Fund	20,800,000	20,800,000	0	18,064,000
MH Capital Improvements - Authority Bonds	5,152,000	5,922,000	770,000	22,490,000
State-Operated Community Services Program				
Capital Projects Fund	16,438,000	19,320,000	2,882,000	13,474,000
MH Capital Improvements - Authority Bonds	5,000,000	20,300,000	15,300,000	18,319,000
Institutional Services Program				
Capital Projects Fund	16,019,000	14,115,000	(1,904,000)	49,235,000
MH Capital Improvements - Authority Bonds	66,871,000	59,143,000	(7,728,000)	149,300,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	1,000,000
Total	<u>136,280,000</u>	<u>147,600,000</u>	<u>11,320,000</u>	<u>273,675,000</u>

# **COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES**

## **MISSION**

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) reflects the successful merger of the former Office of Advocate for Persons with Disabilities (APD) and the former Commission on Quality of Care for the Mentally Disabled (CQC), effective April 1, 2005. The merged entity strengthens the similar functions performed by the stand-alone agencies (i.e., outreach, information and referral and advocacy services) by leveraging financial and personnel resources.

The mission of the Commission on Quality of Care and Advocacy for Persons with Disabilities is to:

- Promote the inclusion of persons with disabilities in all aspects of community life. Accordingly, the Commission will ensure 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.
- Play an active role in developing innovative opportunities and supports that respond to the needs of New Yorkers with disabilities.
- Provide oversight of the Department of Mental Hygiene that collectively spends more than \$6 billion annually.
- Monitor conditions of care for people with mental disabilities in State institutions, licensed residential facilities, and outpatient programs.
- Report 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
- Make recommendations to improve quality of care with respect to persons with mental disabilities.

## **ORGANIZATION AND STAFFING**

The Commission on Quality of Care and Advocacy for Persons with Disabilities is comprised 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 2006-07, the agency's workforce will consist of 105 positions funded by the General Fund, Federal grants and other Federal revenues related to oversight of Medicaid programs.

To integrate the functions of the former stand alone agencies while ensuring continuing levels of advocacy for all populations, the Commission created three new programmatic divisions in 2005-06:

- The Division of Advocacy and Outreach for Persons with Physical Disabilities, which provides advocacy and outreach services on behalf of individuals with physical and/or sensory disabilities.
- The Division of Protection and Advocacy Program Administration, which administers the agency's varied and effective federally-funded advocacy programs.
- The Division of Quality Assurance and Investigation, which monitors the quality of care and treatment received by individuals in programs operated or licensed by the Department of Mental Hygiene and in adult homes licensed by the Department of Health which serve individuals with mental disabilities.

Additionally, the Commission continues its efforts to streamline administrative functions; including consolidating such activities as hotlines and other clearing-house type activities.

## **QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES**

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

The Commission's State Operations appropriation is supported by the General Fund (27 percent), Federal grants (47 percent) and other funding, primarily receipts from the Medicaid program related to program oversight activities (26 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 \$16.4 million fully supports existing program and service levels.

### **PROGRAM HIGHLIGHTS**

#### **TECHNOLOGY SERVICES TO PERSONS WITH DISABILITIES**

The Commission 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 the Commission's website ([www.cqcapd.state.ny.us](http://www.cqcapd.state.ny.us)).

The Commission'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 facilitate their participation 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 2005, the Regional TRAIID Centers provided awareness training, device demonstrations, information, education and referrals to over 25,800 persons with disabilities.

The Commission'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 Act (ADA).

#### **OVERSIGHT OF SERVICE DELIVERY IN THE MENTAL HYGIENE AREA**

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 allegations of patient abuse or mistreatment in facilities operated or licensed by these agencies, including those received through the Commission's toll-free hotline (800-624-4143).

#### **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 Advocacy of Individual Rights; Protection and Advocacy for Beneficiaries of Social Security; Protection and Advocacy for Assistive Technology; Protection and Advocacy for



## **QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES**

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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 focus on protecting and promoting residents' rights. The Commission's dedicated team will continue 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.

### **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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	15,157,000	15,685,000	528,000	14,064,000
Aid To Localities	711,000	711,000	0	0
Capital Projects	0	0	0	0
Total	15,868,000	16,396,000	528,000	14,064,000

# QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
General Fund	46	46	0
Special Revenue Funds - Federal	2	0	(2)
Special Revenue Funds - Other	31	31	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
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	0	2	2
Total	105	105	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	4,012,000	4,156,000	144,000
Special Revenue Funds - Federal	7,249,000	7,625,000	376,000
Special Revenue Funds - Other	3,851,000	3,859,000	8,000
Enterprise Funds	45,000	45,000	0
Total	15,157,000	15,685,000	528,000

# QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	4,012,000	4,156,000	144,000
Special Revenue Funds - Federal	760,000	300,000	(460,000)
Special Revenue Funds - Other	3,851,000	3,859,000	8,000
Enterprise Funds	45,000	45,000	0
Client Assistance			
Special Revenue Funds - Federal	745,000	671,000	(74,000)
Protection and Advocacy for Beneficiaries of Social Security			
Special Revenue Funds - Federal	326,000	313,000	(13,000)
Protection and Advocacy for the Developmentally Disabled			
Special Revenue Funds - Federal	2,149,000	2,039,000	(110,000)
Protection and Advocacy Help America Vote Act			
Special Revenue Funds - Federal	200,000	195,000	(5,000)
Protection and Advocacy for Individual Rights			
Special Revenue Funds - Federal	1,025,000	916,000	(109,000)
Protection and Advocacy for the Mentally Ill			
Special Revenue Funds - Federal	1,702,000	1,615,000	(87,000)
Protection and Advocacy for Persons with Traumatic Brain Injury			
Special Revenue Funds - Federal	90,000	86,000	(4,000)
Technology Related Assistance for Individuals with Disabilities			
Special Revenue Funds - Federal	0	1,088,000	1,088,000
Technology Related Protection and Advocacy			
Special Revenue Funds - Federal	252,000	402,000	150,000
Total	15,157,000	15,685,000	528,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,150,000	84,000	3,150,000	84,000
Total	3,150,000	84,000	3,150,000	84,000

# QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,006,000	60,000	47,000	(158,000)
Total	1,006,000	60,000	47,000	(158,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	147,000	(10,000)	778,000	221,000
Total	147,000	(10,000)	778,000	221,000

Program	Equipment	
	Amount	Change
Administration	34,000	7,000
Total	34,000	7,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	4,204,000	(452,000)	2,012,000	(65,000)
Client Assistance	671,000	(74,000)	108,000	(22,000)
Protection and Advocacy for Beneficiaries of Social Security	313,000	(13,000)	55,000	(5,000)
Protection and Advocacy for the Developmentally Disabled	2,039,000	(110,000)	459,000	43,000
Protection and Advocacy Help America Vote Act	195,000	(5,000)	6,000	6,000
Protection and Advocacy for Individual Rights	916,000	(109,000)	164,000	14,000
Protection and Advocacy for the Mentally Ill	1,615,000	(87,000)	572,000	(34,000)
Protection and Advocacy for Persons with Traumatic Brain Injury	86,000	(4,000)	0	0
Technology Related Assistance for Individuals with Disabilities	1,088,000	1,088,000	0	0
Technology Related Protection and Advocacy	402,000	150,000	0	0
Total	11,529,000	384,000	3,376,000	(63,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,473,000	65,000	719,000	(452,000)
Client Assistance	563,000	(52,000)	0	0
Protection and Advocacy for Beneficiaries of Social Security	258,000	(8,000)	0	0
Protection and Advocacy for the Developmentally Disabled	1,580,000	(153,000)	0	0
Protection and Advocacy Help America Vote Act	189,000	(11,000)	0	0
Protection and Advocacy for Individual Rights	752,000	(123,000)	0	0
Protection and Advocacy for the Mentally Ill	1,043,000	(53,000)	0	0
Protection and Advocacy for Persons with Traumatic Brain Injury	86,000	(4,000)	0	0
Technology Related Assistance for Individuals with Disabilities	0	0	1,088,000	1,088,000
Technology Related Protection and Advocacy	0	0	402,000	150,000
Total	5,944,000	(339,000)	2,209,000	786,000

# QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
General Fund	293,000	293,000	0
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>711,000</u>	<u>711,000</u>	<u>0</u>

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Adult Homes			
General Fund	170,000	170,000	0
Surrogate Decision Making			
General Fund	123,000	123,000	0
Special Revenue Funds - Other	418,000	418,000	0
Total	<u>711,000</u>	<u>711,000</u>	<u>0</u>



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





# ***OVERVIEW AND PERFORMANCE MEASURES***

## ***ENVIRONMENT AND RECREATION***

The following charts provide information on performance and fiscal measures related to New York's environmental and recreation programs. Governor Pataki has made environmental protection one of the hallmarks of his administration, spending nearly \$15 billion since 1995. Annual environmental spending now exceeds \$1.4 billion, an increase of 85.2 percent from 1995-96 levels.

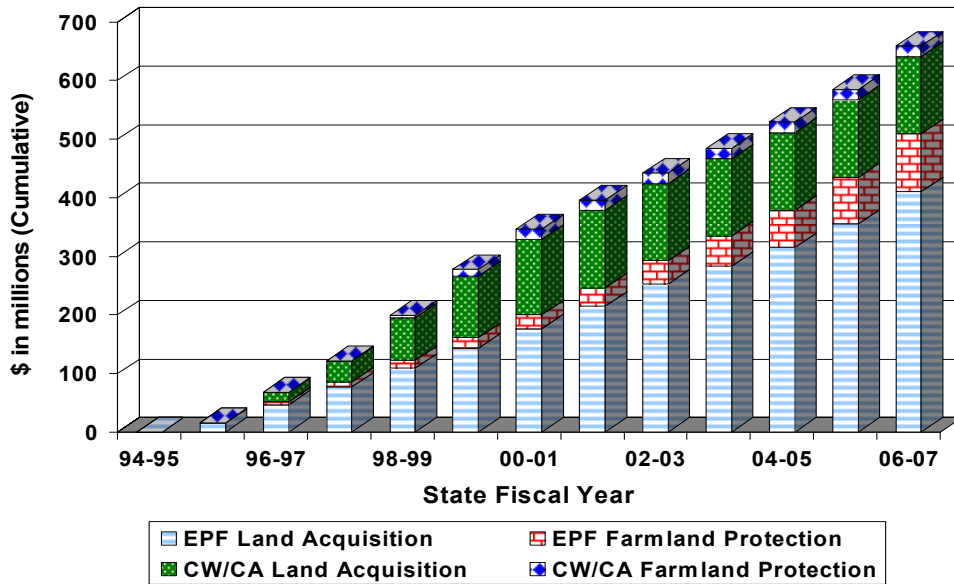
The information is based on the most recent data available from the departments of Environmental Conservation (DEC) and Agriculture and Markets, the Office of Parks, Recreation and Historic Preservation and the Environmental Facilities Corporation:

- The total amount of resources provided for open space protection and land acquisition in New York State. Additionally, the State park system has experienced an historic expansion in both acreage and facilities. (see charts 1 & 2)
- State investments in water quality including historic improvements to Onondaga Lake, the Hudson River and Long Island Sound. (see charts 3 & 4)
- Acid rain improvements and other air quality improvements that directly impact public health and safety. (see chart 5)
- Superfund and Brownfields program accomplishments including increased program participation. (see chart 6)

The State has invested more than \$655 million on Open Space protection since Governor Pataki took office. This investment has spurred the protection of over 932,000 acres of forest land, farmland and parkland across the State. The two primary funding sources were the 1996 Clean Water/Clean Air Bond Act (CW/CA) and Environmental Protection Fund (EPF) which has increased under Governor Pataki's leadership from \$25 million to \$180 million.

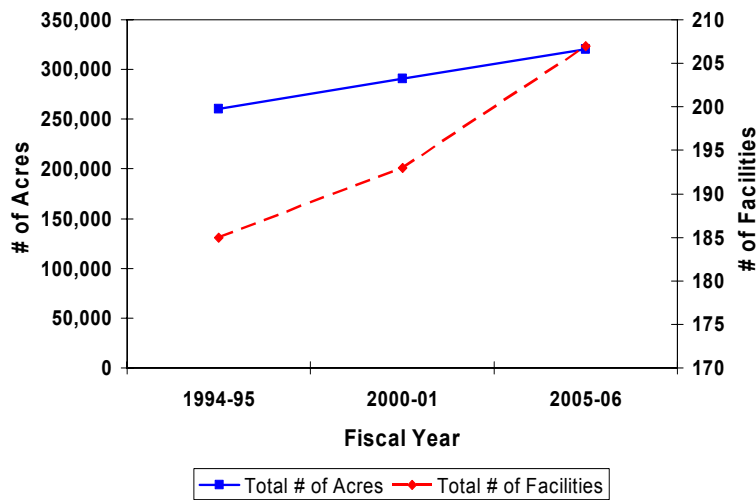
# ENVIRONMENT AND RECREATION

## A Decade of Open Space Investment



In addition to the thousands of acres of open space that have been preserved, this historic level of funding also spurred the acquisition and creation of 22 new State parks. This raises the total number of parks in the State park system to 172, an increase of over 14 percent. These combined with the 35 State historic sites, have increased the total number of facilities to 207. While acreage of the State park system has increased by nearly 60,000 acres or 23 percent since 1994-95. Additionally, attendance at the State's parks has reached nearly 60 million annually, making New York's park system one of the most diverse and popular in the nation.

## A Legacy of State Park System Expansion



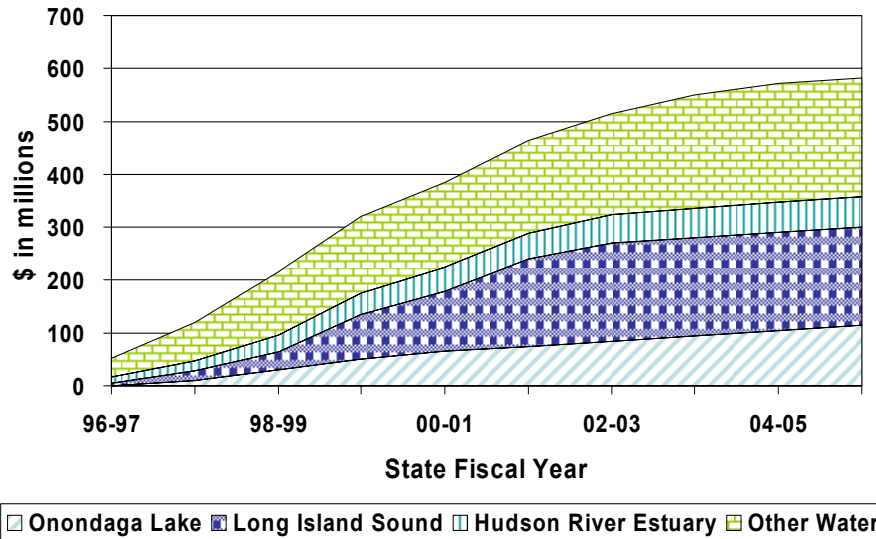
Significant investments have been made in improving the quality of the State's water bodies. Nearly \$600 million has been invested in improving Onondaga Lake, Long Island Sound and the Hudson River. Achievements include significant reductions in ammonia

## ENVIRONMENT AND RECREATION

levels, an approximately 80 percent reduction in phosphorous discharges into Onondaga Lake, and nitrogen loadings to Long Island Sound have been reduced by more than 22 percent. Water quality funds have helped to advance Governor Pataki's goal of making the Hudson River swimmable by 2009.

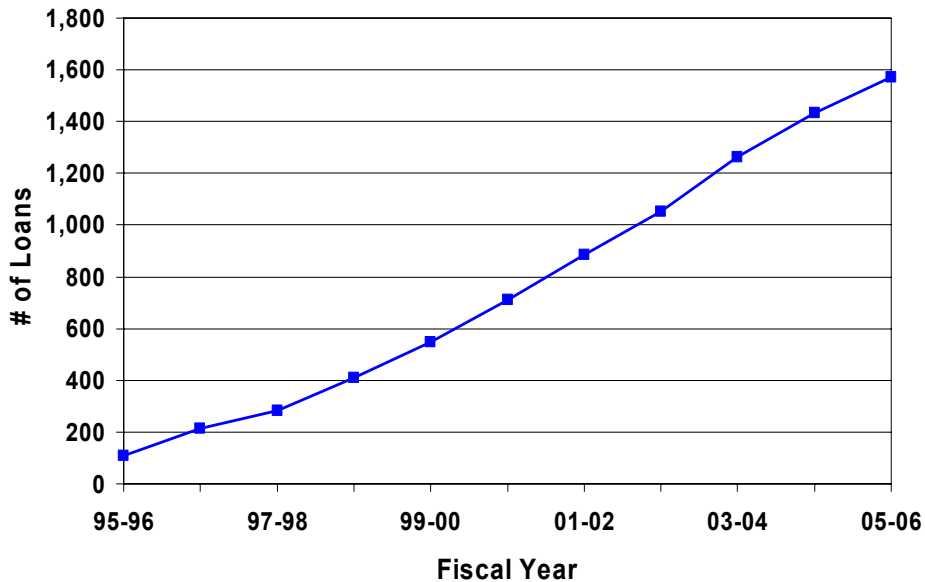
### A Decade of Investment in Water Quality

Department of Environmental Conservation



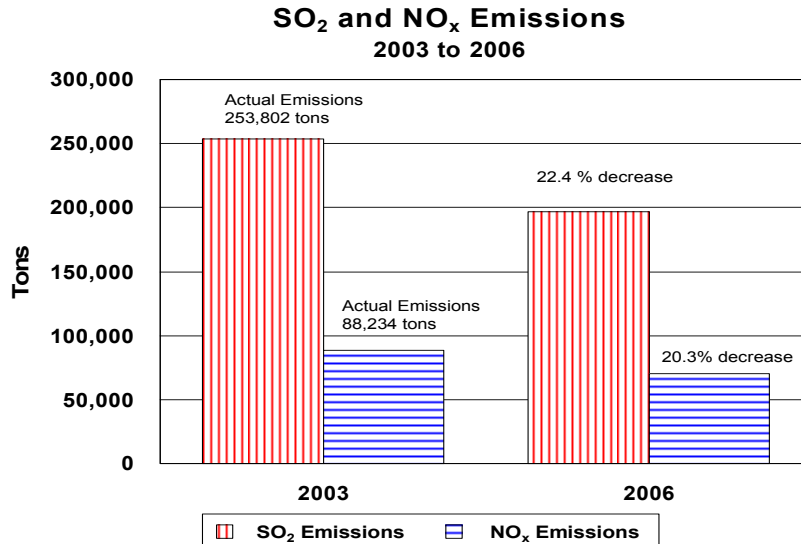
Additionally, the chart below shows the commitment to local communities and their water quality infrastructure needs. Since 1995-96, the Environmental Facilities Corporation has provided municipalities across the State with nearly 1,600 low interest and no interest loans from the Clean Water and Safe Drinking Water Revolving Loan Funds. Loans from these sources have totaled over \$11 billion.

### Cumulative SRF Loans Issued



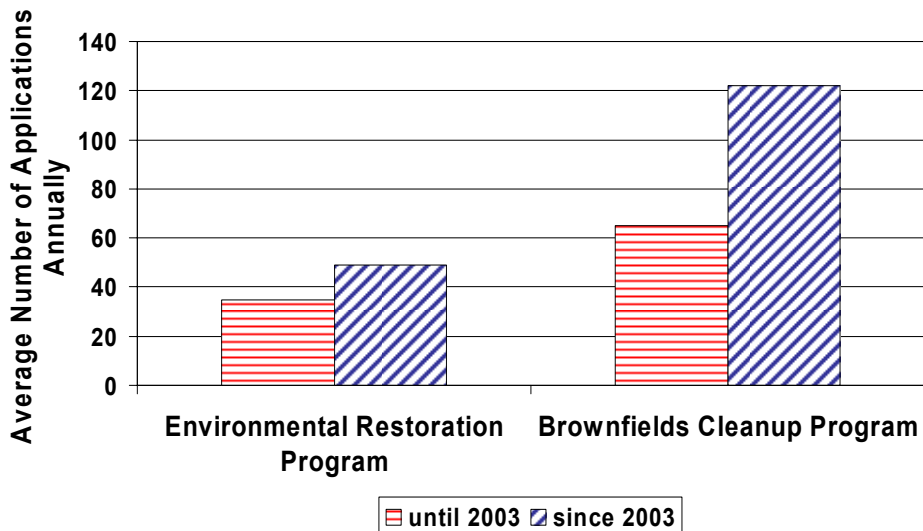
## ENVIRONMENT AND RECREATION

Under Governor Pataki's leadership, great strides have been made to date in reducing harmful air pollutants and programs like the Acid Deposition Reduction Program (ADRP) are in place to continue these successes. More specifically, sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>), pollutants directly linked to human health as well as severe negative environmental effects, have been dramatically reduced.



The State Superfund and Brownfields programs were restored by Governor Pataki's signing of the Superfund and Brownfields Law in October of 2003. These programs provide \$135 million in annual funding, tax credits of \$165 million and other programmatic improvements including, reforming the State's remedial liability scheme and establishing the Brownfield Opportunity Area program. The following table illustrates increased participation in the Environmental Restoration and Brownfield Cleanup programs since these investments were made.

### Superfund and Brownfields Accomplishments Since Passage of Superfund/Brownfields Law in 2003



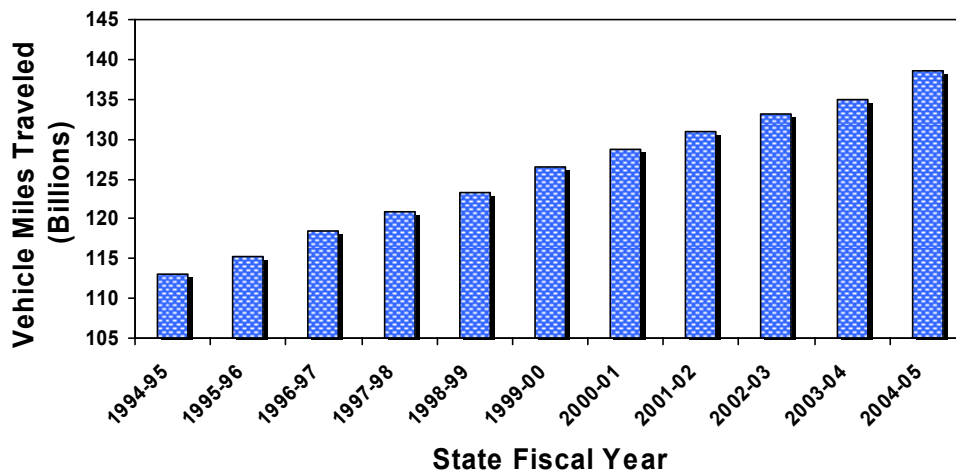
# TRANSPORTATION

The following charts provide information on performance and fiscal measures related to New York's highway and bridge, and transit programs. Under Governor Pataki, significant capital commitments totaling over \$102 billion have been made to ensure the safety and reliability of New York's extensive transportation infrastructure. Annual State transportation spending is expected to be approximately \$6 billion, an increase of 33 percent over 1994-95 levels.

Information depicted on the following charts is based on the most recent data available from the Department of Transportation (DOT), Department of Motor Vehicles and the Metropolitan Transportation Authority:

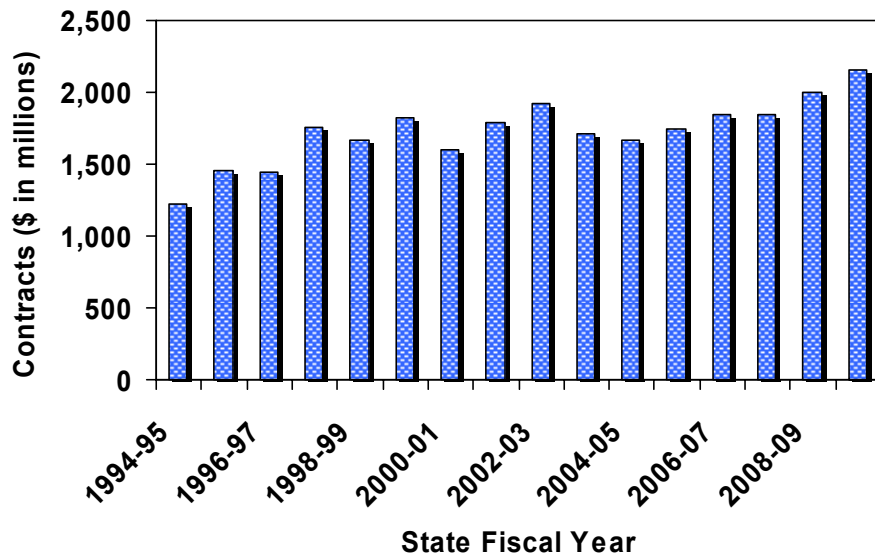
- Annual vehicle miles traveled on the State's highway and bridge system since 1994-95;
- Annual construction contract value on State and local highways and bridges since 1994-95;
- Annual dedication of transportation revenues since 1994-95;
- State highway pavement condition ratings since 1994;
- State bridge condition ratings since 1994;
- Motor vehicle fatalities since 1995;
- Annual passenger trips on mass transit systems since 1994-95; and
- Annual State transit aid since 1994-95.

## State Highway and Bridge Utilization



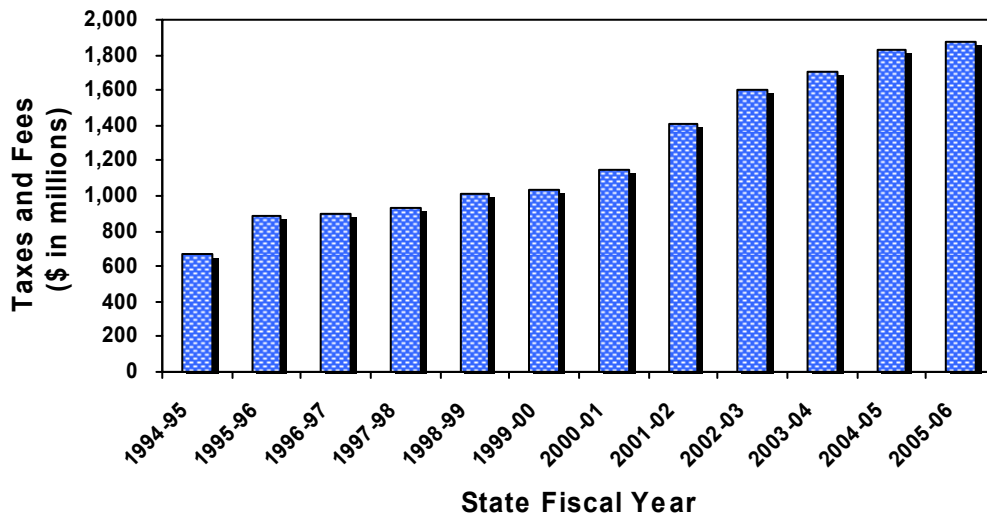
Utilization of New York's highway and bridge system has increased significantly, with the number of vehicle miles traveled on State highways and bridges up by 23 percent since 1994. Increased utilization, along with the regular freeze and thaw cycles experienced by northern states, increases wear and tear on roads and bridges leading to the need for increased capital investment.

### Highway & Bridge Construction Projects



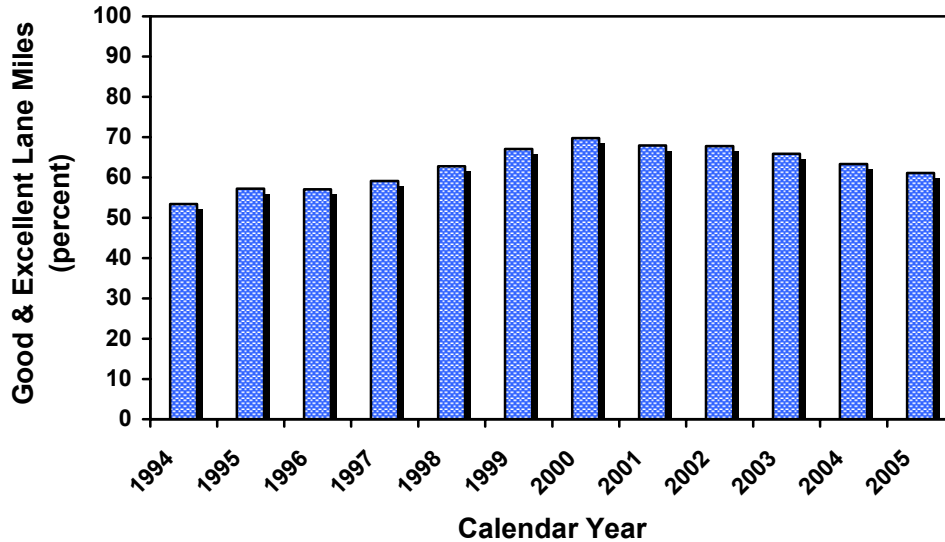
In order to maintain New York's transportation system in the face of increased utilization, the level of annual investment has also increased. Capital investment in highways and bridges authorized since 1994-95, through the end of 2005-06, has increased \$383 million, or 36.4 percent. By the end of the most recently authorized transportation capital plan in 2009-10, the annual investment will have increased by \$791 million, or over 75 percent.

### Dedication of Revenues to Highway and Bridge Trust Fund



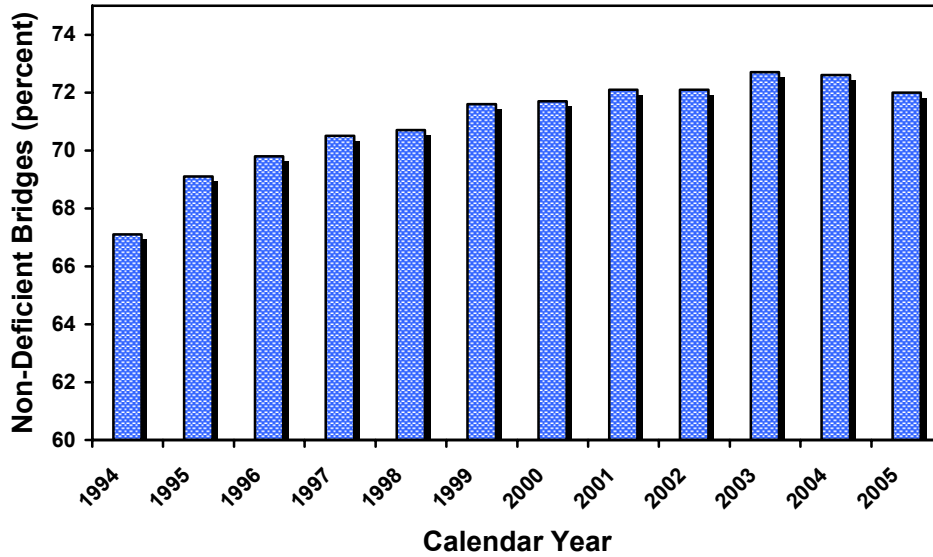
To finance this additional investment, New York has dedicated an increasing amount of transportation-related revenues to the State's Dedicated Highway and Bridge Trust Fund (DHBTF). This dedication now includes virtually all available transportation-related revenues and has increased by 177 percent from 1994-95 through 2005-06.

### State Pavement Conditions



The condition of State pavements has improved since 1994, with the percentage of pavements rated good and excellent increasing from 53 percent in 1994 to 61 percent in 2005. Most recently, the percentage of pavements rated good and excellent has decreased somewhat, due primarily to the loss of resources from the defeat of the 2000 Bond Act and the impact of commodities inflation (e.g., gasoline, diesel fuel, asphalt, steel). This decrease will be addressed by the increased investment levels authorized in the new State transportation plan and financed, in part, by the new State bond act (see annual investment levels in prior graph). In addition, DOT will progress a Maintenance First initiative to increase resources and activities devoted to preventive maintenance.

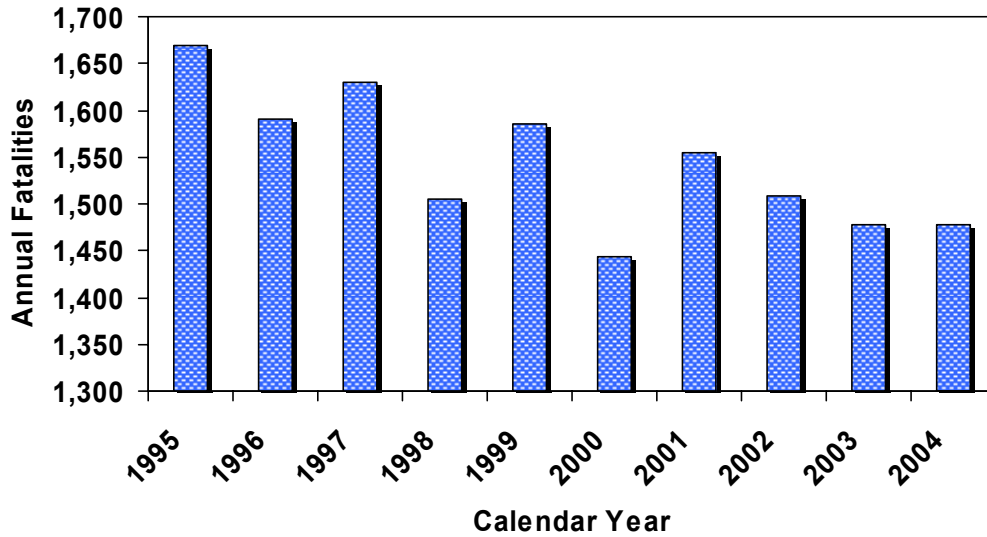
## State Bridge Conditions



The condition of State bridges has also improved, with the percentage rated non-deficient increasing from 67 percent in 1994, to 72 percent in 2005. Likewise, the defeat of the 2000 Bond Act and inflationary increases impacted investment in bridge maintenance, with a slight upswing in deficiencies since 2002. The most recently authorized bond act, increased investment levels and the Maintenance First initiative will help to address this.

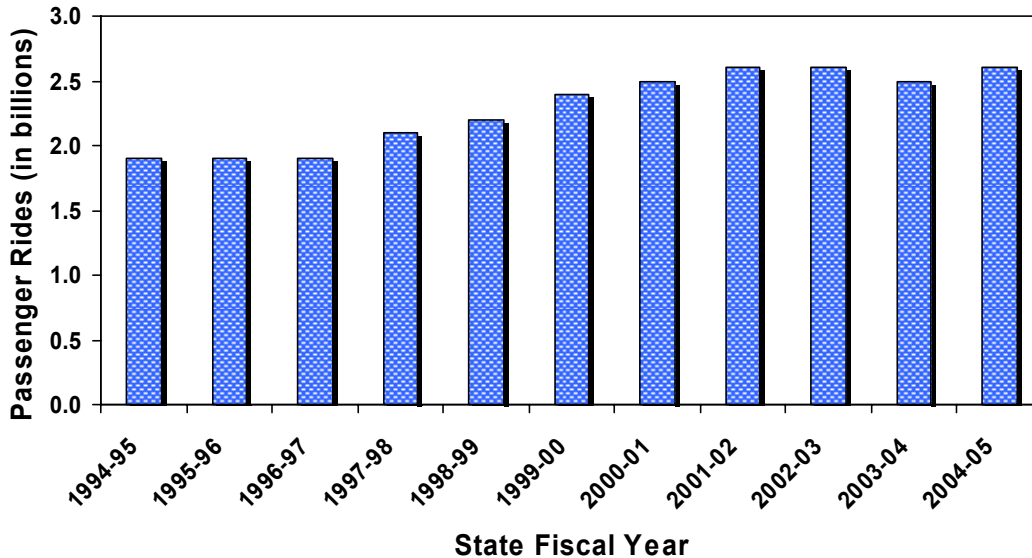


### Motor Vehicle Fatalities



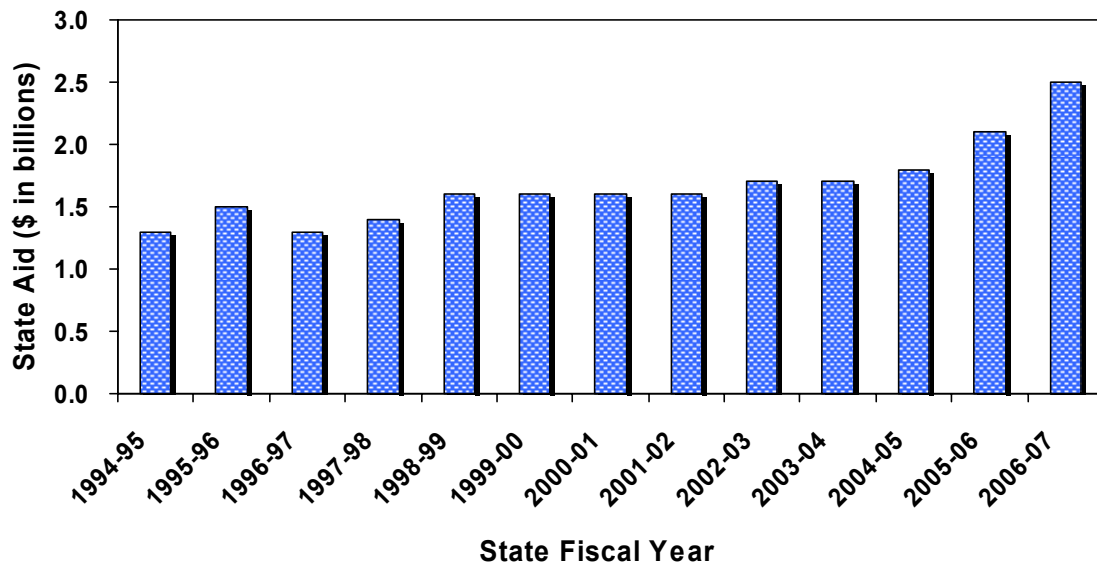
State highways and bridges have, nevertheless, improved in safety despite increased utilization. Motor vehicle fatalities have decreased by 192 annually since 1995, a reduction of 11 percent.

### New York State Transit Ridership



The utilization of public transit systems has also increased since 1994-95. The annual number of passenger rides on all New York public transit systems has gone up by 700 million, an increase of 37 percent.

## State Aid to Transit Systems



In the face of the increased demands on public transit systems, State operating assistance to eligible transit systems has nearly doubled, with a \$1.2 billion increase in annual aid since 1994-95. The additional dedication of transportation-related and regional taxes has served to meet increased service demands, while addressing rising costs related to energy, labor and insurance incurred by systems.

# **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 Adirondack Park Agency 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.

The Adirondack Park Agency’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 2006-07, the Adirondack Park Agency will have a workforce of 59 positions.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Agency’s 2006-07 operating costs will be funded with State tax dollars and Federal grant moneys. The Executive Budget recommends funding of \$4.5 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

# ADIRONDACK PARK

training, 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	4,518,000	5,107,000	589,000	1,192,000
Aid To Localities	50,000	50,000	0	0
Capital Projects	0	0	0	0
Total	4,568,000	5,157,000	589,000	1,192,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
General Fund	4,318,000	4,407,000	89,000
Special Revenue Funds - Federal	200,000	700,000	500,000
Total	4,518,000	5,107,000	589,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	4,318,000	4,407,000	89,000
Special Revenue Funds - Federal	200,000	700,000	500,000
Total	4,518,000	5,107,000	589,000

# ADIRONDACK PARK

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	3,905,000	89,000	3,758,200	85,400
Total	<u>3,905,000</u>	<u>89,000</u>	<u>3,758,200</u>	<u>85,400</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	142,700	3,200	4,100	400
Total	<u>142,700</u>	<u>3,200</u>	<u>4,100</u>	<u>400</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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  
2006-07 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	700,000	500,000	700,000	500,000
Total	<u>700,000</u>	<u>500,000</u>	<u>700,000</u>	<u>500,000</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>2005-06</b>	<b>2006-07</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 2005-06</b>	<b>Recommended 2006-07</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 (the Department) 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 546 positions for fiscal year 2006-07. The Agency is headquartered in Albany and maintains four regional offices located in Buffalo, Syracuse, Rochester and Brooklyn. Approximately 25.5 percent of the Department of Agriculture and Markets' operating programs are funded by tax dollars in the General Fund and the remaining 74.5 percent are financed by fees, Federal grants and other funds.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends funding of \$203.5 million for the Department of Agriculture and Markets in 2006-07 including \$124.1 million to support the Department's operations. The cost of operating the Department will be supported from a combination of funding sources:

- Tax dollars from the General Fund will provide \$31.6 million in 2006-07, or 25.5 percent of the Department's operating expenses;
- Fee revenues will produce \$39.9 million and support 32.1 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;
- Federal funding of \$28.5 million finances the remaining 23 percent of the Department's operations; and
- Enterprise and other miscellaneous funds of \$24.1 million finance the remaining 19.4 percent of the Department's operations.

Continued funding of \$2.1 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 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 \$1.75 million for capital projects to maintain, repair and rehabilitate the State Fair's 20 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. Additionally, \$3 million in new General Fund Aid to Localities funding is provided for grants to local

## **AGRICULTURE AND MARKETS**

county fairs. This funding will allow county fairs to upgrade and enhance their agricultural exhibits and operations. 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.

### **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, registers 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 20 major exhibit buildings and 108 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 \$1.75 million — an increase of \$750,000 from 2005-06 levels — 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</b>	<b>Appropriations</b>	<b>Change</b>	<b>Reappropriations</b>
	<b>2005-06</b>	<b>Recommended 2006-07</b>		<b>Recommended 2006-07</b>
State Operations	118,453,000	124,127,400	5,674,400	93,396,000
Aid To Localities	42,586,000	35,620,000	(6,966,000)	121,665,000
Capital Projects	3,000,000	43,750,000	40,750,000	5,865,000
<b>Total</b>	<b>164,039,000</b>	<b>203,497,400</b>	<b>39,458,400</b>	<b>220,926,000</b>



# AGRICULTURE AND MARKETS

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs	2006-07 Estimated FTEs	FTE Change
	03/31/06	03/31/07	
Administration			
General Fund	34	34	0
Agricultural Business Services			
General Fund	195	174	(21)
Special Revenue Funds - Federal	10	10	0
Special Revenue Funds - Other	48	48	0
Fiduciary Funds	7	7	0
Consumer Food Services			
General Fund	161	161	0
Special Revenue Funds - Federal	22	22	0
Special Revenue Funds - Other	90	90	0
Total	567	546	(21)

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	30,794,000	31,593,900	799,900
Special Revenue Funds - Federal	27,194,000	28,544,000	1,350,000
Special Revenue Funds - Other	38,429,000	39,920,600	1,491,600
Enterprise Funds	20,343,000	22,387,700	2,044,700
Fiduciary Funds	1,693,000	1,681,200	(11,800)
Total	118,453,000	124,127,400	5,674,400

Adjustments:	
Transfer(s) From	
Homeland Security - Miscellaneous	
Unspecified Funds	(3,000,000)
Appropriated 2005-06	115,453,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	4,559,000	5,940,800	1,381,800
Agricultural Business Services			
General Fund	16,849,000	16,625,700	(223,300)
Special Revenue Funds - Federal	20,819,000	20,819,000	0
Special Revenue Funds - Other	24,170,000	24,979,900	809,900
Fiduciary Funds	1,693,000	1,681,200	(11,800)
Consumer Food Services			
General Fund	9,386,000	9,027,400	(358,600)
Special Revenue Funds - Federal	6,375,000	7,725,000	1,350,000
Special Revenue Funds - Other	14,259,000	14,940,700	681,700
State Fair			
Enterprise Funds	20,343,000	22,387,700	2,044,700
Total	118,453,000	124,127,400	5,674,400

# AGRICULTURE AND MARKETS

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,494,300	218,300	2,494,300	218,300
Agricultural Business Services	10,105,000	221,000	10,105,000	500,000
Consumer Food Services	8,090,400	440,400	7,753,400	440,400
Total	20,689,700	879,700	20,352,700	1,158,700

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	0	0
Agricultural Business Services	0	(167,000)	0	(112,000)
Consumer Food Services	107,000	0	230,000	0
Total	107,000	(167,000)	230,000	(112,000)

## STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,446,500	1,163,500	0	0
Agricultural Business Services	6,520,700	(444,300)	0	(297,000)
Consumer Food Services	937,000	(799,000)	168,000	76,000
Total	10,904,200	(79,800)	168,000	(221,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	0	0	3,446,500	1,163,500
Agricultural Business Services	0	(577,000)	6,520,700	1,255,700
Consumer Food Services	221,000	75,000	237,000	75,000
Total	221,000	(502,000)	10,204,200	2,494,200

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	0	0
Agricultural Business Services	0	(526,000)	0	(300,000)
Consumer Food Services	311,000	75,000	0	(1,100,000)
Total	311,000	(451,000)	0	(1,400,000)

## STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Agricultural Business Services	47,480,100	798,100	3,928,600	38,600
Consumer Food Services	22,665,700	2,031,700	7,199,900	383,900
State Fair	22,387,700	2,044,700	6,472,200	874,200
Total	92,533,500	4,874,500	17,600,700	1,296,700

Program	Nonpersonal Service	
	Amount	Change
Agricultural Business Services	43,551,500	759,500
Consumer Food Services	15,465,800	1,647,800
State Fair	15,915,500	1,170,500
Total	74,932,800	3,577,800

# AGRICULTURE AND MARKETS

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	19,086,000	15,620,000	(3,466,000)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Special Revenue Funds - Other	3,500,000	0	(3,500,000)
Total	<u>42,586,000</u>	<u>35,620,000</u>	<u>(6,966,000)</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Agricultural Business Services			
General Fund	19,086,000	15,620,000	(3,466,000)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Special Revenue Funds - Other	3,500,000	0	(3,500,000)
Total	<u>42,586,000</u>	<u>35,620,000</u>	<u>(6,966,000)</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
New Facilities				
Capital Projects Fund - Authority Bonds	0	40,000,000	40,000,000	0
State Fair				
Capital Projects Fund	1,000,000	1,750,000	750,000	210,000
Misc. Capital Projects	2,000,000	2,000,000	0	5,655,000
Total	<u>3,000,000</u>	<u>43,750,000</u>	<u>40,750,000</u>	<u>5,865,000</u>



# ***BANKING DEPARTMENT***

## ***MISSION***

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,600 State-chartered banking institutions and licensees with total assets of approximately \$1.3 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, and London. The Banking Department will have a workforce of 575 positions for 2006-07.

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

The Banking Department is entirely supported by assessments charged to regulated financial institutions and organizations. The Executive Budget recommends \$93.5 million to support the Department in 2006-07. This funding level represents an overall decline of 4.1 percent from 2005-06, resulting from careful workforce management and other efforts to reduce assessment charges to the banking industry.

## ***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 monitors 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.

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.

# BANKING

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	97,238,817	92,019,000	(5,219,817)	4,500,000
Aid To Localities	250,000	1,500,000	1,250,000	0
Capital Projects	0	0	0	0
Total	97,488,817	93,519,000	(3,969,817)	4,500,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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	477	477	0
Total	575	575	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	97,238,817	92,019,000	(5,219,817)
Total	97,238,817	92,019,000	(5,219,817)

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
Special Revenue Funds - Other	23,166,205	21,766,000	(1,400,205)
Analysis and Compliance			
Special Revenue Funds - Other	4,040,856	4,100,000	59,144
Regulation			
Special Revenue Funds - Other	70,031,756	66,153,000	(3,878,756)
Total	97,238,817	92,019,000	(5,219,817)

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	21,766,000	(1,400,205)	4,440,000	0
Analysis and Compliance	4,100,000	59,144	2,583,000	0
Regulation	66,153,000	(3,878,756)	33,367,000	(3,133,000)
Total	92,019,000	(5,219,817)	40,390,000	(3,133,000)

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	16,826,000	99,795	500,000	(1,500,000)
Analysis and Compliance	1,517,000	59,144	0	0
Regulation	31,621,000	(745,756)	1,165,000	0
Total	49,964,000	(586,817)	1,665,000	(1,500,000)

**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>2005-06</b>	<b>2006-07</b>	
General Fund	250,000	0	(250,000)
Special Revenue Funds - Other	0	1,500,000	1,500,000
Total	250,000	1,500,000	1,250,000

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

<b>Program</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2005-06</b>	<b>2006-07</b>	
Administration			
General Fund	250,000	0	(250,000)
Special Revenue Funds - Other	0	1,500,000	1,500,000
Total	250,000	1,500,000	1,250,000





# ***DEPARTMENT OF ECONOMIC DEVELOPMENT***

## ***MISSION***

Together with the Empire State Development Corporation, the New York State Department of Economic Development:

- Advises the Governor and Legislature on all major economic development issues and decisions;
- Develops State economic development strategies;
- Provides technical and financial assistance to businesses through a network of regional offices; and
- Coordinates the efforts of other State agencies, authorities and organizations, as well as local governments, on actions which affect the State's economy.

## ***ORGANIZATION AND STAFFING***

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 Office of Science, Technology, and Academic Research (to be converted to the New York State Foundation for Science, Technology and Innovation) to foster technology-related job creation.

The Department of Economic Development will have a workforce of 215 in 2006-07. 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 and Elmira.

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

State tax dollars from the General Fund will finance 85.2 percent, or \$36.9 million, of the Department of Economic Development's \$ 43.3 million Budget in 2006-07. 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 2006-07 Budget provides:

- \$11 million for "I ♥ NY" tourism advertising;
- \$4.8 million for local tourism matching grants;
- \$1.2 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.

## ***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

## ***ECONOMIC DEVELOPMENT***

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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. In 2006-07, this program will expand to enable the creation of a trade office in Shanghai, China.

### ***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. In 2005-06, 12 additional zones were authorized to be created to enable the counties of Delaware, Greene, Hamilton, Livingston, Nassau, Putnam, Rockland, Schoharie, Tompkins, Wyoming, and Yates as well as the Chinatown area of Manhattan to experience the significant economic benefits provided by the program. This budget proposes to authorize creation of all 12 zones by December 31, 2006. Furthermore, the program will be expanded in 2006-07 to authorize the creation of five new one-square mile Empire Zones to provide benefits to businesses that have established substantial relationships with one of the five Centers of Excellence. In addition, the entire State will be designated a statewide "Clean Energy Research and Development Zone" offering zone benefits to these companies. Zone benefits will be made available for alternative energy research and development businesses located anywhere in the State.

### ***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. In 2006-07, \$410 million will be available for this program, reflecting a proposed \$60 million increase from existing levels.

**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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	35,901,900	37,552,900	1,651,000	8,325,000
Aid To Localities	8,527,000	5,777,000	(2,750,000)	13,519,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>44,428,900</b>	<b>43,329,900</b>	<b>(1,099,000)</b>	<b>21,844,000</b>

# **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>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
	Administration		
General Fund	42	42	0
Special Revenue Funds - Other	8	8	0
Clean Air			
Special Revenue Funds - Other	5	5	0
Economic Development			
General Fund	125	125	0
Marketing and Advertising Program			
General Fund	34	34	0
Special Revenue Funds - Other	1	1	0
Total	<u>215</u>	<u>215</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	29,487,000	31,138,000	1,651,000
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	5,414,900	5,414,900	0
Total	<u>35,901,900</u>	<u>37,552,900</u>	<u>1,651,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	3,080,000	3,235,000	155,000
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	12,792,000	14,004,000	1,212,000
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	13,615,000	13,899,000	284,000
Special Revenue Funds - Other	2,005,000	2,005,000	0
Total	<u>35,901,900</u>	<u>37,552,900</u>	<u>1,651,000</u>

## ECONOMIC DEVELOPMENT

### STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,416,000	143,000	2,389,774	143,000
Economic Development	8,624,000	138,000	8,595,530	138,000
Marketing and Advertising Program	2,171,000	274,000	2,157,682	274,000
Total	13,211,000	555,000	13,142,986	555,000

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 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	819,000	12,000	68,921	533
Economic Development	5,380,000	1,074,000	82,141	2,178
Marketing and Advertising Program	11,728,000	10,000	34,339	444
Total	17,927,000	1,096,000	185,401	3,155

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	36,429	3,467	700,282	8,000
Economic Development	236,394	14,155	2,944,313	32,667
Marketing and Advertising Program	55,848	2,889	622,087	6,667
Total	328,671	20,511	4,266,682	47,334

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	13,368	0	0	0
Economic Development	92,152	0	2,025,000	1,025,000
Marketing and Advertising Program	726	0	11,015,000	0
Total	106,246	0	13,040,000	1,025,000

### STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 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	2,005,000	0	78,000	4,000
Total	6,414,900	0	760,100	4,000

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	1,000,000	0	1,170,000	0
Marketing and Advertising Program	1,927,000	(4,000)	0	0
Total	4,484,800	(4,000)	1,170,000	0

# ***ECONOMIC DEVELOPMENT***

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	8,527,000	5,777,000	(2,750,000)
Total	<u>8,527,000</u>	<u>5,777,000</u>	<u>(2,750,000)</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Economic Development			
General Fund	3,050,000	600,000	(2,450,000)
Marketing and Advertising Program			
General Fund	5,477,000	5,177,000	(300,000)
Total	<u>8,527,000</u>	<u>5,777,000</u>	<u>(2,750,000)</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 State appropriations.

## ***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 the Office of Science, Technology, and Academic Research (to be converted to the New York State Foundation for Science, Technology and Innovation) to foster technology-related job creation. The Corporation will have a workforce of 256 in 2006-07. 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 2 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; (6) promote economic development and tourism, and leverage private investment in Niagara Falls; (7) oversee conversion of the 300 - acre Harriman State Office Building Campus in Albany into a world-class research and development park; and (8) coordinate the development of the Bass Pro retail facility at the former Buffalo Memorial Auditorium and additional projects along the waterfront and inner harbor in downtown Buffalo.

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

- In 2006-07, 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 \$93.8 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 redevelopment and preservation of Governor's Island; the operation and development of the Centers of Excellence or other high technology research centers; support of the University at Buffalo's Krabbe Disease Research Institute; and support of the University at Albany's Institute for Nanoelectronics Discovery and Exploration (INDEX).
- The Executive Budget will also include \$475 million to support priority economic development, academic research and development, arts and cultural facilities, and energy projects. In addition, two separate \$74.7 million appropriations are included for related infrastructure improvements associated with the construction of two new baseball stadiums in the Bronx and Queens that were authorized in 2005-06.
- Billions of dollars in development assistance, as well as substantial tax incentives 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 \$1.45 billion Centers of Excellence/Empire Opportunity Fund/Gen\*NY\*sis/RESTORE Program; and



## EMPIRE STATE DEVELOPMENT

- Continued availability of Port Authority of New York and New Jersey Regional Development funds to support projects in the Upper Manhattan/South Bronx Empowerment Zone.

### PROGRAM HIGHLIGHTS

The Empire State Development Corporation administers economic development programs which:

- Provide low-cost loans and grants to businesses to help cover the cost of machinery and equipment purchases, factory improvements, training and business incubator development;
- Provide financial assistance for projects ranging from development of or improvements to commercial or retail facilities, tourism destinations, child care facilities, and commercial centers;
- Assist minority- and women-owned businesses, including programs administered in cooperation with local development organizations and community-based financial institutions;
- Provide funding for the economic development initiatives in distressed urban communities; and
- Provide funding for military base retention and redevelopment efforts.

#### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	0	0	0
Aid To Localities	85,125,100	93,858,000	8,732,900	324,780,000
Capital Projects	0	624,400,000	624,400,000	469,000,000
Total	<u>85,125,100</u>	<u>718,258,000</u>	<u>633,132,900</u>	<u>793,780,000</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	85,125,100	93,858,000	8,732,900
Total	<u>85,125,100</u>	<u>93,858,000</u>	<u>8,732,900</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Economic Development			
General Fund	85,121,000	93,858,000	8,737,000
Payments to Municipalities			
General Fund	4,100	0	(4,100)
Total	<u>85,125,100</u>	<u>93,858,000</u>	<u>8,732,900</u>

# ***EMPIRE STATE DEVELOPMENT***

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Regional Development				
Capital Projects Fund - Authority Bonds	0	475,000,000	475,000,000	0
Cap Proj Fund - CEFAP (Direct Auth Bonds)	0	0	0	425,000,000
Economic Development				
Cap Proj Fund - Stadium (Auth Bonds)	0	149,400,000	149,400,000	0
Cap Proj Fund - Downtown Buffalo (Auth Bonds)	0	0	0	44,000,000
Total	<u>0</u>	<u>624,400,000</u>	<u>624,400,000</u>	<u>469,000,000</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 Authority administers Federal grant programs which help businesses, schools and hospitals implement energy efficiency measures, and 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 low-income consumers, energy efficiency, energy research and development, and environmental protection. In addition, the Authority administers the Renewable Portfolio Standard program, designed to increase the percentage of electricity used by retail customers in the State which is derived from renewable resources.

The Authority also manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology + Energy Park (STEP) in Saratoga County. Currently, NYSERDA has several clean-energy technology companies located at STEP, and is continuing to work toward bringing in other clean-energy technology companies.

## **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 2006-07 Budget recommends approximately \$14.7 million in appropriations for the Authority's energy, research and development programs and \$14 million for ongoing work at West Valley.

<b>ALL FUNDS APPROPRIATIONS (dollars)</b>				
<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	14,656,000	15,356,000	700,000	0
Aid To Localities	0	0	0	0
Capital Projects	11,350,000	14,000,000	2,650,000	0
<b>Total</b>	<b>26,006,000</b>	<b>29,356,000</b>	<b>3,350,000</b>	<b>0</b>

# ENERGY RESEARCH AND DEVELOPMENT

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	0	700,000	700,000
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>15,356,000</u>	<u>700,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Research, Development and Demonstration			
Special Revenue Funds - Federal	0	700,000	700,000
Special Revenue Funds - Other	14,656,000	14,656,000	0
Total	<u>14,656,000</u>	<u>15,356,000</u>	<u>700,000</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
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)

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Western New York Nuclear Service Center Program				
Capital Projects Fund - Authority Bonds	11,350,000	14,000,000	2,650,000	0
Total	<u>11,350,000</u>	<u>14,000,000</u>	<u>2,650,000</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 implementing the Environmental Protection Fund, the State's dedicated environmental fund.

## **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 3,378 positions in fiscal year 2006-07, which includes 43 new positions, 15 of which will be used to implement stewardship projects. Approximately 35.4 percent of these positions are paid by State tax dollars; 49.8 percent are supported by State fees, capital and other revenues, and the remaining 14.8 percent are financed by Federal grants.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget recommends total funding of more than \$1 billion for the Department of Environmental Conservation, including \$109.3 million in General Fund support. \$455.1 million will finance the Department's operations and core mission and ensure funding for ongoing priority projects.

General Fund appropriations will finance 24.1 percent of the Department of Environmental Conservation's operations in 2006-07. Fees and license revenues will support 58.3 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 17.6 percent of the Department's Budget.

The Environmental Protection Fund (EPF) will provide new appropriations of \$180 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 as well as by the sale/lease of State property and by Fund interest earnings.

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).

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.

## **ENVIRONMENTAL CONSERVATION**

General Fund appropriations will support the preservation and maintenance of the State's trails regional facilities, campgrounds 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 2006-07 Executive Budget provides more than \$1 billion 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 \$126.6 million in reappropriated funds from the 1986 Environmental Quality Bond Act to continue work already underway for existing Superfund sites. In addition, \$7.375 million is being provided for staff costs related to the brownfield and voluntary cleanup programs;
- \$180 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, state lands access and stewardship projects, development of the Hudson River Park and the restoration and preservation of historic barns. Other projects funded by the EPF in 2006-07 will include: local solid waste reduction/recycling and marketing of recycled materials; landfill closure/gas management projects; natural resource damages; local parks and historic preservation grants; local waterfront revitalization projects; 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; the Finger Lakes - Lake Ontario Watershed Protection Alliance; funding for Zoos, Botanical Gardens and Aquaria; funding for soil and water conservation districts; quality communities grants; Land Trust Alliance; urban forestry projects; invasive species grants; funding for the Oceans and Great Lakes Initiative; and water quality improvement projects;
- The total 1996 Clean Water/Clean Air Bond Act authorization of \$1.75 billion has been appropriated. However, the Executive Budget includes \$75 million in continued Bond Act disbursements in 2006-07 for critical Water Quality, Air, Solid Waste, Brownfield and Safe Drinking Water Projects;
- \$27.5 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;
- \$5.3 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;
- \$177.6 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;
- \$56.2 million to support the programs of the Conservation Fund;
- \$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, Jamaica Bay, and Hudson River swimmable projects;
- \$30 million in new funding for basic capital infrastructure projects to ensure health, safety and compliance with State and Federal laws and environmental requirements, including \$10.1 million for rehabilitation and improvement of state owned facilities;

## ***ENVIRONMENTAL CONSERVATION***

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- \$34.5 million in non-General Fund support for the State's Clean Air programs. New programs began in 1997-98 to control pollution from automobiles and to establish new consolidated permits for major stationary sources of air pollution and in 1999-2000, to control air pollution from heavy-duty vehicles; and
- \$455.1 million to support the operations of the Department, including a workforce of 3,378 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 the core mission of the Department. 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 over 300 boat launching and fishing access sites. The primary source of funding for this program is sporting license fees (over \$39 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 will manage over 690,000 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 12,600 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, 2.5 million acres of fresh water wetlands and 25,000 acres of tidal wetlands.

The Department also operates 52 campgrounds and 6 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 \$12 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 CONSERVATION**

### **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 new mandates on the State designed to improve air quality. 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. 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.

DEC has also established 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 Metropolitan Transportation Authority's (MTA) bus fleet is now one of the cleanest in the world, with the retrofit of more than 2,700 diesel buses, and the purchase of 550 more with clean diesel technology. MTA also runs more than 480 buses on clean compressed natural gas, and, at 335 buses, has the largest hybrid-electric fleet in the world, with 500 more already ordered.

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 \$4.29 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 hazardous 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 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, Oil Spill Program, and Brownfield Cleanup



## **ENVIRONMENTAL CONSERVATION**

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 carried out 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.

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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	431,251,000	455,125,000	23,874,000	432,976,200
Aid To Localities	9,420,800	2,495,700	(6,925,100)	10,633,075
Capital Projects	530,468,000	569,120,000	38,652,000	3,102,434,000
Total	<u>971,139,800</u>	<u>1,026,740,700</u>	<u>55,600,900</u>	<u>3,546,043,275</u>

# **ENVIRONMENTAL CONSERVATION**

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
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	127	127	0
Special Revenue Funds - Federal	205	205	0
Special Revenue Funds - Other	390	404	14
Environmental Enforcement			
General Fund	213	213	0
Special Revenue Funds - Other	308	308	0
Fish, Wildlife and Marine Resources			
General Fund	59	59	0
Special Revenue Funds - Federal	72	72	0
Special Revenue Funds - Other	258	270	12
Forest and Land Resources			
General Fund	212	212	0
Special Revenue Funds - Federal	11	11	0
Special Revenue Funds - Other	133	138	5
Hazardous Waste Cleanup			
Capital Projects Funds - Other	295	295	0
Operations			
General Fund	304	304	0
Special Revenue Funds - Other	66	71	5
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	163	7
Capital Projects Funds - Federal	22	22	0
Total	3,335	3,378	43

# ENVIRONMENTAL CONSERVATION

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	104,687,000	109,370,000	4,683,000
Special Revenue Funds - Federal	85,211,000	80,218,000	(4,993,000)
Special Revenue Funds - Other	241,308,000	265,477,000	24,169,000
Internal Service Funds	45,000	60,000	15,000
Total	<u>431,251,000</u>	<u>455,125,000</u>	<u>23,874,000</u>
Adjustments:			
Prior Year Deficiency			
Environmental Conservation, Department of General Fund	6,358,000		
Recommended Deficiency			
Environmental Conservation, Department of General Fund	(7,500,000)		
Transfer(s) From			
Environmental Conservation, Department of Special Revenue Funds - Other	(180,000)		
Transfer(s) To			
Environmental Conservation, Department of General Fund	180,000		
Appropriated 2005-06	<u>430,109,000</u>		

# ENVIRONMENTAL CONSERVATION

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	9,795,000	9,984,000	189,000
Special Revenue Funds - Federal	12,255,000	12,636,000	381,000
Special Revenue Funds - Other	2,798,000	2,746,000	(52,000)
Internal Service Funds	45,000	60,000	15,000
Air and Water Quality Management			
General Fund	8,945,000	9,136,000	191,000
Special Revenue Funds - Federal	25,156,000	21,782,000	(3,374,000)
Special Revenue Funds - Other	78,125,000	83,965,000	5,840,000
Air Resources			
Special Revenue Funds - Federal	8,000,000	8,000,000	0
Construction Management			
Special Revenue Funds - Federal	4,000,000	4,000,000	0
Environmental Enforcement			
General Fund	21,515,000	21,290,000	(225,000)
Special Revenue Funds - Other	35,060,000	36,599,000	1,539,000
Fish, Wildlife and Marine Resources			
General Fund	9,954,000	10,009,000	55,000
Special Revenue Funds - Federal	24,000,000	22,000,000	(2,000,000)
Special Revenue Funds - Other	34,337,000	36,950,000	2,613,000
Forest and Land Resources			
General Fund	15,990,000	16,923,000	933,000
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	23,828,000	26,426,000	2,598,000
Operations			
General Fund	29,505,000	32,882,000	3,377,000
Special Revenue Funds - Other	15,030,000	15,875,000	845,000
Solid and Hazardous Waste Management			
General Fund	8,983,000	9,146,000	163,000
Special Revenue Funds - Federal	6,800,000	6,800,000	0
Special Revenue Funds - Other	52,130,000	62,916,000	10,786,000
Total	<u>431,251,000</u>	<u>455,125,000</u>	<u>23,874,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	8,319,000	160,000	7,657,000	137,600
Air and Water Quality Management	7,920,000	92,000	7,792,000	86,900
Environmental Enforcement	14,820,000	1,090,000	12,000,000	872,000
Fish, Wildlife and Marine Resources	7,803,000	4,912,000	7,567,000	4,904,000
Forest and Land Resources	14,942,000	642,000	13,547,000	633,800
Operations	17,489,000	1,624,000	16,084,000	1,478,600
Solid and Hazardous Waste Management	8,857,000	148,000	8,622,000	138,500
Total	<u>80,150,000</u>	<u>8,668,000</u>	<u>73,269,000</u>	<u>8,251,400</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	621,000	20,200	41,000	2,200
Air and Water Quality Management	86,000	2,800	42,000	2,300
Environmental Enforcement	0	0	2,820,000	218,000
Fish, Wildlife and Marine Resources	202,000	6,200	34,000	1,800
Forest and Land Resources	377,000	1,800	1,018,000	6,400
Operations	1,289,000	130,500	116,000	14,900
Solid and Hazardous Waste Management	120,000	4,100	115,000	5,400
Total	<u>2,695,000</u>	<u>165,600</u>	<u>4,186,000</u>	<u>251,000</u>

# ENVIRONMENTAL CONSERVATION

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,665,000	29,000	357,000	14,000
Air and Water Quality Management	1,216,000	99,000	508,000	90,000
Environmental Enforcement	6,470,000	(1,315,000)	780,000	104,000
Fish, Wildlife and Marine Resources	2,206,000	(4,857,000)	894,000	102,000
Forest and Land Resources	1,981,000	291,000	1,380,000	283,000
Operations	15,393,000	1,753,000	3,032,000	882,000
Solid and Hazardous Waste Management	289,000	15,000	68,000	14,000
<b>Total</b>	<b>29,220,000</b>	<b>(3,985,000)</b>	<b>7,019,000</b>	<b>1,489,000</b>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	39,000	2,000	1,251,000	13,000
Air and Water Quality Management	87,000	3,000	462,000	6,000
Environmental Enforcement	38,000	1,000	345,000	0
Fish, Wildlife and Marine Resources	18,000	2,000	944,000	27,000
Forest and Land Resources	72,000	1,000	427,000	7,000
Operations	2,303,000	391,000	9,389,000	1,480,000
Solid and Hazardous Waste Management	21,000	1,000	198,000	0
<b>Total</b>	<b>2,578,000</b>	<b>401,000</b>	<b>13,016,000</b>	<b>1,533,000</b>

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	5,277,000	(1,420,000)
Fish, Wildlife and Marine Resources	42,000	0	308,000	(4,988,000)
Forest and Land Resources	102,000	0	0	0
Operations	669,000	0	0	(1,000,000)
Solid and Hazardous Waste Management	2,000	0	0	0
<b>Total</b>	<b>1,022,000</b>	<b>0</b>	<b>5,585,000</b>	<b>(7,408,000)</b>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	15,442,000	344,000	8,619,000	153,000
Air and Water Quality Management	105,747,000	2,466,000	36,453,000	1,917,500
Air Resources	8,000,000	0	3,990,000	0
Construction Management	4,000,000	0	1,600,000	(84,000)
Environmental Enforcement	36,599,000	1,539,000	19,440,000	448,000
Fish, Wildlife and Marine Resources	58,950,000	613,000	22,803,000	(112,000)
Forest and Land Resources	31,426,000	2,598,000	15,767,000	633,000
Operations	15,875,000	845,000	3,217,000	113,000
Solid and Hazardous Waste Management	69,716,000	10,786,000	9,341,000	188,000
<b>Total</b>	<b>345,755,000</b>	<b>19,191,000</b>	<b>121,230,000</b>	<b>3,256,500</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	6,823,000	191,000	0	0
Air and Water Quality Management	38,960,000	(3,800,000)	30,334,000	4,348,500
Air Resources	4,010,000	0	0	0
Construction Management	2,400,000	84,000	0	0
Environmental Enforcement	16,659,000	1,091,000	500,000	0
Fish, Wildlife and Marine Resources	31,318,000	(915,000)	4,829,000	1,640,000
Forest and Land Resources	13,829,000	1,435,000	1,830,000	530,000
Operations	11,994,000	232,000	664,000	500,000
Solid and Hazardous Waste Management	10,592,000	398,000	49,783,000	10,200,000
<b>Total</b>	<b>136,585,000</b>	<b>(1,284,000)</b>	<b>87,940,000</b>	<b>17,218,500</b>

# **ENVIRONMENTAL CONSERVATION**

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	8,570,800	1,645,700	(6,925,100)
Special Revenue Funds - Other	850,000	850,000	0
Total	<u>9,420,800</u>	<u>2,495,700</u>	<u>(6,925,100)</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	6,448,800	23,700	(6,425,100)
Air and Water Quality Management			
General Fund	1,172,000	1,172,000	0
Forest and Land Resources			
Special Revenue Funds - Other	850,000	850,000	0
Solid and Hazardous Waste Management			
General Fund	950,000	450,000	(500,000)
Total	<u>9,420,800</u>	<u>2,495,700</u>	<u>(6,925,100)</u>

# ENVIRONMENTAL CONSERVATION

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
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	0	0	0	15,797,000
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	151,160,000
Water Resources - PWBA				
Capital Projects Fund - PWBA (Bondable)	0	14,468,000	14,468,000	19,434,000
Solid Waste Management				
Capital Projects Fund	845,000	945,000	100,000	2,852,000
Capital Projects Fund - Advances	0	0	0	1,301,000
Federal Capital Projects Fund	0	0	0	37,791,000
Environmental Protection and Enhancements				
Environmental Protection Fund	0	0	0	49,327,000
Environment and Recreation				
Environmental Protection Fund	150,000,000	180,000,000	30,000,000	484,551,000
Fish and Wildlife				
Capital Projects Fund	300,000	1,000,000	700,000	3,248,000
Federal Capital Projects Fund	600,000	0	(600,000)	8,331,000
Hudson River Habitat Restor. Fund	0	0	0	351,000
Lands and Forests				
Capital Projects Fund	1,300,000	1,800,000	500,000	17,836,000
Federal Capital Projects Fund	2,000,000	1,000,000	(1,000,000)	3,804,000
Forest Preserve Expansion Fund	0	0	0	115,000
Water Resources - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	327,000	327,000	9,575,000
Air Resources				
Capital Projects Fund	0	0	0	89,000
Clean Air Fund	0	0	0	5,369,000
Administration				
Capital Projects Fund	3,100,000	3,400,000	300,000	7,616,000
Federal Capital Projects Fund	0	0	0	175,000
Enterprise Fund	0	0	0	175,000
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	37,758,000
Clean Water/Clean Air Bond Fund				
Clean Water - Clean Air Bond Fund	0	0	0	557,650,000
Pure Waters Bond Fund				
Pure Waters Bond Fund	0	0	0	31,252,000
Recreation				
Capital Projects Fund	1,000,000	1,500,000	500,000	3,632,000
Solid Waste Management - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	0	0	12,499,000
Operations				
Capital Projects Fund	21,390,000	18,380,000	(3,010,000)	39,480,000
Cap Proj Fund - DEC Regular (Auth Bonds)	11,000,000	12,000,000	1,000,000	32,729,000
Natural Resource Damages Fund	0	0	0	6,449,000
Financial Security Fund	0	0	0	1,481,000
Water Resources				
Capital Projects Fund	2,634,000	2,975,000	341,000	43,560,000
Capital Projects Fund - Advances	150,000	300,000	150,000	16,219,000
Cap Proj Fund - State Revolving Fund (Auth Bonds)	29,602,000	29,600,000	(2,000)	61,900,000
Cap Proj Fund - Onondaga Lake (Auth Bonds)	10,000,000	10,000,000	0	20,000,000
Federal Capital Projects Fund	146,280,000	148,000,000	1,720,000	309,500,000
Air Quality - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	44,800,000
Clean Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	289,813,000
Solid Waste - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	19,365,000
Environmental Restoration - Clean Water/Clean Air 96				

# ENVIRONMENTAL CONSERVATION

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	171,999,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	1,050,000	1,050,000	0	7,196,000
Solid and Hazardous Waste Management - EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	126,563,000
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	0	0	2,922,000
Capital Projects Fund - Advances	0	0	0	68,764,000
Hazardous Waste Remedial Fund - Oversight & Assessment	29,217,000	22,375,000	(6,842,000)	55,989,000
Hazardous Waste Remedial Fund - Cleanup	120,000,000	120,000,000	0	310,934,000
Total	<u>530,468,000</u>	<u>569,120,000</u>	<u>38,652,000</u>	<u>3,102,434,000</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 serves without compensation: the Commissioner of Environmental Conservation 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 2006-07 workforce of 98, including 6 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 2006-07, a total of \$13.1 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 \$2.8 billion and \$551 million, respectively. The State Revolving Fund has made loans totaling \$11.2 billion to 458 recipients 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 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 \$1.5 billion and grants totaling \$184.7 million to 288 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 \$569.7 million in Federal awards, requiring a State match of \$113.9 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 \$1.58 billion in low-interest rate loans and \$217.3 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 achieve environmental compliance including procurement of new capital equipment. The Environmental Facilities Corporation works 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 \$6.3 million in reappropriations.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	11,570,500	12,774,500	1,204,000	0
Aid To Localities	0	0	0	0
Capital Projects	6,542,000	343,000	(6,199,000)	6,305,000
Total	<u>18,112,500</u>	<u>13,117,500</u>	<u>(4,995,000)</u>	<u>6,305,000</u>

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	11,570,500	12,774,500	1,204,000
Total	<u>11,570,500</u>	<u>12,774,500</u>	<u>1,204,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
Special Revenue Funds - Other	11,570,500	12,774,500	1,204,000
Total	<u>11,570,500</u>	<u>12,774,500</u>	<u>1,204,000</u>

# ENVIRONMENTAL FACILITIES

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	12,774,500	1,204,000	7,737,000	669,000
Total	12,774,500	1,204,000	7,737,000	669,000

Program	Nonpersonal Service	
	Amount	Change
Administration	5,037,500	535,000
Total	5,037,500	535,000

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Pipeline for Jobs Program	6,250,000	0	(6,250,000)	6,305,000
Capital Projects Fund - Authority Bonds	6,250,000	0	(6,250,000)	6,305,000
Clean Water - Clean Air Implementation	292,000	343,000	51,000	0
Clean Water Clean Air Implementation Fund	292,000	343,000	51,000	0
Total	6,542,000	343,000	(6,199,000)	6,305,000

# ***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 \$318 million. The 2006-07 Budget will:

- Make permanent the Governor's Low-Income Housing Tax Credit Program and provide an additional \$2 million in support of the 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 \$8.3 million to administer the development of low-income housing and over \$18.4 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 (HUD). 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 1,000 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 33,000 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. The Office of Rent Administration has been recognized for its outstanding efforts to make the program more responsive to its customers. Since 1995, over 90 percent of the

## **HOUSING AND COMMUNITY RENEWAL**

backlog of rent regulated cases subject to adjudication have been eliminated. By streamlining the administrative process, the amount of time necessary to close a rent overcharge case has been reduced significantly.

### **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 \$124.4 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 \$100.6 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.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$65.6 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	94,722,500	98,235,000	3,512,500	48,512,000
Aid To Localities	153,505,500	146,094,000	(7,411,500)	150,034,000
Capital Projects	99,200,000	74,200,000	(25,000,000)	387,847,000
Total	<u>347,428,000</u>	<u>318,529,000</u>	<u>(28,899,000)</u>	<u>586,393,000</u>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	74	74	0
Community Development			
General Fund	50	50	0
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	12	12	0
Housing			
General Fund	44	44	0
Special Revenue Funds - Federal	41	41	0
Special Revenue Funds - Other	87	87	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>940</u>	<u>940</u>	<u>0</u>

# HOUSING AND COMMUNITY RENEWAL

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	29,701,100	31,544,000	1,842,900
Special Revenue Funds - Federal	9,018,050	9,698,000	679,950
Special Revenue Funds - Other	56,003,350	56,993,000	989,650
Total	<u>94,722,500</u>	<u>98,235,000</u>	<u>3,512,500</u>

Adjustments:

Transfer(s) From			
Special Pay Bill			
General Fund	(30,100)		
Special Revenue Funds - Federal	(23,050)		
Special Revenue Funds - Other	(1,089,350)		
Appropriated 2005-06	<u>93,580,000</u>		

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	12,523,000	13,252,000	729,000
Special Revenue Funds - Other	2,911,000	2,911,000	0
Community Development			
General Fund	3,484,000	3,484,000	0
Special Revenue Funds - Federal	3,254,000	3,254,000	0
Special Revenue Funds - Other	1,627,000	1,646,000	19,000
Housing			
General Fund	2,895,000	2,979,000	84,000
Special Revenue Funds - Federal	5,764,050	6,444,000	679,950
Special Revenue Funds - Other	8,765,000	9,045,000	280,000
Housing Information Systems			
General Fund	7,453,000	8,483,000	1,030,000
Rent Administration			
General Fund	3,346,100	3,346,000	(100)
Special Revenue Funds - Other	42,700,350	43,391,000	690,650
Total	<u>94,722,500</u>	<u>98,235,000</u>	<u>3,512,500</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,802,000	140,000	4,802,000	140,000
Community Development	3,315,000	0	3,315,000	0
Housing	2,862,000	84,000	2,862,000	84,000
Housing Information Systems	4,472,000	130,000	4,472,000	130,000
Rent Administration	2,796,000	(100)	2,796,000	(100)
Total	<u>18,247,000</u>	<u>353,900</u>	<u>18,247,000</u>	<u>353,900</u>



# HOUSING AND COMMUNITY RENEWAL

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	8,450,000	589,000	206,000	0
Community Development	169,000	0	30,000	0
Housing	117,000	0	8,300	0
Housing Information Systems	4,011,000	900,000	219,900	0
Rent Administration	550,000	0	0	0
Total	13,297,000	1,489,000	464,200	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	110,000	0	8,124,000	589,000
Community Development	105,000	0	34,000	0
Housing	41,000	0	67,700	0
Housing Information Systems	26,000	0	3,541,100	900,000
Rent Administration	0	0	0	0
Total	282,000	0	11,766,800	1,489,000

Program	Equipment		Maintenance Undistributed	
	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	550,000	0
Total	234,000	0	550,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	0	0	0
Community Development	4,900,000	19,000	2,600,000	19,000
Housing	15,489,000	959,950	8,904,000	805,150
Rent Administration	43,391,000	690,650	26,145,000	150
Total	66,691,000	1,669,600	37,649,000	824,300

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	2,911,000	0
Community Development	1,300,000	0	1,000,000	0
Housing	5,085,000	154,800	1,500,000	0
Rent Administration	17,246,000	690,500	0	0
Total	23,631,000	845,300	5,411,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	51,055,500	43,644,000	(7,411,500)
Special Revenue Funds - Federal	92,450,000	92,450,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	153,505,500	146,094,000	(7,411,500)

# **HOUSING AND COMMUNITY RENEWAL**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
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	10,506,500	5,465,000	(5,041,500)
Periodic Subsidies - Local Areas			
General Fund	16,220,000	16,220,000	0
Rural Preservation			
General Fund	4,725,000	2,355,000	(2,370,000)
Rural Rental Assistance			
General Fund	19,604,000	19,604,000	0
Small Cities Community Development Block Grant			
Special Revenue Funds - Federal	58,000,000	58,000,000	0
Total	<u>153,505,500</u>	<u>146,094,000</u>	<u>(7,411,500)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Affordable Housing Corporation				
Housing Program Fund	35,000,000	25,000,000	(10,000,000)	100,675,000
Housing Assistance Fund				
Housing Assistance Fund	1,500,000	0	(1,500,000)	12,833,000
Low Income Housing Trust Fund				
Housing Program Fund	39,000,000	29,000,000	(10,000,000)	124,438,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	4,026,000
Housing Opportunity Program For Elderly				
Housing Program Fund	1,400,000	400,000	(1,000,000)	1,050,000
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	123,000
Federal Capital Projects Fund	0	0	0	30,700,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	65,638,000
Rural Revitalization Program				
Housing Program Fund	1,000,000	0	(1,000,000)	1,000,000
Urban Initiatives Program				
Housing Program Fund	1,500,000	0	(1,500,000)	1,500,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	18,800,000
Total	<u>99,200,000</u>	<u>74,200,000</u>	<u>(25,000,000)</u>	<u>387,847,000</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 2005, the Housing Finance Agency has provided \$5 billion in loans for multi-family rental housing.

## ***PROGRAM HIGHLIGHTS***

Since its inception in 1960, the Agency has provided financing of more than \$6 billion for more than 104,000 units of multi-family housing. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2005, the Agency provided \$5 billion in mortgage loans that created rental housing for more than 25,000 families. During the Agency's 2004-05 fiscal year, more than 4,200 units were financed with mortgage loans totaling more than \$1.1 billion.



# **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 Board of Directors comprised of the State Comptroller, the Director of the Budget, the Commissioner of Housing and Community Renewal and four 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, Buffalo and Long Island.

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. In addition, in December 2004, the Mortgage Insurance Fund was authorized to enter into agreements to provide credit support for bonds and ancillary bond facilities issued by the Convention Center Development Corporation, a subsidiary of the New York State Urban Development Corporation. 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 payments made by the Agency to the State in prior years. The Executive Budget recommends more than \$381 million in appropriations in 2006-07 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 \$9 billion of affordable financing for over 140,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2005, the Agency purchased \$4.36 billion in single-family mortgages — helping more than 48,000 New Yorkers buy their first homes. During the Agency's 2004-05 fiscal year, 3,638 loans were financed in the amount of \$389 million.

# MORTGAGE AGENCY

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$4 billion. In 2004-05, mortgage insurance provided by the Agency totaled more than \$245 million.

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	289,229,000	304,414,000	15,185,000	0
Capital Projects	0	0	0	0
Total	366,029,000	381,214,000	15,185,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	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 2005-06	Recommended 2006-07	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 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	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 2005-06	Recommended 2006-07	Change
General Fund	289,229,000	304,414,000	15,185,000
Total	289,229,000	304,414,000	15,185,000

# MORTGAGE AGENCY

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
SONYMA Mortgage Insurance Fund			
Restoration			
General Fund	289,229,000	304,414,000	15,185,000
Total	<u>289,229,000</u>	<u>304,414,000</u>	<u>15,185,000</u>





# HUDSON RIVER PARK TRUST

## MISSION

The Hudson River Park Trust (the Trust) 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 \$42 million in new appropriations, in concert with \$51.3 million in reappropriations, will fund Trust capital costs in 2006-07 associated with the planning, design and construction of Park projects. Specifically, 2006-07 Budget recommendations provide \$5 million for Park development from the Environmental Protection Fund within the budget for the Department of Environmental Conservation, and a capital advance appropriation of \$26 million, which will be repaid by New York City and \$11 million from other capital funds. 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 2006-07, 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	5,000,000	26,000,000	21,000,000	51,254,000
Total	5,000,000	26,000,000	21,000,000	51,254,000

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Regional Development				
Capital Projects Fund - Advances	5,000,000	26,000,000	21,000,000	51,254,000
Total	5,000,000	26,000,000	21,000,000	51,254,000



# ***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, Brooklyn and Buffalo. The Department's activities are carried out through three programs: Administration, Regulation and Consumer Services, with a 2006-07 workforce of 923 positions.

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

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

The Executive Budget recommends \$194.1 million in assessment revenue to fund the Department's current activities including the 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 \$24.1 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations, \$34 million to the Department of Health for costs associated with the Center for Community Health and the "forge-proof" prescription program, and \$6.5 million to the Law Department for implementation of Executive Order 109 that appointed the Attorney General as a Special Prosecutor to combat no-fault auto insurance fraud.

The Executive Budget also includes \$4 million for the expansion of the Traffic and Criminal Software (TraCS) project which uses computer technology in State Police patrol cars to produce electronic tickets and accident reports. In addition, \$3 million for the Department of Law is recommended to support joint investigations related to broker/insurer compensation and pricing practices.

## ***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. This technical expertise was utilized during the Hurricane Katrina disaster, as Department staff went to the Gulf Coast to assist in the financial and insurance-related needs of residents.

The Department promotes high standards of conduct and competence through testing oversight, and 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.

## INSURANCE

The September 11th 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 and respond to natural, financial and terrorist disasters. Through this unit, the Department works with industry representatives to develop disaster preparedness and business continuity plans, fight money laundering activities and increase fraud detection capabilities.

These functions will be further enhanced by the new Special Investigations Unit. This team will provide legal resources to ongoing investigations and conduct inquiries into improper insurance and corporate practices. The Special Investigations Unit will also be the liaison to other state and federal agencies for insurance enforcement activities.

Reflecting the changing environment confronting the insurance industry, the Department has streamlined its regulatory and licensing process. 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, which provides qualified small businesses and low-income families and individuals with access to affordable health insurance.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	177,819,000	194,148,000	16,329,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	177,819,000	194,148,000	16,329,000	0

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
Special Revenue Funds - Other	124	124	0
Consumer Services			
Special Revenue Funds - Other	159	159	0
Regulation			
Special Revenue Funds - Other	635	640	5
Total	918	923	5

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	177,819,000	194,148,000	16,329,000
Total	177,819,000	194,148,000	16,329,000

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	13,139,000	14,880,000	1,741,000
Consumer Services			
Special Revenue Funds - Other	12,212,000	12,298,000	86,000
Regulation			
Special Revenue Funds - Other	152,468,000	166,970,000	14,502,000
Total	<u>177,819,000</u>	<u>194,148,000</u>	<u>16,329,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	14,880,000	1,741,000	9,080,000	996,000
Consumer Services	12,298,000	86,000	7,789,000	(50,000)
Regulation	166,970,000	14,502,000	49,062,000	2,776,000
Total	<u>194,148,000</u>	<u>16,329,000</u>	<u>65,931,000</u>	<u>3,722,000</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	5,800,000	745,000	0	0
Consumer Services	4,509,000	136,000	0	0
Regulation	45,102,000	1,712,000	72,806,000	10,014,000
Total	<u>55,411,000</u>	<u>2,593,000</u>	<u>72,806,000</u>	<u>10,014,000</u>



# ***DIVISION OF THE LOTTERY***

## ***MISSION***

In 1966, New Yorkers approved a constitutional amendment to authorize a State Lottery in support of education. The Division of the Lottery raises revenue through the sale and marketing of Lottery 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 assigned to the regional offices around the State, 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 350 staff in the 2006-07 fiscal year.

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

Lottery games have raised in excess of \$28 billion in revenues for education since the Lottery's inception in 1967. In 2006-07, approximately \$2 billion will be available for education. The Division's costs are supported entirely with Lottery revenues. The 2006-07 Executive Budget recommends \$128 million to support Lottery operations. By law, no more than 15 percent of gross traditional Lottery sales and ten percent of Video Lottery net machine income 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 16,000 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 approximately 40 new Instant games during 2006-07, with ticket prices starting at \$1.

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 3,550 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". Currently, 12 states including New York participate. Mega Millions' first drawing occurred on May 17, 2002.

The 2006-07 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 with five VLT gaming facilities currently operational. The 2006-07 Executive Budget also provides the necessary funding for the video lottery program's continued operation and implementation.

# LOTTERY

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	124,235,000	128,235,000	4,000,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	124,235,000	128,235,000	4,000,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	314	314	0
Administration of the Lottery			
Special Revenue Funds - Other	27	36	9
Total	341	350	9

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	124,235,000	128,235,000	4,000,000
Total	124,235,000	128,235,000	4,000,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration of the Lottery			
Special Revenue Funds - Other	124,235,000	128,235,000	4,000,000
Total	124,235,000	128,235,000	4,000,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration of the Lottery	128,235,000	4,000,000	25,060,000	0
Total	128,235,000	4,000,000	25,060,000	0

Program	Nonpersonal Service	
	Amount	Change
Administration of the Lottery	103,175,000	4,000,000
Administration of the Lottery	103,175,000	4,000,000
Total	103,175,000	4,000,000



# ***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 six subsidiaries: MTA Staten Island Rapid Transit, MTA Long Island Rail Road, MTA Long Island Bus, MTA Metro North Railroad, MTA Bus 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 appropriations made directly to the MTA are in addition to the total \$2.2 billion subsidy provided by the State to the Metropolitan Transportation Authority that is appropriated in the Department of Transportation's Aid to Localities budget. Funds appropriated directly to the MTA include new appropriations and reappropriations from the Rebuild and Renew New York Bond Act of 2005, approved by voters in November 2005, which provided \$1.45 billion of capital aid from SFYs 2005-06 through 2009-10.

## ***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 systems in the nation, provide transportation for travelers entering New York City from outlying suburban areas in New York State and Connecticut. Over two billion passengers ride the subways, buses and commuter rail systems each year.

# **METROPOLITAN TRANSPORTATION**

## **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 a feeder service to the subway. In September 2004, the MTA Board created the MTA Bus Company. Pursuant to an agreement with the City, the MTA will assume operation of bus service in the areas previously serviced by the franchised private bus lines. Specifically, the MTA will be responsible for all aspects of service delivery; the City of New York will pay to the MTA the difference between the actual cost of operations and all revenues. The MTA commenced operation of service in the area formerly operated by four of the private lines in 2005, with the balance of the service expected to be conveyed to the MTA by the end of February 2006.

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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	0	0	0	0
Aid To Localities	646,000,000	644,700,000	(1,300,000)	0
Capital Projects	232,000,000	297,000,000	65,000,000	268,000,000
Total	878,000,000	941,700,000	63,700,000	268,000,000

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	646,000,000	644,700,000	(1,300,000)
Total	646,000,000	644,700,000	(1,300,000)

# METROPOLITAN TRANSPORTATION

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Dedicated Tax			
Special Revenue Funds - Other	646,000,000	644,700,000	(1,300,000)
Total	<u>646,000,000</u>	<u>644,700,000</u>	<u>(1,300,000)</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>	<u>Reappropriations 2006-07</u>
Mass Transportation and Rail Freight				
Metropolitan Transportation Authority				
Capital Projects Fund - Advances	0	0	0	36,000,000
Urban and Commuter Mass Transportation Bondable				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	232,000,000	297,000,000	65,000,000	232,000,000
Total	<u>232,000,000</u>	<u>297,000,000</u>	<u>65,000,000</u>	<u>268,000,000</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 to 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 29 district and branch offices which issue licenses and registrations. In addition, County Clerk offices act as DMV agents at 101 locations throughout the State.

Approximately 99 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 one percent is funded with Federal grants.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Dedicated Highway and Bridge Trust Fund, supported primarily by revenues from motor vehicle fees, highway use and motor fuel taxes, will fund \$191 million, or 59 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 \$20 million, or seven percent due to increasing salary and inflation costs; expanded operational responsibilities such as the Driver Responsibility Program; new initiatives such as the Internet Point Insurance Reduction Program (IPIRP) and customer service kiosk pilot programs; and additional appropriations for internal service and fiduciary activities.

## **PROGRAM HIGHLIGHTS**

### **CUSTOMER SERVICE**

DMV issues drivers 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.

The Department continues to enhance its Internet website to provide customers an alternative means for transacting Department business. Through the convenience of personal computers, more than one million transactions per year are processed via the DMV website. Through 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. In State fiscal year 2006-07, DMV will implement a new web-enabled Internet Point Insurance Reduction Program (IPIRP) to allow drivers to reduce the points on their licenses through successful completion of an Internet driver safety course.

## ***MOTOR VEHICLES***

Customers can also check the status of their plate or title orders, schedule their road tests, pay certain fines, and obtain information and instructions from DMV's Right Now Web knowledge base. Businesses can order supplies of inspection stickers and post lien information.

Providing office customers more efficient service remains a high priority for the Department. To that end, a new customer-service kiosk program will be implemented in several high-volume DMV offices in 2006-07. Kiosks will offer customers high-speed processing of standard DMV transactions, providing an attractive alternative to counter-service and reducing overall wait-times.

## ***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 Click It or Ticket enforcement campaign, which has increased seatbelt usage to over 90 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 2006-07, DMV will continue the "Driver Responsibility Program" that established 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. The Driver Responsibility Program imposes monetary penalties upon drivers that are found to be repeatedly in violation of the State's vehicle and traffic laws and those who put responsible New York drivers at risk of injury and death.

## ***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.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	100,525,000	117,301,000	16,776,000	20,628,000
Aid To Localities	14,000,000	14,400,000	400,000	21,400,000
Capital Projects	188,701,000	191,419,000	2,718,000	0
Total	303,226,000	323,120,000	19,894,000	42,028,000

# MOTOR VEHICLES

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

Full-Time Equivalent Positions (FTE)			
Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administrative Adjudication			
Special Revenue Funds - Other	442	442	0
Clean Air			
Special Revenue Funds - Other	177	271	94
Compulsory Insurance			
Special Revenue Funds - Other	212	212	0
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	27	27	0
Transportation Safety			
Special Revenue Funds - Other	1	1	0
Transportation Support			
Capital Projects Funds - Other	1,903	1,822	(81)
Total	2,762	2,775	13

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	14,000,000	14,400,000	400,000
Special Revenue Funds - Other	78,025,000	92,401,000	14,376,000
Internal Service Funds	8,500,000	10,500,000	2,000,000
Total	100,525,000	117,301,000	16,776,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
Special Revenue Funds - Other	2,000,000	3,000,000	1,000,000
Internal Service Funds	8,500,000	10,500,000	2,000,000
Administrative Adjudication			
Special Revenue Funds - Other	41,166,000	43,696,000	2,530,000
Clean Air			
Special Revenue Funds - Other	15,719,000	24,787,000	9,068,000
Compulsory Insurance			
Special Revenue Funds - Other	17,598,000	18,737,000	1,139,000
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	14,000,000	14,400,000	400,000
Transportation Safety			
Special Revenue Funds - Other	1,542,000	2,181,000	639,000
Total	100,525,000	117,301,000	16,776,000

# MOTOR VEHICLES

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	13,500,000	3,000,000	0	0
Administrative Adjudication	43,696,000	2,530,000	22,084,000	1,545,000
Clean Air	24,787,000	9,068,000	13,911,000	5,126,000
Compulsory Insurance	18,737,000	1,139,000	9,309,000	683,000
Governors Traffic Safety Committee	14,400,000	400,000	480,000	14,000
Transportation Safety	2,181,000	639,000	184,000	72,000
Total	117,301,000	16,776,000	45,968,000	7,440,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	3,000,000	1,000,000	10,500,000	2,000,000
Administrative Adjudication	21,612,000	985,000	0	0
Clean Air	10,876,000	3,942,000	0	0
Compulsory Insurance	9,428,000	456,000	0	0
Governors Traffic Safety Committee	292,400	14,400	13,627,600	371,600
Transportation Safety	1,997,000	567,000	0	0
Total	47,205,400	6,964,400	24,127,600	2,371,600

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	14,000,000	14,400,000	400,000
Total	14,000,000	14,400,000	400,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Governors Traffic Safety Committee			
Special Revenue Funds - Federal	14,000,000	14,400,000	400,000
Total	14,000,000	14,400,000	400,000

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Transportation Support				
Dedicated Highway and Bridge Trust Fund	188,701,000	191,419,000	2,718,000	0
Total	188,701,000	191,419,000	2,718,000	0



# **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 200 and employs up to 1,115 full- and part-time hourly workers, depending on the season.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

In 2006-07, State tax dollars from the General Fund will finance 27 percent, or \$7.9 million, of the Authority's \$29.2 million operating budget. State funding supplements \$19.6 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$801,988 from the Town of North Elba; \$420,000 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 2004-05, the Olympic facilities at Lake Placid received more than 800,000 visitors. The Authority hosts numerous national and international athletic and entertainment events. In 2004-05 major events included: the 25<sup>th</sup> Anniversary of the 1980 Lake Placid Olympics; the Lake Placid Synchronized Skating Classic; the International Skating Institute Figure Skating Competition; Four Nations Cup Women's Hockey; World Cup Skeleton and Women's World Cup Bobsled; World Cup Luge; US Snowboard Cup; Junior National Figure Skating Championships; Synchronized Skating Championships; World Cup Freestyle Skiing; Disney on Ice; Bobsled World Championships; World Cup Biathlon; Empire State Winter Games; and several festivals and shows. 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 280,000 visitors in the 2004-05 ski season; and over 120,000 visitors for off-season activities such as mountain biking and sightseeing tours.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	8,750,000	8,386,000	(364,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	8,750,000	8,386,000	(364,000)	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	8,350,000	7,986,000	(364,000)
Special Revenue Funds - Other	400,000	400,000	0
Total	8,750,000	8,386,000	(364,000)

#### Adjustments:

Prior Year Deficiency	
Olympic Regional Development Authority	
General Fund	1,700,000
Recommended Deficiency	
Olympic Regional Development Authority	
General Fund	(1,000,000)
Appropriated 2005-06	9,450,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	8,350,000	7,986,000	(364,000)
Special Revenue Funds - Other	400,000	400,000	0
Total	8,750,000	8,386,000	(364,000)

### STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Operations	7,986,000	(364,000)	7,986,000	(364,000)
Total	7,986,000	(364,000)	7,986,000	(364,000)

# OLYMPIC REGIONAL DEVELOPMENT

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**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	400,000	0	200,000	0
Total	400,000	0	200,000	0
<b>Maintenance Undistributed</b>				
<b>Program</b>	<b>Amount</b>		<b>Change</b>	
Operations	200,000	0		
Total	200,000	0		



# **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 172 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 recreational 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 bird conservation, wildlife habitat, historic properties and natural areas.

## **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, which includes executive staff and other administrative support functions, is located in Albany.

For fiscal year 2006-07, the Office will have a workforce of 1,607. More than 5,000 temporary and seasonal employees supplement the permanent staff in the peak summer season.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget recommends more than \$259 million for the Office's programs, including \$120 million in General Fund moneys and more than \$86 million in fee revenues. These funds will support the 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 2005-06 level. In addition, \$6 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 by providing 59.9 percent of its funding. The remaining 40.1 percent is provided by a variety of sources, including:

- User fees at the parks (36.4 percent);
- Federal grants for activities related to the use of recreational vehicles and land and water conservation (2.4 percent); and
- Other miscellaneous funds, including moneys earmarked for historic sites, arboretums and the Empire State Games (1.3 percent).

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 launching sites, 18 nature centers, 817 cabins and 8,355 campsites. The Office also maintains hundreds of miles of roads and over 1,350 miles of trails, expansive utility systems, 106 dams and 604 bridges.

## **PARKS, RECREATION AND HISTORIC PRESERVATION**

For 2006-07, appropriations of \$31.2 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 \$10 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 2006-07, the EPF will provide over \$15 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 2006-07 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 his 2004 State of the State address, the Governor committed to opening 5 new State Parks in the next 2 years and opening or expanding 20 State Parks in the next 5 years. The recent acquisitions of Robert Riddell State Park in Otsego County and Amsterdam Beach on Long Island and the opening of Two Rivers State Park in Tioga County continue this historic expansion of the State Park 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 172 parks. Seasonal and full-time personnel are assigned to specific facilities in one of the Office's 11 regions. Staff includes a statewide police force, 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)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	179,356,900	194,498,900	15,142,000	13,277,900
Aid To Localities	17,320,000	14,870,000	(2,450,000)	31,149,000
Capital Projects	72,825,000	49,800,000	(23,025,000)	147,767,000
Total	<u>269,501,900</u>	<u>259,168,900</u>	<u>(10,333,000)</u>	<u>192,193,900</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	81	81	0
Historic Preservation			
General Fund	137	145	8
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	1	1	0
Park Operations			
General Fund	1,079	1,087	8
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>1,591</u>	<u>1,607</u>	<u>16</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	104,927,100	116,593,100	11,666,000
Special Revenue Funds - Federal	4,700,900	4,700,900	0
Special Revenue Funds - Other	67,228,900	70,704,900	3,476,000
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>179,356,900</u>	<u>194,498,900</u>	<u>15,142,000</u>

Adjustments:	
Transfer(s) From	
Homeland Security - Miscellaneous	
Unspecified Funds	(1,057,000)
Appropriated 2005-06	<u>178,299,900</u>

# **PARKS, RECREATION AND HISTORIC PRESERVATION**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	6,422,900	6,828,900	406,000
Special Revenue Funds - Federal	500,000	1,000,000	500,000
Historic Preservation			
General Fund	9,878,100	10,939,300	1,061,200
Special Revenue Funds - Federal	1,200,900	1,200,900	0
Special Revenue Funds - Other	124,000	131,000	7,000
Park Operations			
General Fund	86,269,500	96,369,500	10,100,000
Special Revenue Funds - Federal	3,000,000	2,500,000	(500,000)
Special Revenue Funds - Other	67,104,900	70,573,900	3,469,000
Recreation Services			
General Fund	2,356,600	2,455,400	98,800
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>179,356,900</u>	<u>194,498,900</u>	<u>15,142,000</u>

## **STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 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	4,888,800	106,000	4,827,300	104,000
Historic Preservation	9,161,700	753,200	7,115,974	585,200
Park Operations	83,204,200	5,175,000	55,516,406	3,431,000
Recreation Services	670,900	23,800	557,857	19,802
Total	<u>97,925,600</u>	<u>6,058,000</u>	<u>68,017,537</u>	<u>4,140,002</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	23,100	1,000	38,400	1,000
Historic Preservation	1,959,568	161,200	86,158	6,800
Park Operations	25,483,920	1,604,000	2,203,874	140,000
Recreation Services	89,310	3,165	23,733	833
Total	<u>27,555,898</u>	<u>1,769,365</u>	<u>2,352,165</u>	<u>148,633</u>



# PARKS, RECREATION AND HISTORIC PRESERVATION

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,940,100	300,000	143,800	22,000
Historic Preservation	1,777,600	308,000	387,320	74,000
Park Operations	13,165,300	4,925,000	1,992,076	749,000
Recreation Services	1,784,500	75,000	261,800	11,000
Total	18,667,500	5,608,000	2,784,996	856,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	112,700	17,000	1,683,600	261,000
Historic Preservation	63,865	12,200	648,640	123,800
Park Operations	1,797,806	675,000	7,542,550	2,832,000
Recreation Services	126,800	5,000	1,380,300	58,000
Total	2,101,171	709,200	11,255,090	3,274,800

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	0	0
Historic Preservation	157,775	30,000	520,000	68,000
Park Operations	1,832,868	669,000	0	0
Recreation Services	15,600	1,000	0	0
Total	2,006,243	700,000	520,000	68,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,000,000	500,000	0	(150,000)
Historic Preservation	1,331,900	7,000	669,500	(52,500)
Park Operations	73,073,900	2,969,000	26,899,100	559,500
Recreation Services	2,500,000	0	0	0
Total	77,905,800	3,476,000	27,568,600	357,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,000,000	650,000	0	0
Historic Preservation	662,400	59,500	0	0
Park Operations	42,973,800	1,109,500	3,201,000	1,300,000
Recreation Services	2,500,000	0	0	0
Total	47,136,200	1,819,000	3,201,000	1,300,000

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	4,950,000	3,500,000	(1,450,000)
Special Revenue Funds - Federal	6,620,000	5,620,000	(1,000,000)
Special Revenue Funds - Other	5,750,000	5,750,000	0
Total	17,320,000	14,870,000	(2,450,000)

# PARKS, RECREATION AND HISTORIC PRESERVATION

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	3,500,000	3,500,000	0
Historic Preservation			
Special Revenue Funds - Federal	120,000	120,000	0
Natural Heritage Trust			
General Fund	1,450,000	0	(1,450,000)
Park Operations			
Special Revenue Funds - Federal	4,000,000	3,500,000	(500,000)
Special Revenue Funds - Other	5,750,000	5,750,000	0
Recreation Services			
Special Revenue Funds - Federal	2,500,000	2,000,000	(500,000)
Total	<u>17,320,000</u>	<u>14,870,000</u>	<u>(2,450,000)</u>

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Parks EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	5,242,000
Natural Heritage Trust				
Capital Projects Fund	0	0	0	300,000
Federal Capital Projects Fund				
Federal Capital Projects Fund	4,000,000	4,000,000	0	13,737,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	0	0	0	366,000
Fiduciary Funds - Misc. Combined Expendable Trust Fund	25,000,000	10,000,000	(15,000,000)	39,740,000
State Parks Infrastructure Fund	42,075,000	31,200,000	(10,875,000)	81,768,000
Misc. Capital Projects	1,750,000	4,600,000	2,850,000	5,601,000
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>72,825,000</u>	<u>49,800,000</u>	<u>(23,025,000)</u>	<u>147,767,000</u>

# ***NEW YORK STATE PUBLIC AUTHORITIES***

Public authorities are statutorily created agents of State and local government, established primarily to finance, build, manage or improve specific capital facilities and public purposes. Enacted into law as independent and autonomous public benefit corporations, public authorities are governed by boards of directors whose members serve by virtue of their public positions or are appointed by the Governor, the Legislature or local officials of involved municipalities. With their statutorily granted management and operating flexibility, public authorities are an effective means to address public needs, which may not otherwise be met within the limitations imposed on agencies. Public authorities derive their powers and responsibilities from the legislation by which they are established.

As part of the Governor's continuing government reform agenda, the Legislature enacted the Public Authorities Accountability Act in 2005. This law opens the operations and financial dealings of public authorities to enhanced public scrutiny. State and local public authorities must now adopt accepted standards of corporate governance, disclose their budgets, indebtedness, independent audit reports and activities and follow prescribed procedures for the custody, control and disposition of real property.

To assure compliance with these and other statutory requirements, the Governor will establish the Authority Budget Office within the Division of the Budget. Consistent with the Act, this Office will study, review and report on the operations, practices and finances of public authorities and will assist public authorities improve their practices for disclosing information to the public. The Authority Budget Office is also authorized to make recommendations to the Governor and the Legislature concerning the performance, structure and oversight of public authorities. These actions will strengthen public confidence in the integrity, accountability and transparency of public authorities, their boards of directors and executive management.

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***

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

## ***ENERGY AND ENVIRONMENT***

Energy Research and Development Authority  
Environmental Facilities Corporation

## ***HOUSING AND FINANCE***

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

## ***REGIONAL TRANSPORTATION***

Metropolitan Transportation Authority

## ***PUBLIC AUTHORITIES***

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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 is a bi-national entity which owns and operates the “Peace Bridge,” crossing the Niagara River between Buffalo and Fort Erie, Ontario. The Authority is mainly financed through toll revenue and property lease revenue.

#### ***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 lower Hudson River. The Authority is mainly financed through toll revenue.

#### ***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 facilities. The Authority is mainly financed through toll revenue and service fees.

### ***ECONOMIC DEVELOPMENT AUTHORITIES***

#### ***Battery Park City Authority***

The Battery Park City Authority (BPCA) is a public benefit corporation charged with the management and development of Battery Park City, a 92-acre mixed-use community located on the southwest tip of Manhattan, across from the World Trade Center site. The Authority generates revenues by leasing individual plots of land to private developers through a public bid process. It collects rents and real estate tax equivalency payments to support its operations.

The Authority’s adoption of environmental building guidelines in early 2000 resulted in the construction of the nation’s first sustainable residential high-rise. When Battery Park City is completed, it will contain nearly five million square feet of sustainable construction - the largest concentration of “green” buildings in the world.

#### ***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 more than 1,400 circuit miles of transmission lines. 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 and responsibility 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 purchasing services for higher and secondary education, not-for-profit health care, judicial and other not-for-profit 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 (MAC) 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 financial affairs. As of November 2004, the Sales Tax Asset Receivable Corporation (STAR-C), a local development corporation organized by the City of New York, has issued bonds and funded an escrow account in order to “economically defease” MAC’s remaining bondholder obligations. MAC, however, will continue to remain in existence until July 1, 2008 to monitor the escrow and perform other corporate duties as required by its enabling legislation.

### ***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 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.

## ***PUBLIC AUTHORITIES***

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### ***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 aid to municipalities 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.

### ***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.

## ***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 15 buildings, which house companies providing approximately 900 jobs. Its marine terminal provides the North Country’s mining industries with economically priced export capabilities and provides road salt to New York State Department of Transportation and municipalities in Lewis, Jefferson, St. Lawrence and Franklin counties.

### ***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 (CDTA) provides public transportation service within Albany, Rensselaer, Saratoga and Schenectady counties. State funding for the CDTA 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 (CNYRTA) provides public transportation service within Central New York through four subsidiary corporations: CNY Centro (Onondaga County); Centro of Oswego (Oswego County); Centro of Oneida (Oneida County); and Centro of Cayuga (Cayuga County). State funding for CNYRTA is provided through appropriations to the New York State Department of Transportation.

***Niagara Frontier Transportation Authority***

The Niagara Frontier Transportation Authority (NFTA) oversees the operations of a public transportation system providing bus, rail and paratransit services in Niagara and Erie counties. The Authority also operates the Buffalo Niagara International Airport, a primary commercial airport and the Niagara Falls International Airport, a joint-use military/general aviation airport that serves as a reliever airport. Additionally, the NFTA operates 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 NFTA is provided through appropriations to the New York State Department of Transportation.

***Rochester-Genesee Regional Transportation Authority***

The Rochester-Genesee Regional Transportation Authority (RGRTA) provides public transportation service in the counties of Genesee, Livingston, Monroe, Orleans, Seneca, Wayne and Wyoming. The Authority operates the Regional Transit Service (Rochester area), Wayne Area Transportation System, Livingston Area Transportation Service, Orleans Transit Service Inc., Seneca Transit Service Inc., Wyoming Transportation Service and Batavia Bus Service. State funding for RGRTA 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**  
**2005 AND 2006**  
**(thousands of dollars)**

Authorities by Function	Fiscal Year Begins	2005				2006			
		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	36,666	14,281	2,924	19,461	33,505	14,792	1,900	16,813
New York State Bridge Authority	Jan. 1	40,967	23,701	8,187	9,079	41,629	24,159	8,191	9,279
Thousand Islands Bridge Authority	Mar. 1	9,656	6,241	740	2,675	9,997	6,815	739	2,443
Thruway Authority <sup>d/</sup>	Jan. 1	594,107	360,341	109,339	124,427	611,838	389,475	131,402	90,961
<b>ECONOMIC DEVELOPMENT</b>									
Battery Park City Authority	Nov. 1	192,349	37,978	4,933	149,438	190,059	33,167	37,653	119,239
Development Authority of the North Country	April 1	16,648	12,820	3,828	0	17,146	13,202	3,944	0
Empire State Development Corporation	April 1	698,839	82,742	616,097	0	703,093	55,188	663,428	(15,523)
Job Development Authority	April 1	13,152	595	3,287	9,270	11,971	590	8,588	2,793
United Nations Development Corporation	Jan. 1	33,235	26,601	6,634	0	34,220	27,586	6,634	0
<b>ENERGY AND ENVIRONMENT</b>									
Energy Research and Development Authority	April 1	263,735	255,028	8,707	0	252,111	245,846	6,265	0
Environmental Facilities Corporation	April 1	668,278	18,851	643,781	5,646	673,331	20,358	646,691	6,282
Long Island Power Authority	Jan. 1	3,276,725	2,731,205	525,520	20,000	3,735,331	3,086,180	574,151	75,000
Power Authority <sup>d/</sup>	Jan. 1	2,332,400	2,056,800	298,200	(22,600)	2,644,300	2,285,100	372,700	(13,500)
<b>HOUSING, HEALTH AND FINANCE</b>									
Dormitory Authority	April 1	2,855,388	91,051	2,764,337	0	3,265,070	91,698	3,173,372	0
Housing Finance Agency	Nov. 1	828,044	34,456	789,418	4,170	489,238	43,767	441,131	4,340
Local Government Assistance Corporation	April 1	348,000	18,000	330,000	0	373,000	18,000	355,000	0
Mortgage Agency	Nov. 1	729,552	148,984	580,568	0	669,165	149,835	519,330	0
Municipal Assistance Corporation for the City of New York <sup>e/</sup>	July 1	31,636	10,345	0	21,291	31,291	27,081	0	4,210
Municipal Assistance Corporation for the City of Troy	Jan. 1	5,616	26	5,590	0	5,912	49	5,863	0
Nassau County Interim Finance Authority <sup>f/</sup>	Jan. 1	124,753	1,413	123,340	0	127,220	1,450	125,770	0
Municipal Bond Bank Agency	Nov. 1	40,948	373	40,575	0	44,043	315	43,728	0
Tobacco Settlement Financing Corporation	Nov. 1	439,232	1,660	437,572	0	439,700	1,710	437,990	0
Buffalo Fiscal Stability Authority	July 1	236,037	1,025	52,707	182,305	213,797	1,470	56,938	155,389



## PUBLIC AUTHORITIES

**TABLE 1**  
**FINANCIAL OPERATIONS <sup>a/</sup> OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2005 AND 2006**  
**(thousands of dollars)**

Authorities by Function	Fiscal Year Begins	2005				2006			
		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	3,944	3,737	140	67	4,331	3,924	140	267
Ogdensburg Bridge and Port Authority	April 1	5,090	3,812	1,028	250	5,004	3,878	1,070	56
Port Authority of New York and New Jersey <sup>c/</sup>	Jan. 1	3,306,880	2,196,466	592,063	518,351	3,632,753	2,284,039	779,394	569,320
Port of Oswego Authority	April 1	2,700	1,650	125	925	2,000	1,410	175	415
<b>REGIONAL TRANSPORTATION</b>									
Capital District Transportation Authority	April 1	56,763	56,763	0	0	55,094	61,432	0	(6,338)
Central New York Regional Transportation Authority	April 1	43,493	45,968	28	(2,503)	43,756	48,977	49	(5,270)
Metropolitan Transportation Authority <sup>d/</sup>	Jan. 1	9,729,100	8,228,700	1,038,200	462,200	9,939,500	8,379,000	1,340,100	220,400
Niagara Frontier Transportation Authority	April 1	148,968	135,577	10,734	2,657	151,607	143,223	10,270	(1,886)
Rochester-Genesee Regional Transportation Authority	April 1	56,538	62,137	0	(5,599)	51,334	65,083	0	(13,749)
<b>GRAND TOTAL</b>		<b>27,169,439</b>	<b>16,669,327</b>	<b>8,998,602</b>	<b>1,501,510</b>	<b>28,502,346</b>	<b>17,528,799</b>	<b>9,752,606</b>	<b>1,220,941</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, by management actions, and/or by levels of State aid greater than anticipated by the authority.

<sup>c/</sup> Excludes debt service for bonds sold to finance State transportation programs.

<sup>d/</sup> Deficits are to be financed from existing resources.

<sup>e/</sup> As of November 2004, the Sales Tax Asset Receivable Corporation, a local development corporation organized by the City of New York, has issued bonds and funded an escrow account in order to "economically defease" the Municipal Assistance Corporation for the City of New York's remaining bondholder obligations. Surplus revenues are traditionally transferred to the City of New York. The current surplus includes funds to pay a federal rebate of \$17 million due in July, 2006.

<sup>f/</sup> Surplus funds of the Authority are remitted immediately to Nassau County as required under the NIFA Act.

<sup>g/</sup> All estimates are preliminary and are subject to change.

<sup>h/</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**  
**2005 AND 2006**  
**(thousands of dollars)**

Authorities by Function	2005			2006		
	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	21,403	40,238	0	21,729	35,648	0
New York State Bridge Authority	23,500	47,518	0	15,265	33,891	0
Thousand Islands Bridge Authority	4,311	4,311	0	4,848	4,848	0
Thruway Authority	283,144	259,925	23,219	394,733	192,108	202,625
<b>ECONOMIC DEVELOPMENT</b>						
Battery Park City Authority	22,300	90,000	150,000	41,300	176,400	0
Development Authority of the North Country	0	0	0	0	0	0
Empire State Development Corporation	286,600	0	474,375	332,500	0	0
Job Development Authority	10,000	8,890	1,110	10,000	(7,566)	7,566
United Nations Development Corporation	4,671	14,876	0	10,410	16,505	0
<b>ENERGY AND ENVIRONMENT</b>						
Energy Research and Development Authority	11,350	0	11,350	14,000	0	14,000
Environmental Facilities Corporation	597,725	0	597,725	1,065,577	0	1,065,577
Long Island Power Authority	231,000	231,000	0	273,000	83,000	190,000
Power Authority	341,101	147,231	193,870	270,733	176,224	94,509
<b>HOUSING, HEALTH AND FINANCE</b>						
Dormitory Authority	1,675,037	3,020,300	2,678,340	2,527,218	4,023,604	3,403,448
Housing Finance Agency	824,320	404,880	1,124,347	1,287,334	704,923	1,200,000
Local Government Assistance Corporation	0	0	0	0	0	0
Mortgage Agency	388,774	40,072	354,025	376,000	17,728	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>	0	0	0	0	0	0
Municipal Bond Bank Agency	0	0	0	0	0	0
Tobacco Settlement Financing Corporation	0	0	0	0	0	0
Buffalo Fiscal Stability Authority	28,030	0	28,030	30,000	0	30,000

**TABLE 2  
CAPITAL PROGRAMS <sup>a/</sup> OF NEW YORK STATE PUBLIC AUTHORITIES  
2005 AND 2006  
(thousands of dollars)**

<b>Authorities by Function</b>	<b>2005</b>			<b>2006</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	500	500	0	500	500	0
Ogdensburg Bridge and Port Authority	9,077	1,370	(7,707)	7,095	137	(6,958)
Port Authority of New York and New Jersey <sup>d/</sup>	1,236,217	1,313,590	257,095	1,841,163	1,502,423	1,365,630
Port of Oswego Authority	270	270	0	500	2,270	250
<b>REGIONAL TRANSPORTATION</b>						
Capital District Transportation Authority	19,990	19,990	0	13,567	13,567	0
Central New York Regional Transportation Authority	7,709	7,709	0	19,587	19,587	0
Metropolitan Transportation Authority <sup>e/</sup>	4,927,900	1,517,000	3,410,800	5,104,700	2,807,700	2,297,000
Niagara Frontier Transportation Authority	59,999	59,999	0	76,761	76,761	0
Rochester-Genesee Regional Transportation Authority	16,444	35,420	0	36,450	26,459	0
<b>GRAND TOTAL</b>	<b>11,031,372</b>	<b>7,265,089</b>	<b>9,296,579</b>	<b>13,774,970</b>	<b>9,906,717</b>	<b>10,263,647</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.

<sup>d/</sup> All estimates are preliminary and are subject to change.

<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, 2005  
(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	44,120	44,120	582	0	0	0
New York State Bridge Authority	100,000	83,522	73,425	0	0	0	0
Thousand Islands Bridge Authority	Unlimited	5,745	3,225	0	0	0	0
Thruway Authority	Unlimited	18,102,587	10,621,116	525,000	0	0	0
<b>ECONOMIC DEVELOPMENT</b>							
Battery Park City Authority <sup>a/</sup>	810,000	0	1,068,346	0	0	0	0
Development Authority of the North Country	Unlimited	49,424	35,320	0	0	0	0
Empire State Development Corporation	8,854,327	8,223,407	6,494,867	12,450	0	0	0
Job Development Authority	750,000	726,080	48,310	15,000	0	0	0
United Nations Development Corporation	Unlimited	260,728	128,258	0	75,000	37,980	0
<b>ENERGY AND ENVIRONMENT</b>							
Energy Research and Development Authority	Unlimited	7,767,395	3,671,845	0	0	0	0
Environmental Facilities Corporation	Unlimited	9,791,000	6,957,000	0	0	0	0
Long Island Power Authority	Unlimited	10,892,468	7,019,855	100,000	0	0	0
Power Authority	Unlimited	7,130,690	1,435,280	855,418	0	0	0
<b>HOUSING, HEALTH AND FINANCE</b>							
Dormitory Authority	Unlimited	72,417,654	31,099,055	161,865	926,015	698,660	15,545
Housing Finance Agency <sup>b/</sup>	17,611,000	14,239,066	6,894,778	0	4,806,305	6,524,379	77,993
Local Government Assistance Corporation	4,700,000	6,920,825	4,317,218	0	0	0	0
Mortgage Agency	7,470,000	12,349,173	2,873,246	0	0	0	0
Municipal Assistance Corporation for the City of New York <sup>c/</sup>	11,500,000	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	75,000	69,583	66,478	0	0	0	0
Nassau County Interim Finance Authority	Unlimited	2,363,460	1,994,925	0	0	0	0
Municipal Bond Bank Agency	1,000,000	620,550	560,030	0	0	0	0
Tobacco Settlement Financing Corporation	4,200,000	4,551,120	4,278,290	0	0	0	0
Buffalo Fiscal Stability Authority	Unlimited	100,790	98,805	40,000	0	0	0

## PUBLIC AUTHORITIES

**TABLE 3**  
**DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES**  
**AS OF SEPTEMBER 30, 2005**  
 (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	718	0	0	0
Ogdensburg Bridge and Port Authority	Unlimited	0	0	1,487	0	0	0
Port Authority of New York and New Jersey	Unlimited	15,522,099	9,825,135	778,735	0	0	0
Port of Oswego Authority	Unlimited	0	0	345	0	0	0
<b>REGIONAL TRANSPORTATION</b>							
Capital District Transportation Authority	Unlimited	0	0	0	0	0	0
Central New York Regional Transportation Authority	Unlimited	0	0	0	0	0	0
Metropolitan Transportation Authority <sup>a/</sup>	49,500,000	15,038,505	14,086,190	720,000	0	0	0
Niagara Frontier Transportation Authority	Unlimited	199,334	188,112	5,032	0	0	0
Rochester-Genesee Regional Transportation Authority	Unlimited	0	0	0	0	0	0
<b>GRAND TOTAL</b>		<b>207,469,325</b>	<b>113,883,229</b>	<b>3,216,632</b>	<b>5,807,320</b>	<b>7,261,019</b>	<b>93,538</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> As of November 2004, the Sales Tax Asset Receivable Corporation, a local development corporation organized by the City of New York, has issued bonds and funded an escrow account in order to "economically defease" the Municipal Assistance Corporation for the City of New York's remaining bondholder obligations.

<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**  
**2005 AND 2006-07**  
 (thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2005 <sup>a/</sup>			Outstanding Reimbursable State Appropriations, 2005	State Appropriations Requested in Support of Authority Programs, 2006-07 <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	44,120	0	0	0	0	0	0
New York State Bridge Authority	73,425	0	0	0	0	0	0
Thousand Islands Bridge Authority	3,225	0	0	0	0	0	0
Thruway Authority	10,621,116	0	0	0	4,000	6,501	10,501
<b>ECONOMIC DEVELOPMENT</b>							
Battery Park City Authority	1,068,346	0	0	0	0	0	0
Development Authority of the North Country	35,320	0	0	0	0	0	0
Empire State Development Corporation	6,494,867	0	0	0	227,758	318,241	545,999
Job Development Authority	0	48,310	0	0	0	0	0
United Nations Development Corporation	128,258	0	0	0	0	0	0
<b>ENERGY AND ENVIRONMENT</b>							
Energy Research and Development Authority	3,671,845	0	0	0	28,806	0	28,806
Environmental Facilities Corporation	6,957,000	0	0	11,571	13,118	4,355	17,473
Long Island Power Authority	7,019,855	0	0	0	0	0	0
Power Authority	1,435,280	0	0	0	0	0	0
<b>HOUSING, HEALTH AND FINANCE</b>							
Dormitory Authority	31,083,510	0	15,545	0	0	0	0
Housing Finance Agency	6,816,785	0	77,993	0	0	0	0
Local Government Assistance Corporation	4,317,218	0	0	0	373,000	0	373,000
Mortgage Agency	2,873,246	0	0	0	0	0	0
Municipal Assistance Corporation for the City of New York	0	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	66,478	0	0	0	0	0	0
Nassau County Interim Finance Authority	1,994,925	0	0	0	0	0	0
Municipal Bond Bank Agency	560,030	0	0	0	0	0	0
Tobacco Settlement Financing Corporation	4,278,290	0	0	0	0	0	0
Buffalo Fiscal Stability Authority	98,805	0	0	0	0	0	0

## PUBLIC AUTHORITIES

**TABLE 4**  
**STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS**  
**OF NEW YORK STATE PUBLIC AUTHORITIES**  
**2005 AND 2006-07**  
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2005 <sup>a/</sup>			Outstanding Reimbursable State Appropriations, 2005	State Appropriations Requested in Support of Authority Programs, 2006-07 <sup>b/</sup>		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Appropriations	Reappropriations	Total
<b>PORT DEVELOPMENT</b>							
Albany Port District Commission	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	9,825,135	0	0	0	0	0	0
Port of Oswego Authority	0	0	0	4,081	0	0	0
<b>REGIONAL TRANSPORTATION</b>							
Capital District Transportation Authority	0	0	0	0	28,377	0	28,377
Central New York Regional Transportation Authority	0	0	0	0	24,757	0	24,757
Metropolitan Transportation Authority <sup>c/</sup>	14,086,190	0	0	0	2,434,568	268,000	2,702,568
Niagara Frontier Transportation Authority	188,112	0	0	0	37,724	0	37,724
Rochester-Genesee Regional Transportation Authority	0	0	0	0	29,628	0	29,628
<b>GRAND TOTAL</b>	<b>113,741,381</b>	<b>48,310</b>	<b>93,538</b>	<b>34,882</b>	<b>3,201,736</b>	<b>597,097</b>	<b>3,798,833</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 2006-07 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 competitively priced, high quality utility services provided safely, cleanly and with maximum customer choice. 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. In addition, it 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, educate NYS consumers about the changing marketplace, 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 2006-07. The Department is funded almost entirely from utility and cable assessments.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 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 2006-07 operating budget includes funding of \$72 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. These funds can be accessed by local governments and community groups to fund intervention activities related to the siting review process.

The Department also receives Federal grants to perform pipeline safety activities.

## **PROGRAM HIGHLIGHTS**

The Department's highest priorities for the coming year will be:

- Expanding consumer outreach and education efforts regarding energy efficiency in response to rising prices;

## **PUBLIC SERVICE**

- Implementing a comprehensive plan to strengthen the safety of regulated electric utility systems in the State;
- Implementing a renewable energy policy designed to increase to at least 25 percent by 2013 the proportion of electricity sold to consumers in New York State that is generated from renewable resources;
- Implementing the recommendations resulting from the Commission's formal inquiry into the causes and impacts of the August 14, 2003 electricity blackout in the northeast;
- Increasing the security of critical utility infrastructures and cyber facilities and systems;
- Ensuring that adequate supplies of electricity and energy efficiency services and programs will be available until significant new baseload generation can be built; and
- Continuing the State's efforts to support the move toward competitive markets in the electric, telecommunications and gas industries.

The transition toward competition in the electric, telecommunications and gas industries 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	72,773,000	74,035,000	1,262,000	0
Aid To Localities	400,000	400,000	0	4,389,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>73,173,000</b>	<b>74,435,000</b>	<b>1,262,000</b>	<b>4,389,000</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</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 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Federal	1,691,000	1,691,000	0
Special Revenue Funds - Other	71,082,000	72,344,000	1,262,000
<b>Total</b>	<b>72,773,000</b>	<b>74,035,000</b>	<b>1,262,000</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	11,654,000	12,388,000	734,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,691,000	1,691,000	0
Special Revenue Funds - Other	59,428,000	59,956,000	528,000
Total	<u>72,773,000</u>	<u>74,035,000</u>	<u>1,262,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	12,388,000	734,000	6,419,000	424,000
Regulation of Utilities	61,647,000	528,000	33,845,000	105,000
Total	<u>74,035,000</u>	<u>1,262,000</u>	<u>40,264,000</u>	<u>529,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Administration	5,969,000	310,000
Regulation of Utilities	27,802,000	423,000
Total	<u>33,771,000</u>	<u>733,000</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</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 2005-06</b>	<b>Recommended 2006-07</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, the Seneca Nation's Seneca Niagara Casino in Niagara Falls and Seneca Alleghany Casino in Salamanca. 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 135 full time and as many as 165 per diem staff in the 2006-07 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 2006-07 Executive Budget recommends \$14 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, \$2.4 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 \$8.2 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

## **RACING AND WAGERING**

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.

### **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 the regulation and oversight of gaming activities operating on these Indian lands. To oversee these activities, the Board maintains 13 employees at the Oneida Nation's Turning Stone Casino, 13 employees at the St. Regis Mohawk Tribe's Akwesasne Casino, 13 employees at the Seneca Nation's Seneca Niagara Casino, and 12 employees at the Seneca Nation's Seneca Alleghany Casino. Should additional Indian casinos become operational this year, the 2006-07 Executive Budget provides funding necessary to support Board oversight at the new facilities.

### **REGULATION OF RACING**

The Board's permanent staff oversee as many as 165 temporary, seasonal 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.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	24,135,000	24,768,000	633,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>24,135,000</b>	<b>24,768,000</b>	<b>633,000</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>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Regulation of Racing			
Special Revenue Funds - Other	39	39	0
Regulation of Wagering			
Special Revenue Funds - Other	96	96	0
<b>Total</b>	<b>135</b>	<b>135</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	24,135,000	24,768,000	633,000
<b>Total</b>	<b>24,135,000</b>	<b>24,768,000</b>	<b>633,000</b>

# RACING AND WAGERING

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Regulation of Racing			
Special Revenue Funds - Other	13,598,000	14,052,000	454,000
Regulation of Wagering			
Special Revenue Funds - Other	10,537,000	10,716,000	179,000
Total	<u>24,135,000</u>	<u>24,768,000</u>	<u>633,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	14,052,000	454,000	6,473,000	151,000
Regulation of Wagering	10,716,000	179,000	5,873,000	132,000
Total	<u>24,768,000</u>	<u>633,000</u>	<u>12,346,000</u>	<u>283,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Regulation of Racing	7,579,000	303,000
Regulation of Wagering	4,843,000	47,000
Total	<u>12,422,000</u>	<u>350,000</u>





# **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 2,900 rules which, together with other regulatory, statutory and permitting reforms, have saved State businesses and localities more than \$3 billion in operating and other expenses. In 2005, an estimated 26,000 applications for new and expanding businesses were submitted online through the Online Permit and Licensing System (OPAL).

## **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 2006-07.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends nearly \$3.8 million in State tax dollars to support the Office. Recommended funding will support maintenance, development, and enhancements for the Online Permit and Licensing (OPAL) system, which 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 over 600,000 individuals or firms interested in starting or growing a business in New York. This effort

## REGULATORY REFORM

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 which provides businesses with permit information.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	3,554,000	3,744,000	190,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,554,000	3,744,000	190,000	0

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
General Fund	3,554,000	3,744,000	190,000
Total	3,554,000	3,744,000	190,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	3,554,000	3,744,000	190,000
Total	3,554,000	3,744,000	190,000

### STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,846,000	172,000	2,841,000	172,000
Total	2,846,000	172,000	2,841,000	172,000

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  
2006-07 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	898,000	18,000	50,000	0
Total	898,000	18,000	50,000	0

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	7,000	0	700,000	0
Total	7,000	0	700,000	0

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	141,000	18,000
Total	141,000	18,000



# **OFFICE OF SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH**

## **MISSION**

The New York State Office of Science, Technology, and Academic Research (NYSTAR) is an Executive agency which is slated for conversion to the New York State Foundation for Science, Technology, and Innovation. The new Foundation will assume 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 new Foundation will consist of a 13-member board of directors. The organization will have a workforce of 30 positions in 2006-07.

## **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 \$3.4 million to support the Agency's operating budget and \$50.6 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; 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 University Nanoscale Science and Engineering Center; the Cornell University National Nanotechnology Infrastructure Network; the Columbia University Nanoscale

## **SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH**

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 Engineering Research Center; the City University of New York Optical Sensing and Imaging Center; and the University at Albany Semiconductor Research Corporation Center for Advanced Interconnect Systems Technologies.

As well as continuing to administer the programs noted above, upon its establishment the Foundation for Science, Technology, and Innovation will partner with up to ten regional economic development entities to assist the Foundation in implementing its objectives. Funding may be made available for new programs established in 2005-06, including:

- **Capital Investments Innovation Fund:** This fund will focus on providing support to high-tech/emerging industries, as well as projects that enhance the economic competitiveness of traditional industries; and
- **The Foundation Fund:** The Fund will provide grants and/or loans through five programs aimed at enhancing high-tech and emerging businesses; i) Technology Enhancement Program; ii) Innovation Investment Program; iii) Emerging Investment Program; iv) Business Acceleration Program; and v) Community Colleges/Academic Research Institutions Curriculum Alignment Program.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	3,325,000	3,425,000	100,000	0
Aid To Localities	55,535,000	50,565,000	(4,970,000)	151,821,000
Capital Projects	0	0	0	25,831,000
Total	<u>58,860,000</u>	<u>53,990,000</u>	<u>(4,870,000)</u>	<u>177,652,000</u>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
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)**

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	2,825,000	2,925,000	100,000
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>3,325,000</u>	<u>3,425,000</u>	<u>100,000</u>

# SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration Program			
General Fund	2,825,000	2,925,000	100,000
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>3,325,000</u>	<u>3,425,000</u>	<u>100,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration Program	2,925,000	100,000	2,925,000	100,000
Total	<u>2,925,000</u>	<u>100,000</u>	<u>2,925,000</u>	<u>100,000</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 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 2005-06	Recommended 2006-07	Change
General Fund	49,035,000	44,065,000	(4,970,000)
Special Revenue Funds - Federal	6,500,000	6,500,000	0
Total	<u>55,535,000</u>	<u>50,565,000</u>	<u>(4,970,000)</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
High Technology			
General Fund	33,965,000	33,215,000	(750,000)
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	13,570,000	9,350,000	(4,220,000)
Total	<u>55,535,000</u>	<u>50,565,000</u>	<u>(4,970,000)</u>

# **SCIENCE, TECHNOLOGY, AND ACADEMIC RESEARCH**

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Research Facilities				
Capital Projects Fund - Authority Bonds	0	0	0	25,831,000
Total	0	0	0	25,831,000



# **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 870 positions for 2006-07.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

Approximately 38 percent of the Department's operations and local aid programs are funded from fees and other income, 50 percent from Federal grants, and 12 percent from State tax dollars from the General Fund. The Executive Budget recommends funding of over \$142.9 million for the Department of State: \$70.6 million in Federal funding and fee revenues, and \$17 million in General Fund support. The Department has achieved savings for SFY 2006-07 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. Pursuant to legislation enacted in 2005, the Department will administer the Manufactured Housing Advancement Act of 2005. The Department of State will also continue to provide grants to assist municipalities in achieving local government efficiencies and improvements through the provision of Shared Municipal Services Incentive (SMSI) grants. Additionally, the SFY 2006-07 Executive Budget provides \$5 million in Environmental Protection Fund moneys to finance Quality Communities (QC) program grants and \$1 million to renovate the infrastructure and complete construction of the training simulator and arson investigation buildings at the State Fire Training Academy in Montour Falls.

## **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 codes. In addition to these activities, Local Government and Community Services program staff provide services to citizens; offer planning and

## STATE

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 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 not-for-profit cemeteries.
- The Administration Program provides the basic executive direction, fiscal, personnel, legal 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	64,068,000	68,130,000	4,062,000	21,641,000
Aid To Localities	82,950,911	73,850,000	(9,100,911)	118,676,600
Capital Projects	1,600,000	1,000,000	(600,000)	88,171,000
Total	148,618,911	142,980,000	(5,638,911)	228,488,600

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	63	63	0
Lake George Park Commission			
Special Revenue Funds - Other	9	9	0
Licensing Services			
Special Revenue Funds - Other	396	396	0
Local Government and Community Services			
General Fund	107	112	5
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	194	194	0
State Ethics Commission			
General Fund	20	20	0
Tug Hill Commission			
General Fund	18	18	0
Total	865	870	5

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	14,078,000	17,030,000	2,952,000
Special Revenue Funds - Federal	11,436,000	11,402,000	(34,000)
Special Revenue Funds - Other	38,554,000	39,698,000	1,144,000
Total	<u>64,068,000</u>	<u>68,130,000</u>	<u>4,062,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	5,627,000	7,722,000	2,095,000
Lake George Park Commission			
Special Revenue Funds - Other	1,593,000	1,614,000	21,000
Licensing Services			
Special Revenue Funds - Other	34,593,000	35,703,000	1,110,000
Local Government and Community Services			
General Fund	5,684,000	6,330,000	646,000
Special Revenue Funds - Federal	11,436,000	11,402,000	(34,000)
Special Revenue Funds - Other	2,315,000	2,328,000	13,000
State Ethics Commission			
General Fund	1,741,000	1,910,000	169,000
Tug Hill Commission			
General Fund	1,026,000	1,068,000	42,000
Special Revenue Funds - Other	53,000	53,000	0
Total	<u>64,068,000</u>	<u>68,130,000</u>	<u>4,062,000</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	4,122,000	458,000	4,061,000	458,000
Local Government and Community Services	4,680,000	295,000	4,568,000	295,000
State Ethics Commission	1,340,000	50,000	1,340,000	50,000
Tug Hill Commission	958,000	36,000	950,000	36,000
Total	<u>11,100,000</u>	<u>839,000</u>	<u>10,919,000</u>	<u>839,000</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	0	1,000	0
Local Government and Community Services	112,000	0	0	0
State Ethics Commission	0	0	0	0
Tug Hill Commission	8,000	0	0	0
Total	<u>180,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>

# STATE

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,600,000	1,637,000	403,000	0
Local Government and Community Services	1,650,000	351,000	61,000	0
State Ethics Commission	570,000	119,000	40,000	0
Tug Hill Commission	110,000	6,000	13,000	0
Total	5,930,000	2,113,000	517,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	60,000	0	3,030,000	1,637,000
Local Government and Community Services	67,000	0	595,000	351,000
State Ethics Commission	20,000	0	499,000	119,000
Tug Hill Commission	8,000	0	87,000	6,000
Total	155,000	0	4,211,000	2,113,000

Program	Equipment	
	Amount	Change
Administration	107,000	0
Local Government and Community Services	927,000	0
State Ethics Commission	11,000	0
Tug Hill Commission	2,000	0
Total	1,047,000	0

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Lake George Park Commission	1,614,000	21,000	664,000	25,000
Licensing Services	35,703,000	1,110,000	17,579,000	776,000
Local Government and Community Services	13,730,000	(21,000)	4,622,000	17,000
Tug Hill Commission	53,000	0	0	0
Total	51,100,000	1,110,000	22,865,000	818,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Lake George Park Commission	950,000	(4,000)	0	0
Licensing Services	17,849,000	334,000	275,000	0
Local Government and Community Services	7,558,000	(38,000)	1,550,000	0
Tug Hill Commission	53,000	0	0	0
Total	26,410,000	292,000	1,825,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	4,600,911	0	(4,600,911)
Special Revenue Funds - Federal	63,700,000	59,200,000	(4,500,000)
Special Revenue Funds - Other	14,650,000	14,650,000	0
Total	82,950,911	73,850,000	(9,100,911)

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Licensing Services			
Special Revenue Funds - Other	550,000	550,000	0
Local Government and Community Services			
General Fund	4,600,911	0	(4,600,911)
Special Revenue Funds - Federal	63,700,000	59,200,000	(4,500,000)
Special Revenue Funds - Other	14,100,000	14,100,000	0
Total	<u>82,950,911</u>	<u>73,850,000</u>	<u>(9,100,911)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Local Government and Community Services				
Capital Projects Fund - Authority Bonds	0	0	0	86,571,000
Office of Fire Prevention				
Capital Projects Fund	1,600,000	1,000,000	(600,000)	1,600,000
Total	<u>1,600,000</u>	<u>1,000,000</u>	<u>(600,000)</u>	<u>88,171,000</u>



# ***DEPARTMENT OF TAXATION AND FINANCE***

## ***MISSION***

Collect tax revenue and provide associated services in support of government operations in New York State.

## ***VISION***

An agency that provides a fair system of tax administration, is accessible and responsive to taxpayers, and contributes to a favorable economic climate.

## ***OPERATING HIGHLIGHTS***

- Collects and accounts for more than \$47 billion and \$31 billion in State and local taxes, respectively, on an annual basis;
- Administers 37 State and 7 local taxes, including New York City and City of Yonkers income taxes;
- Processes nearly 25 million returns, registrations, and associated documents on an annual basis;
- Manages the State Treasury, which provides investment and cash management services to various State agencies and public benefit corporations, and acts on the Tax Commissioner's behalf as joint custodian of the State's General Checking Account;
- Operates with a budget of more than \$433 million and a workforce of 4,776 full time equivalent employees; and
- Implements the e-MPIRE integrated tax system, an automated system that ensures the most efficient and effective means for tax collections.

## ***ENVIRONMENTAL CHALLENGES AND OPPORTUNITIES***

- **Threats to Voluntary Compliance.** The Tax Department remains concerned about the variance between taxes owed and taxes paid. The Department will continue to leverage sophisticated audit, collection, and enforcement techniques, advanced technology tools, and expanded taxpayer / practitioner educational opportunities to induce taxpayers to pay the correct amount of tax timely.
- **Aging Workforce / Succession Management.** The Tax Department continues to experience heavy attrition of its aging workforce. To meet this challenge, the Department will:
  - Continue its management development initiative to plan for succession;
  - Continue training programs and opportunities for staff; and
  - Fully utilize existing personnel assets through reorganization, reclassification, and redeployment.
- **Technology.** The Department will continue to invest in technology infrastructure and personnel to maximize tax collections.

# TAXATION AND FINANCE

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## KEY AGENCY STRATEGIES

The Department's Strategic Goal is for **all taxpayers to voluntarily pay the correct tax timely**. To achieve this goal, the Department will focus on three core strategies:

- Improve processing of taxpayer information, returns, and payments;
- Enhance customer service; and
- Improve and better coordinate audit, collection, and criminal enforcement activities.

## ACTIONS TO IMPLEMENT KEY AGENCY STRATEGIES

### *Improve processing of taxpayer information, returns, and payments.*

The Department annually processes millions of documents. Due to the immense scale of its operations, even minute processing improvements have the potential to generate considerable benefits in effectiveness and efficiency. The following examples are illustrative of the types of actions the Department will pursue in furtherance of this strategy:

Action	Performance indicators
➤ Expand e-filing and e-payment participation.	<ul style="list-style-type: none"><li>• <b>Increase</b> e-filing and 2-D bar coding (i.e., electronic scanning) of personal income tax returns by <b>25 percent</b> over 2005-06 levels.</li><li>• <b>Increase</b> the <b>percentage</b> of tax revenue received in 2006-07 (versus 2005-06) via electronic funds transfer.</li><li>• <b>Implement</b> Corporation Tax e-filing by January 31, 2007.</li><li>• <b>Implement</b> mandatory electronic filing for tax practitioners by March 31, 2007.</li></ul>
➤ Improve exceptions (e.g. unsigned return) processes, including timely resolution.	<ul style="list-style-type: none"><li>• <b>Minimize</b> exception rates for all tax types through systems improvements.</li><li>• <b>Maintain</b> an average age of exception inventories at or below respective tax target levels — i.e.; Personal Income - <b>45 days</b>; Corporation - <b>60 days</b>; Sales - <b>60 days</b>; and Withholding - <b>60 days</b>.</li></ul>



**Enhance customer service.**

Providing taxpayers and tax practitioners with top-quality customer service is critical to supporting and promoting voluntary compliance. The following examples are illustrative of the types of actions the Department will pursue in furtherance of this strategy:

Action	Performance indicators
<ul style="list-style-type: none"> <li>➤ Provide timely, accurate, and simplified forms, instructions, and publications.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Issue</b> annual tax forms and instructions <b>on time</b> with <b>100 percent</b> accuracy in 2006-07.</li> <li>• <b>Implement</b> a phased <b>redesign and simplification</b> of forms and instructions, beginning with non-resident income tax return instructions by March 31, 2007.</li> <li>• <b>Issue</b> new <b>industry-specific</b> sales tax publications by March 31, 2007.</li> <li>• <b>Develop</b> new written guidance that will provide <b>clarification</b> to the taxpayer community on significant outstanding policy issues by March 31, 2007.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Issue timely, accurate, and understandable notices and advice.</li> </ul>	<p>In 2006-07:</p> <ul style="list-style-type: none"> <li>• <b>Issue</b> taxpayer guidance on Tax Law changes at least <b>30 days</b> prior to effective date, or if retroactive, within <b>6 weeks</b> of being informed of the change.</li> <li>• <b>Issue</b> advisory opinions within <b>90 days</b> of receiving a completed petition.</li> <li>• <b>Prepare 100 percent</b> of fiscal notes within <b>4 weeks</b> of request.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Improve service options, emphasizing self-help and e-service taxpayer alternatives.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Implement</b> a prototype State-Wide Authentication Network (<b>SWAN</b>) allowing the Department to offer a single authentication / authorization solution for all its e-service offerings by March 31, 2007.</li> </ul> <p>In 2006-07:</p> <ul style="list-style-type: none"> <li>• <b>Maintain or improve 5 minute average</b> for answering personal Income Tax telephone inquiries during peak processing periods.</li> <li>• <b>Maintain or improve 90 percent average</b> quality score in the annual Call Center Quality Review.</li> </ul>

## TAXATION AND FINANCE

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### ***Improve and better coordinate audit, collection, and criminal enforcement activities.***

Unfortunately, not all taxpayers comply with their tax obligations voluntarily or timely. Effective and coordinated audit, collection, and criminal enforcement activities – which detect and deter taxpayer error, civil noncompliance, and criminal tax evasion while generating revenue – are fundamental to the Department’s voluntary compliance model. The following examples are illustrative of the types of actions the Department will pursue in furtherance of this strategy:

Action	Performance indicators
➤ Develop methodologies to increase the rate of collections.	<ul style="list-style-type: none"><li>• <b>Exceed</b> the 2006-07 Collection Plan <b>target</b> of \$1.1 billion.</li><li>• <b>Develop the Case Identification Selection System</b>, a collections support system that utilizes a data warehouse to access, analyze, interpret and score collection cases based on potential revenue, by March 31, 2007.</li><li>• <b>Implement</b> reciprocal refund intercept agreement with New York City and other state revenue agencies by March 31, 2007.</li></ul>
➤ Improve audit selection and accelerate the audit cycle.	<ul style="list-style-type: none"><li>• <b>Exceed</b> the 2006-07 Audit Plan <b>target</b> of \$1.8 billion.</li><li>• <b>Expand</b> utilization of <b>AuditStat</b>, the Department’s analysis and accountability program that relies on statistical analyses to assess and improve the performance of audit activities during 2006-07.</li><li>• <b>Increase the number</b> of civil and / or criminal cases opened in 2006-07 (versus 2005-06) as a result of the joint Audit and Enforcement Compliance Intelligence Assessment (CIA) initiative, which utilizes data analysis tools to identify areas and patterns of non-compliance.</li></ul>

# TAXATION AND FINANCE

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	418,202,000	433,136,000	14,934,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>418,202,000</u>	<u>433,136,000</u>	<u>14,934,000</u>	<u>0</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Audit, Collection and Enforcement			
General Fund	2,327	2,337	10
Centralized Operations Support			
General Fund	122	122	0
Office of Conciliation and Mediation			
General Fund	25	25	0
Management, Administration and Counsel			
General Fund	253	253	0
Revenue Processing and Reconciliation			
General Fund	919	919	0
Special Revenue Funds - Other	396	396	0
Tax Policy, Revenue Accounting and Taxpayer Guidance			
General Fund	176	176	0
Technology and Information Services			
General Fund	504	504	0
Treasury Management			
Special Revenue Funds - Other	44	44	0
Total	<u>4,766</u>	<u>4,776</u>	<u>10</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	311,584,000	333,452,000	21,868,000
Special Revenue Funds - Federal	500,000	582,000	82,000
Special Revenue Funds - Other	44,591,000	46,000,000	1,409,000
Internal Service Funds	61,527,000	53,102,000	(8,425,000)
Total	<u>418,202,000</u>	<u>433,136,000</u>	<u>14,934,000</u>

# TAXATION AND FINANCE

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

Program	Available 2005-06	Recommended 2006-07	Change
Audit, Collection and Enforcement			
General Fund	151,466,000	120,434,000	(31,032,000)
Special Revenue Funds - Federal	500,000	582,000	82,000
Special Revenue Funds - Other	4,000,000	4,000,000	0
Centralized Operations Support			
General Fund	32,852,000	41,648,000	8,796,000
Office of Conciliation and Mediation			
General Fund	2,239,000	1,721,000	(518,000)
Management, Administration and Counsel			
General Fund	10,389,000	19,739,000	9,350,000
Revenue Processing and Reconciliation			
General Fund	36,265,000	43,533,000	7,268,000
Special Revenue Funds - Other	37,889,000	39,236,000	1,347,000
Internal Service Funds	61,527,000	53,102,000	(8,425,000)
Tax Policy, Revenue Accounting and Taxpayer Guidance			
General Fund	11,559,000	12,948,000	1,389,000
Technology and Information Services			
General Fund	66,814,000	93,429,000	26,615,000
Treasury Management			
Special Revenue Funds - Other	2,702,000	2,764,000	62,000
Total	418,202,000	433,136,000	14,934,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	112,600,000	(17,560,000)	111,615,000	(17,406,000)
Centralized Operations Support	5,644,000	1,362,000	4,920,000	1,187,000
Office of Conciliation and Mediation	1,630,000	(517,000)	1,616,000	(513,000)
Management, Administration and Counsel	15,361,000	5,492,000	14,919,000	5,334,000
Revenue Processing and Reconciliation	41,878,000	5,630,000	40,750,000	5,478,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	10,352,000	1,010,000	9,069,000	885,000
Technology and Information Services	30,683,000	4,644,000	29,555,000	4,492,000
Total	218,148,000	61,000	212,444,000	(543,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	816,000	(128,000)	169,000	(26,000)
Centralized Operations Support	720,000	174,000	4,000	1,000
Office of Conciliation and Mediation	0	0	14,000	(4,000)
Management, Administration and Counsel	367,000	131,000	75,000	27,000
Revenue Processing and Reconciliation	750,000	101,000	378,000	51,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	1,274,000	124,000	9,000	1,000
Technology and Information Services	750,000	101,000	378,000	51,000
Total	4,677,000	503,000	1,027,000	101,000

# TAXATION AND FINANCE

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	7,834,000	(13,472,000)	269,000	(453,000)
Centralized Operations Support	36,004,000	7,434,000	194,000	40,000
Office of Conciliation and Mediation	91,000	(1,000)	3,773	(100)
Management, Administration and Counsel	4,378,000	3,858,000	2,438,450	2,149,000
Revenue Processing and Reconciliation	1,655,000	1,638,000	655,000	638,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	2,596,000	379,000	89,600	13,000
Technology and Information Services	62,746,000	21,971,000	3,588,000	2,085,000
<b>Total</b>	<b>115,304,000</b>	<b>21,807,000</b>	<b>7,237,823</b>	<b>4,471,900</b>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	2,116,000	(3,640,000)	4,578,000	(7,879,000)
Centralized Operations Support	7,300	1,500	35,802,700	7,392,500
Office of Conciliation and Mediation	67,090	(700)	20,137	(200)
Management, Administration and Counsel	284,800	251,000	1,320,800	1,164,000
Revenue Processing and Reconciliation	0	0	0	0
Tax Policy, Revenue Accounting and Taxpayer Guidance	18,300	2,000	2,482,500	363,200
Technology and Information Services	145,000	46,000	53,918,000	17,110,000
<b>Total</b>	<b>2,638,490</b>	<b>(3,340,200)</b>	<b>98,122,137</b>	<b>18,150,500</b>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	871,000	(1,500,000)	0	0
Centralized Operations Support	0	0	0	0
Office of Conciliation and Mediation	0	0	0	0
Management, Administration and Counsel	333,950	294,000	0	0
Revenue Processing and Reconciliation	0	0	1,000,000	1,000,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	5,600	800	0	0
Technology and Information Services	5,095,000	3,682,000	0	(952,000)
<b>Total</b>	<b>6,305,550</b>	<b>2,476,800</b>	<b>1,000,000</b>	<b>48,000</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	4,582,000	82,000	0	0
Revenue Processing and Reconciliation	92,338,000	(7,078,000)	15,881,000	(39,000)
Treasury Management	2,764,000	62,000	1,743,000	70,000
<b>Total</b>	<b>99,684,000</b>	<b>(6,934,000)</b>	<b>17,624,000</b>	<b>31,000</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	4,000,000	0	582,000	82,000
Revenue Processing and Reconciliation	76,457,000	54,488,000	0	(61,527,000)
Treasury Management	1,021,000	(8,000)	0	0
<b>Total</b>	<b>81,478,000</b>	<b>54,480,000</b>	<b>582,000</b>	<b>(61,445,000)</b>



# ***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 31 positions for 2006-07.

## ***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 \$3.4 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.

The Division also conducts formal hearings in New York City and Rochester to provide easier access for taxpayers in these metropolitan areas. 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	3,330,000	3,423,000	93,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,330,000	3,423,000	93,000	0

# TAX APPEALS

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

Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
General Fund	31	31	0
Total	<u>31</u>	<u>31</u>	<u>0</u>

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	3,330,000	3,423,000	93,000
Total	<u>3,330,000</u>	<u>3,423,000</u>	<u>93,000</u>

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Administration			
General Fund	3,330,000	3,423,000	93,000
Total	<u>3,330,000</u>	<u>3,423,000</u>	<u>93,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,043,000	93,000	2,871,000	93,000
Total	<u>3,043,000</u>	<u>93,000</u>	<u>2,871,000</u>	<u>93,000</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
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  
2006-07 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



# 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, 16 lift bridges, 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 \$6.5 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. The Thruway Authority raised tolls on May 15, 2005, for the first time in 17 years and by less than half the inflation rate during that period. The new revenues help finance the Authority's \$2.6 billion, 2005-11 capital plan, addressing critical infrastructure needs, traffic demands, and improved customer service.

The Rebuild and Renew New York Transportation Bond Act of 2005 provides \$50 million from State fiscal years 2005-06 through 2009-10 to advance additional Canal capital projects. These funds are appropriated through the Department of Transportation budget.

In addition, \$10 million of economic development bonded capital funds will be made available for canal projects.

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	4,000,000	4,000,000	0	6,501,000
Total	4,000,000	4,000,000	0	6,501,000

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Canal Development Program				
New York State Canal System Development Fund	4,000,000	4,000,000	0	6,501,000
Total	4,000,000	4,000,000	0	6,501,000



# **DEPARTMENT OF TRANSPORTATION**

## **MISSION**

The Department of Transportation (DOT) directly maintains and improves the State's more than 40,000 State 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.

The DOT of the 21st Century is capitalizing on evolving world trade patterns, using "intelligent" transportation technology to manage increases in traffic and balancing arising security concerns with the need to move people and products safely and efficiently. The Department closely coordinates with other State transportation agencies and authorities, with a goal of creating a seamless statewide transportation system that addresses environmental and community concerns and more efficiently moves 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 Schenectady, 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 9,948 employees by the end of 2006-07.

## **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 by revenues from the Petroleum Business Tax, highway use tax, motor fuel taxes, auto rental tax, transportation/transmission tax, motor vehicle fees, and other fees. Substantial Federal aid is also used to support the programs.

In 2005-06, a new five-year transportation capital plan was approved by the Governor and the Legislature that includes over \$35.9 billion for the State's transportation systems during the period. The plan provides over \$17.9 billion for DOT capital programs and over \$17.9 billion for the Metropolitan Transportation Authority program. In order to finance the plan, existing resources were augmented by increases in motor vehicle fees, a restructuring of the Dedicated Highway and Bridge Trust Fund debt, increases in the sales tax and mortgage recording tax levied in the MTA service district, and the Rebuild and Renew New York Transportation Bond Act of 2005 passed by the voters in November 2005.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2006-07 Executive Budget provides \$502 million for snow and ice control and State forces preventive maintenance. This level represents an increase of approximately \$44 million, due to increased salary costs and energy-related inflationary pressures. Funding for preventive maintenance performed by private firms is continued at \$210 million as part of the highway and bridge contract level.

The Department's regulatory programs and other operations are primarily funded by fees, miscellaneous revenues and Federal aid. Approximately \$24.2 million is derived from fees, including those imposed on trucks registered to transport products throughout the State;

## **TRANSPORTATION**

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landing fees and rents levied at Republic Airport; and revenues generated by the sale and rental of Department property, such as commercial leasing of land for parking or storage. These funds support a number of agency activities, including administrative support services, highway safety and aviation programs.

Federal aid of \$14.2 million and dedicated mass transit funds totaling \$6.2 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 \$1.85 billion in 2006-07, an increase of \$100 million over the prior year.

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 portions of the petroleum business tax, motor fuel tax, motor vehicle fees, highway user 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 planned restructuring of the Trust Fund debt was completed in September 2005 to more closely align the term of Trust Fund debt with the useful lives of the financed projects and provide additional financial resources to support the new five-year transportation plan. The 2005-06 Enacted Budget also increased certain motor vehicle fees to support the plan.

Additionally, the Rebuild and Renew New York Transportation Bond Act of 2005 provides \$1.45 billion each for the DOT and MTA capital programs from State fiscal years 2005-06 through 2009-10.

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 SAFETEA-LU covers Federal fiscal years 2004-09. The Federal capital aid appropriation in 2005-06 is available for up to \$1.7 billion of Federal funding, including provisions for State and local highways, engineering, rail and community enhancements programs.

The Executive Budget contains legislation that provides innovative approaches to building and financing major transportation projects. This includes authorization of design-build contracts to improve the cost efficiency and delivery time of projects and an initiative to authorize transportation development partnerships, which would leverage private sector investment to expand and enhance the State's transportation infrastructure.

Local highway and bridge capital programs include the Consolidated Highway Improvement Program (CHIPS), the Municipal Streets and Highways Program ("Marchiselli" Program) and the Multi-Modal Program. The CHIPS and Marchiselli programs are funded by bonds issued by the Thruway Authority with debt service paid from the State's Dedicated Highway and Bridge Trust Fund. In 2006-07, the CHIPS capital program will be funded at \$289.5 million, an increase of \$6.2 million over the prior year and the Marchiselli program will be funded at \$39.7 million. The Executive Budget also provides a \$50 million appropriation for the Multi-Modal Program, representing the second year of a five -year \$350 Multi-Modal Program established in 2005-06.

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. A \$5.3 million Regional Aviation Fund appropriation has also been provided, which includes \$4 million for environmental projects at Stewart Airport and \$1.3 million for statewide aviation passenger, cargo and commercial development.

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 3/8 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 \$2.5 billion.

More than \$2.1 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2006-07. This includes \$635 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 \$379 million in new appropriations in 2006-07. Of this amount, \$149 million is targeted for upstate transit systems. An increase of \$23 million in upstate transit aid is the result of redistributing the Corporation and Utilities Taxes, sections 183 & 184 (Transmission Tax), between the upstate and downstate regions to better reflect the statewide collection of this tax. Capital funding of \$34 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 2004-05, the Department replaced or rehabilitated a total of 154 State bridges and completed 5,242 corrective and preventive bridge treatments to slow deterioration. Nearly 5,470 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. The Executive Budget continues our commitment to 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.

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. The Executive Budget also includes continuation of a new Multi-Modal Program established in 2005-06, which will further assist localities with their transportation needs.

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.

# TRANSPORTATION

## 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.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	43,501,000	46,417,000	2,916,000	37,016,000
Aid To Localities	2,393,619,000	2,534,232,000	140,613,000	138,521,000
Capital Projects	6,904,465,000	4,155,560,000	(2,748,905,000)	12,943,791,000
Total	9,341,585,000	6,736,209,000	(2,605,376,000)	13,119,328,000

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Design and Construction			
Capital Projects Funds - Other	3,803	3,980	177
New York Metropolitan Transportation Council			
Special Revenue Funds - Other	68	68	0
Operations			
Special Revenue Funds - Other	10	12	2
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	526	526	0
Preventive Maintenance			
Capital Projects Funds - Other	4,872	4,872	0
Real Estate			
Capital Projects Funds - Other	180	180	0
Total	9,769	9,948	179



# TRANSPORTATION

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	5,000,000	0	(5,000,000)
Special Revenue Funds - Federal	10,167,000	14,177,000	4,010,000
Special Revenue Funds - Other	28,334,000	32,240,000	3,906,000
Total	<u>43,501,000</u>	<u>46,417,000</u>	<u>2,916,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Operations			
Special Revenue Funds - Federal	400,000	400,000	0
Special Revenue Funds - Other	10,993,000	12,424,000	1,431,000
Passenger and Freight Transportation			
General Fund	5,000,000	0	(5,000,000)
Special Revenue Funds - Federal	9,767,000	13,777,000	4,010,000
Special Revenue Funds - Other	17,341,000	19,816,000	2,475,000
Total	<u>43,501,000</u>	<u>46,417,000</u>	<u>2,916,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Passenger and Freight Transportation	0	(5,000,000)	0	(5,000,000)
Total	<u>0</u>	<u>(5,000,000)</u>	<u>0</u>	<u>(5,000,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	12,824,000	1,431,000	536,000	71,000
Passenger and Freight Transportation	33,593,000	6,485,000	12,321,000	427,000
Total	<u>46,417,000</u>	<u>7,916,000</u>	<u>12,857,000</u>	<u>498,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Operations	264,000	37,000	12,024,000	1,323,000
Passenger and Freight Transportation	13,843,000	2,463,000	7,429,000	3,595,000
Total	<u>14,107,000</u>	<u>2,500,000</u>	<u>19,453,000</u>	<u>4,918,000</u>

# TRANSPORTATION

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
General Fund	148,016,000	103,016,000	(45,000,000)
Special Revenue Funds - Federal	35,414,000	42,244,000	6,830,000
Special Revenue Funds - Other	2,210,189,000	2,388,972,000	178,783,000
Total	2,393,619,000	2,534,232,000	140,613,000

Adjustments:

Recommended Deficiency			
Transportation, Department of			
General Fund	(45,000,000)		
Special Revenue Funds - Other	(200,000,000)		
Appropriated 2005-06	2,148,619,000		

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Additional Mass Transportation Assistance			
Program			
General Fund	21,447,000	21,447,000	0
Special Revenue Funds - Other	39,400,000	25,400,000	(14,000,000)
Dedicated Mass Transportation Trust			
Program			
Special Revenue Funds - Other	600,300,000	634,800,000	34,500,000
Federal Highway Administration Local			
Planning			
Special Revenue Funds - Federal	10,566,000	12,181,000	1,615,000
Urban Mass Transportation Administration			
Local Planning			
Special Revenue Funds - Federal	4,400,000	4,506,000	106,000
Mass Transportation Assistance			
General Fund	90,000,000	45,000,000	(45,000,000)
Passenger and Freight Transportation			
General Fund	36,569,000	36,569,000	0
Special Revenue Funds - Federal	20,448,000	25,557,000	5,109,000
Special Revenue Funds - Other	1,318,547,000	1,453,630,000	135,083,000
Section 18-B Program			
Special Revenue Funds - Other	187,436,000	187,436,000	0
Special Transit Aid			
Special Revenue Funds - Other	64,506,000	87,706,000	23,200,000
Total	2,393,619,000	2,534,232,000	140,613,000

# TRANSPORTATION

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
<b>Aviation</b>				
Airport or Aviation Program				
Capital Projects Fund - Aviation (Bondable)	0	0	0	2,085,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	718,000
Regional Aviation Fund	0	5,300,000	5,300,000	0
Airport or Aviation Program -- Bondable				
Capital Projects Fund - Aviation (Bondable)	0	493,000	493,000	864,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	8,000,000	8,000,000	0	35,067,000
Regional Aviation Fund	0	0	0	15,371,000
<b>Aviation</b>				
Transportation Capital Facilities Bond Fund	0	0	0	7,677,000
Federal Airport or Aviation				
Federal Capital Projects Fund	6,000,000	6,000,000	0	20,917,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	15,000,000	15,000,000	0	15,000,000
<b>Bond Proceeds</b>				
Rebuild and Renew New York Transportation Bonds of 2005				
Rebuild and Renew NY Trans Bonds of 2005 Bond Fund	2,900,000,000	0	(2,900,000,000)	2,900,000,000
<b>Canals and Waterways</b>				
Canals and Waterways - Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	485,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	10,000,000	10,000,000	0	10,000,000
<b>Economic Development</b>				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	159,000,000	59,000,000	(100,000,000)	205,981,000
<b>Health and Safety</b>				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	6,976,000	7,363,000	387,000	5,093,000
<b>Highway Facilities</b>				
Accelerated Capacity and Transportation Improvements Fund				
Accelerated Capacity and Transportation Improvements Fund	0	0	0	43,846,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	0	0	0	1,335,000
Engineering Services				
Engineering Services Fund	0	0	0	214,522,000
NY Metro Transportation Council Account	10,202,000	15,894,000	5,692,000	24,321,000
Federal Aid Highways - Bondable Purpose				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	8,453,000
Federal Aid Highways - Federal Purpose				
Federal Capital Projects Fund	1,700,000,000	1,700,000,000	0	5,902,742,000
Highway Facilities				
Dedicated Highway and Bridge Trust Fund	0	0	0	14,409,000
Infrastructure Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,770,000
Multi-Modal				
Dedicated Highway and Bridge Trust Fund	0	0	0	65,896,000
Municipal Highway - Railroad Crossing Alterations				
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	225,189,000

# TRANSPORTATION

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	1,240,502,000	1,395,224,000	154,722,000	2,266,104,000
Other Highway Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	3,956,000
Other Transportation Aid				
Dedicated Highway and Bridge Trust Fund	0	0	0	100,000
Priority Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	8,830,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	170,000,000	235,000,000	65,000,000	170,000,000
Road and Bridge Improvements - Bondable				
Capital Projects Fund - A.C. and T.I. Fund (Bondable)	0	0	0	42,043,000
Transportation Infrastructure Renewal Bond Fund				
Transportation Infrastructure Renewal Bond Fund	0	0	0	34,312,000
Maintenance Facilities				
Maintenance Facilities				
Dedicated Highway and Bridge Trust Fund	31,000,000	12,900,000	(18,100,000)	57,119,000
Mass Transportation and Rail Freight				
Mass Transportation				
Dedicated Mass Transportation Fund	41,000,000	18,000,000	(23,000,000)	87,136,000
Mass Transportation and Rail Freight				
Capital Projects Fund - Energy Conservation (Bondable)	0	0	0	821,000
Dedicated Highway and Bridge Trust Fund	20,000,000	20,000,000	0	74,911,000
Dedicated Mass Transportation Fund	41,500,000	40,100,000	(1,400,000)	67,908,000
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	5,868,000
Rail Freight				
Capital Projects Fund - Advances	0	0	0	21,350,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,433,000
Dedicated Mass Transportation Fund	0	0	0	1,392,000
Rail Preservation and Development Fund				
Energy Conservation Improved Transportation Bond Fund	0	0	0	905,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	10,000,000	10,000,000	0	10,000,000
Special Rail and Aviation Program				
Dedicated Mass Transportation Fund	0	0	0	5,804,000
Port Development				
Port Development Bondable				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	57,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	27,000,000	27,000,000	0	27,000,000
Preservation of Facilities				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	458,285,000	520,286,000	62,001,000	307,616,000
Total	6,904,465,000	4,155,560,000	(2,748,905,000)	12,943,791,000

***PUBLIC PROTECTION  
AND GENERAL  
GOVERNMENT***

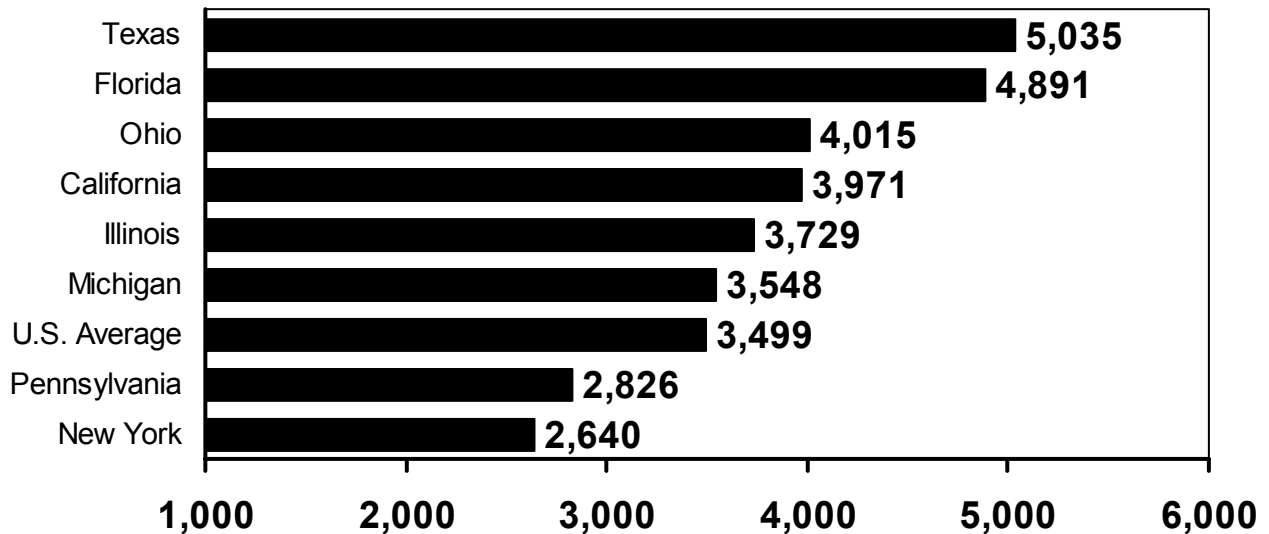


# OVERVIEW AND PERFORMANCE MEASURES

## CRIMINAL JUSTICE

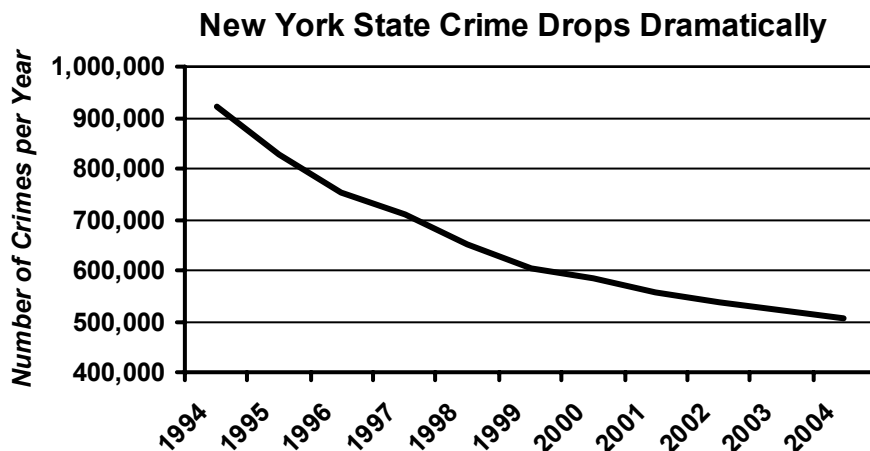
New York is the safest large state in the nation. Among the eight states with a population of 10 million or more, New York has the lowest crime rate. The crime rate in New York was 7 percent lower in 2004 than the next lowest state, Pennsylvania, and was 48 percent lower than the highest state, Texas.

### New York State Crime Rate



Source: FBI, Crime in the United States 2004  
 Rates based on crimes per 100,000 resident population for index crimes (murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft) reported to the FBI

Since Governor Pataki took office in 1995, major crimes have fallen every year to the lowest levels recorded since statewide reporting began nearly 40 years ago. In 2004, there were 413,630 fewer crimes reported than in 1994. While 2005 crime data are still being



Source: FBI, Crime in the United States 1994 - 2004

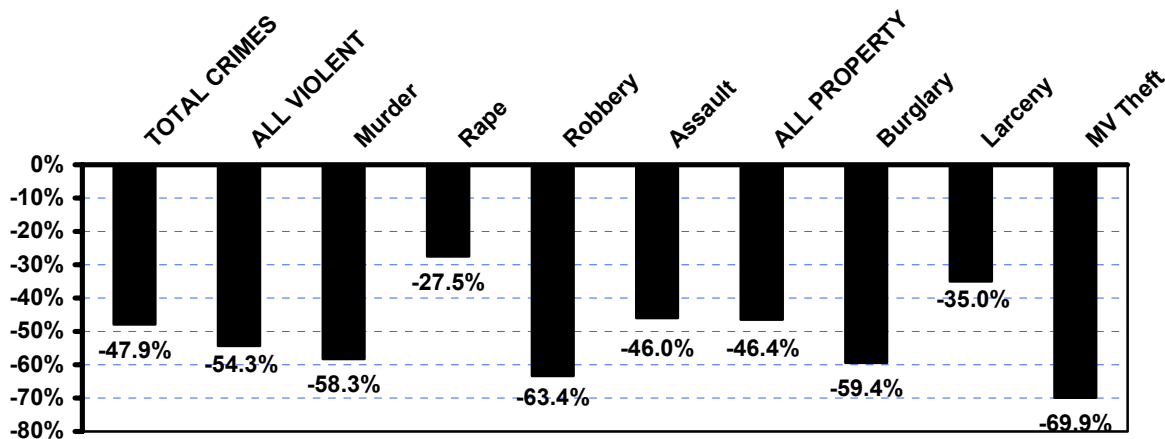
reported by police departments around the State, preliminary projections indicate that crime will continue to decrease.

New York has experienced double-digit decreases in every major index crime category. The largest reductions in crime rates were reported for murders, robberies, burglaries, and motor vehicle

## CRIMINAL JUSTICE

thefts. Overall, the rate of index crimes per 100,000 resident population has declined 48 percent since 1994; the rate of violent crimes (murder, rape, robbery, and aggravated assault) dropped 54 percent and property crimes (burglary, larceny, and motor vehicle theft) fell 46 percent.

### Percentage Change in Crime Rates 1995 vs 2004



Source: FBI, Crime in the United States, 2004. Based on data submitted by DCJS in April 2005.

## OPERATION IMPACT

Operation IMPACT is New York State's crime fighting strategy to achieve the Governor's vision of becoming the safest state in America by 2008. The strategy was initiated in mid-2004, focusing on counties outside of New York City which account for 80 percent of the non-New York City crime.

IMPACT supports the development of local infrastructure to achieve and sustain long term crime reduction throughout the State. There are now 17 counties participating fully in IMPACT, and the 2006-07 Executive Budget recommendations expand and build upon four key components.

### 1. Support Active Local Partnerships

- Build upon established county partnerships with Federal, State and local agencies. These partnerships, under the leadership of the local Police Chief and County District Attorney, develop and implement the local IMPACT strategy.

### 2. Improve Data Available to Help Reduce Crime

- Distribute timely, accurate regional crime trend data to law enforcement, to quickly identify local trends.
- Provide additional funding to support local crime analysis and mapping capability in IMPACT jurisdictions.



**3. Expand Information Sharing and Intelligence**

- Develop and implement an intelligence officer network and database capability to solve and prevent crimes.

**4. Expand Support for Effective Strategies to Combat Local Crime Problems**

- Support local IMPACT strategies by making available State troopers, State parole officers and local probation officers.
- Provide \$1.5 million in grants to jurisdictions outside the IMPACT counties that are experiencing high crime rates or spikes in violent crime.

**COMBATING GUN TRAFFICKING**

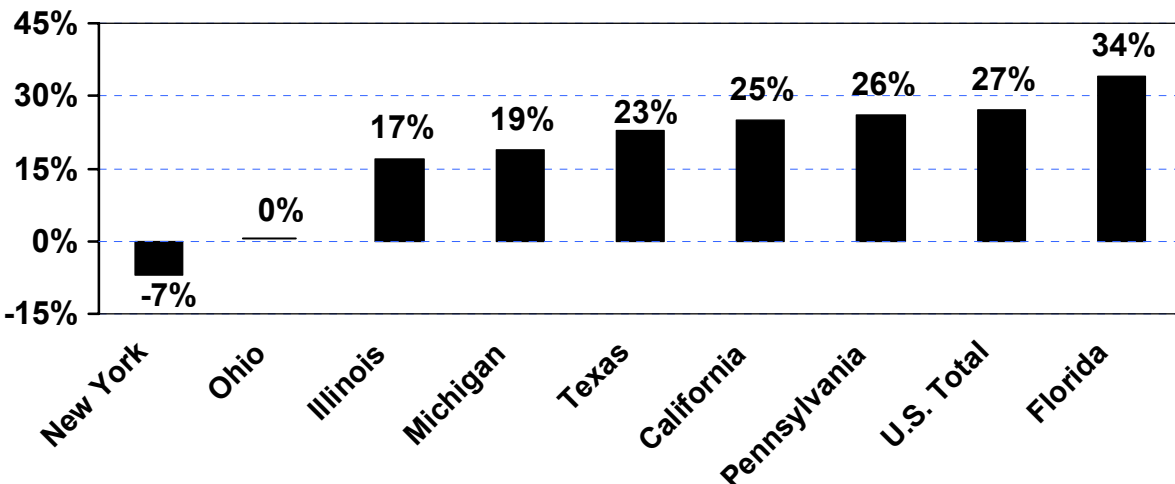
Building on the successful law enforcement partnerships established through Operation IMPACT, an aggressive strategy to combat illegal gun trafficking will be implemented in 2006. This strategy will include:

- Close coordination among the State Police, the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives, and local law enforcement agencies.
- Deployment of 100 new State Police investigators to work with locally established task forces.
- Funding for local police agencies and district attorneys to support street level operations and enhanced prosecution of gun traffickers.

**OFFENDER RE-ENTRY**

While many other states have experienced a decrease in reported crime, New York is the only large state where the prison population has also declined as crime went down. Since fewer crimes are being committed, fewer felons are now going to State prison.

**Percent Change in Under Custody Population  
1994 vs 2004**



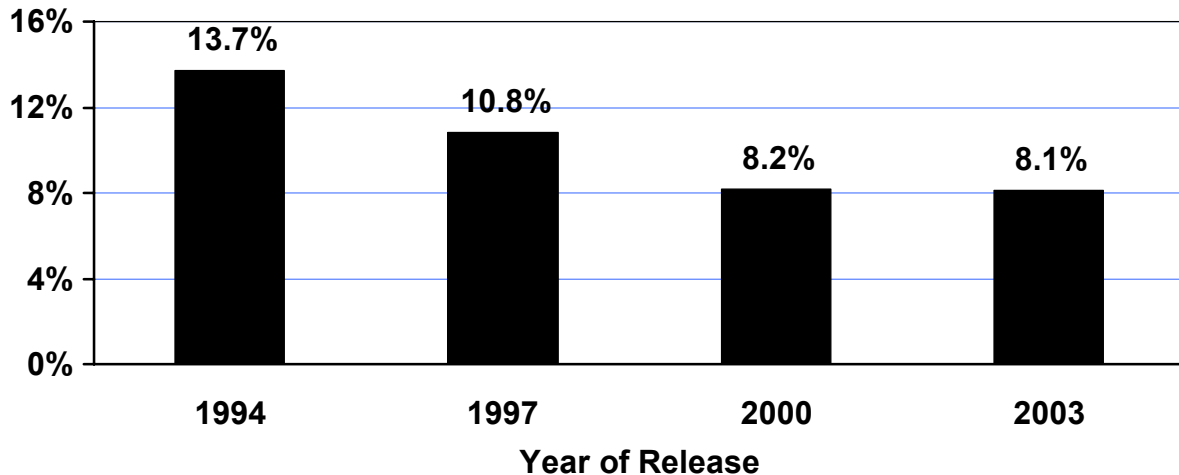
Source: Bureau of Justice Statistics Bulletin October 2005

## **CRIMINAL JUSTICE**

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In New York State, approximately 27,000 offenders were released from prison during 2005, and projections indicate that more than 26,000 will be released in 2006. The goal of offender re-entry strategies is to reduce crime by promoting offender success in the community. Recidivism rates for offenders released from prison have improved dramatically. Today, as compared to 1994, 40 percent fewer offenders return to DOCS within two years for committing a new felony.

### **Percent of Offenders Returned to Prison within 2 years for a new felony conviction**



Source: New York State  
Department of Correctional Services

To ensure our communities remain safe, three cornerstones of effective re-entry will be fully supported in 2006-07.

#### **1. Continue Support for Effective Prison Programming**

- Provide access to education, substance abuse treatment and vocational programs while incarcerated to prepare inmates for their return to the community.

#### **2. Continue Support for Effective Community Supervision**

- Supervise all offenders intensively the first year of release, when program needs are greatest and offenders are at the highest risk of re-offending.

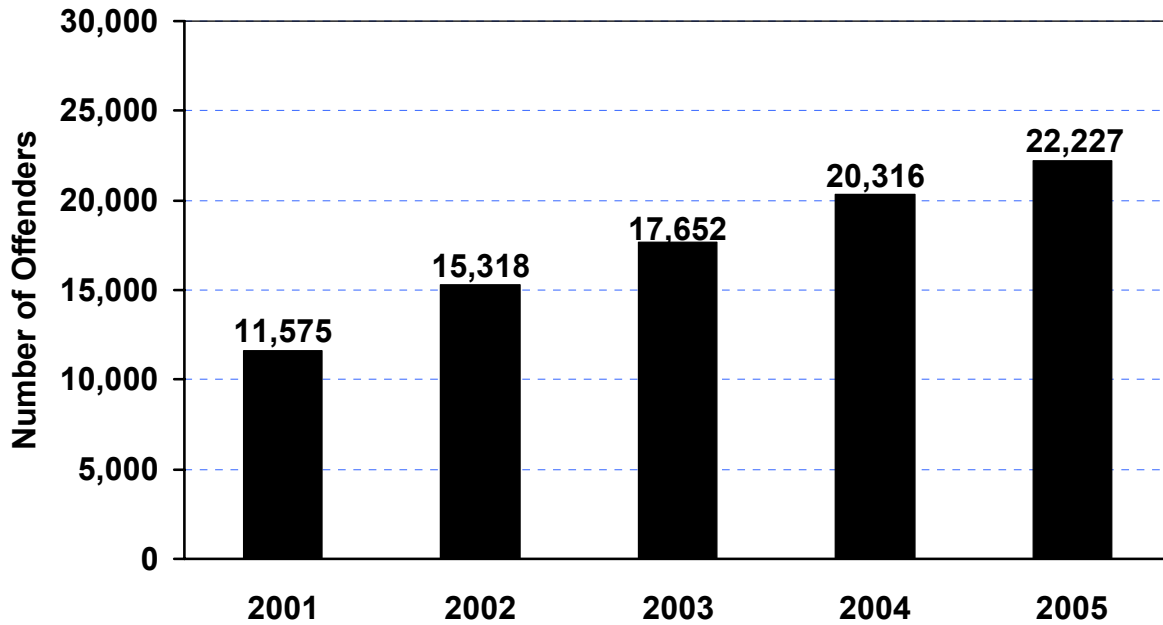
#### **3. Improve Linkages Between Prison and the Community**

- Establish a system through local reentry task forces and contracts with local providers to keep offenders engaged in treatment, employment and other support services after release that will contribute to their success in the community.

**SEX OFFENDER MANAGEMENT**

Protecting our citizens from sexual predators and effectively supervising convicted sex offenders is a high priority of the criminal justice system. All State and local law enforcement agencies work together to accomplish these goals. Megan’s Law, enacted in 1996, requires offenders to register their addresses with the State and authorizes law enforcement to notify the public about certain sex offenders living in their communities. Legislation passed since that time has increased the number of crimes for which offenders are required to register. The NYS Sex Offender Registry has grown dramatically since its inception, with 22,227 offenders registered as of December 2005.

**Sex Offenders on New York State Registry**



Source: Division of Criminal Justice Services

The 2006-07 Executive Budget recommends several actions in support of three key public safety objectives for managing sex offenders.

**1. Maintain up-to-date information on the Sex Offender Registry, and ensure that convicted sex offenders are registered and assessed for risk**

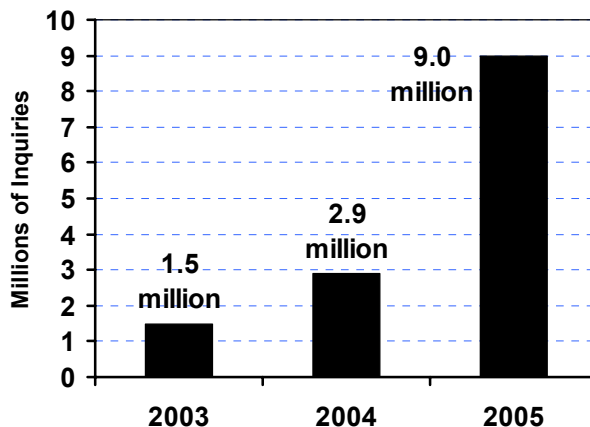
- Improve the Registry’s case management system and expand the records review unit.
- Improve protocols to ensure that risk levels are designated for all registrants.
- Implement new legislation mandating updated photos of all registrants.

## CRIMINAL JUSTICE

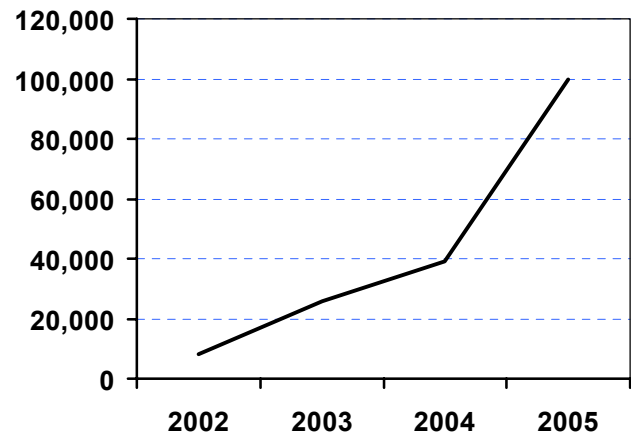
### 2. Provide Registry information to the public

- Expand the capability of the public website to accommodate the dramatic increase in on-line inquiries. Web inquiries are projected at 20 million for 2006-07.
- Expand the capability of DCJS to support the dramatic increase in calls to the 24 hour toll free phone and fax request line. Requests are projected at 125,000 in 2006-07.

On-line Inquiries Conducted



Phone Line Inquiries Conducted



Source: Division of Criminal Justice Services

### 3. Expand resources available to State and local law enforcement for managing sex offenders

- Increase State capacity to house sexually violent predators civilly committed to inpatient psychiatric treatment upon release from prison, including the reuse of a DOCS correctional facility by the Office of Mental Health for the creation of a dedicated facility.
- Continue providing multi-jurisdictional training for all local law enforcement agencies.
- Expand the use of technology to support sex offender supervision and oversight.
- Provide funding to local probation departments to supervise Level 3 offenders at intensive levels.
- Expand specialized intensive Parole sex offender caseloads to include parolees who have a sex offense history, but do not have a sex offense conviction.

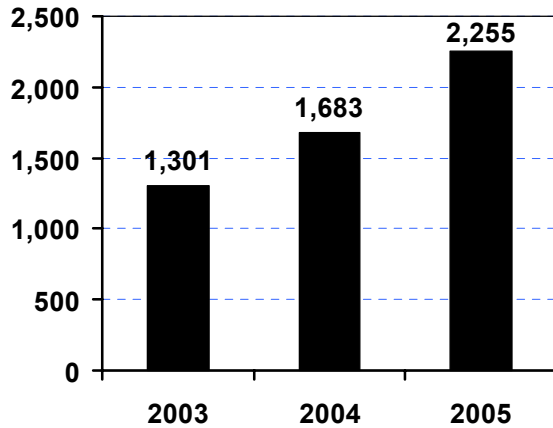
**DNA PROGRAM**

The State’s DNA program enables law enforcement to solve and prevent crimes through the collection of DNA samples from crime scenes and offenders. State and local law enforcement agencies work together to ensure that DNA profiles are on file for all offenders convicted of eligible offenses, and that DNA samples are taken from crime scenes whenever possible. Currently there are 157,000 samples in the Databank.

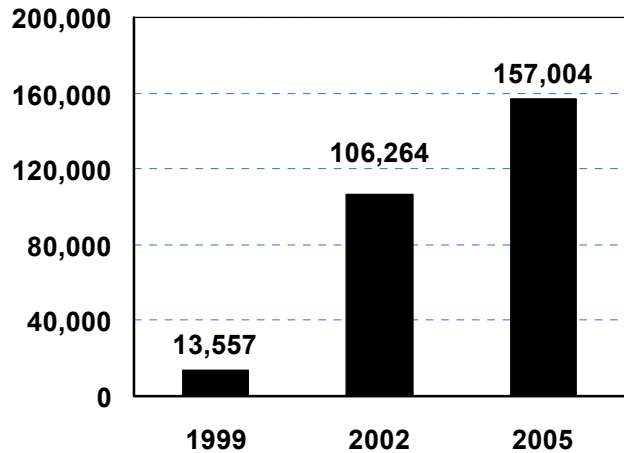
The number of DNA samples on file in NYS has increased dramatically each year since samples were first collected in 1996. In 2005, 16,485 samples were added to the Databank, an increase of 12 percent over 2004.

A DNA hit is a result of a match between DNA profiles developed from crime scene evidence and a DNA profile stored in the DNA Databank. Through these matches, crimes are being solved every day. As of the end of 2005, there were 2,255 hits on the DNA Databank.

**Total DNA Hits**



**DNA Databank Samples on File**



Source: Division of Criminal Justice Services

In 2006-07, the DNA Program will focus on two primary goals.

**1. Increase the Number of Samples on File**

- Expand the Databank by collecting samples from certain offenders convicted of a crime through the imposition of special conditions.
- Increase collections through partnerships with law enforcement agencies, whereby DNA samples are collected from offenders who owe a sample on a previous conviction when they re-enter the criminal justice system.
- Expand the DCJS tracking system to ensure that samples are collected for every offender convicted of an eligible offense.

**2. Increase the collection of DNA Evidence at crime scenes**

- Expand training for prosecutors and law enforcement in the collection of DNA at crime scenes.
- Provide resources to State Police and local crime laboratories to process additional DNA samples collected from crime scenes.



# ***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 and localities across the State to ensure compliance with the Alcoholic Beverage Control Law; and regulates trade and credit practices for the sale and distribution of alcoholic beverages.

## ***ORGANIZATION AND STAFFING***

The Division will have a workforce of 184 positions for 2006-07, after doubling the number of beverage investigators from 28 to 56.

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

The Executive Budget recommendations for 2006-07 provide approximately \$19.78 million in special revenue funding derived from license, permit fees, and fine revenue.

## ***PROGRAM HIGHLIGHTS***

Staff assigned to the Licensing Program are responsible for the timely processing of permits and licenses. In 2006-07, the Division will undertake an information technology initiative to allow licensees to use the internet for electronic submission of price postings and increase on-line license and permit application filings.

ABC will augment compliance activities during 2006-07, in cooperation with the Division of Criminal Justice Services' Operation IMPACT Program and local law enforcement agencies. The Division investigates complaints and the State Liquor Authority holds administrative hearings against permit and license holders that have violated the State liquor law. Penalties imposed for violations range from warnings to fines and license suspension or revocation, and will be increased significantly for repeat violators, to promote compliance with State liquor laws.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	14,929,000	19,782,000	4,853,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>14,929,000</b>	<b>19,782,000</b>	<b>4,853,000</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	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
Special Revenue Funds - Other	14	14	0
Compliance			
Special Revenue Funds - Other	69	97	28
Licensing and Wholesaler Services			
Special Revenue Funds - Other	73	73	0
Total	156	184	28

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
Special Revenue Funds - Other	14,929,000	19,782,000	4,853,000
Total	14,929,000	19,782,000	4,853,000

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Administration			
Special Revenue Funds - Other	4,028,000	6,286,000	2,258,000
Compliance			
Special Revenue Funds - Other	5,966,000	8,369,000	2,403,000
Licensing and Wholesaler Services			
Special Revenue Funds - Other	4,935,000	5,127,000	192,000
Total	14,929,000	19,782,000	4,853,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	6,286,000	2,258,000	1,000,000	35,000
Compliance	8,369,000	2,403,000	4,927,000	1,365,000
Licensing and Wholesaler Services	5,127,000	192,000	3,064,000	107,000
Total	19,782,000	4,853,000	8,991,000	1,507,000

Program	Nonpersonal Service	
	Amount	Change
Administration	5,286,000	2,223,000
Compliance	3,442,000	1,038,000
Licensing and Wholesaler Services	2,063,000	85,000
Total	10,791,000	3,346,000



# **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 ten 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 2,369 positions for 2006-07.

## **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 \$222 million for the Department's State Operations budget, including \$130 million, or 59 percent, in General Fund support.

Another 37 percent of the Department's State Operations budget will be supported in 2006-07 with the recommended \$83 million in funding from the Retirement Systems. The remaining 4 percent of this budget will be funded with:

- \$5.8 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;
- \$1.6 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 Executive Budget Recommendation includes \$40 million in Aid to Localities for special accidental death benefits for the survivors of police and paid firefighters and \$80 million for increased costs for indigent legal services.

## **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 owners of the property and payment of all valid claims.

## **AUDIT AND CONTROL**

- 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. This program also processes 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 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 2,993 participating government employers, 647,758 active and vested members and approximately 334,251 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	222,452,000	222,452,000	0	0
Aid To Localities	97,925,000	120,000,000	22,075,000	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>320,377,000</b>	<b>342,452,000</b>	<b>22,075,000</b>	<b>0</b>

# AUDIT AND CONTROL

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs	2006-07 Estimated FTEs	FTE Change
	03/31/06	03/31/07	
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	543	543	0
Special Revenue Funds - Federal	8	8	0
Internal Service Funds	11	11	0
Local Government Services and Economic			
Development Program			
General Fund	236	236	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	2,369	2,369	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	130,042,000	130,042,000	0
Special Revenue Funds - Other	5,838,000	5,838,000	0
Internal Service Funds	3,487,000	3,487,000	0
Fiduciary Funds	83,085,000	83,085,000	0
Total	222,452,000	222,452,000	0

# AUDIT AND CONTROL

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administrative and Data Processing			
Services Program			
General Fund	31,284,000	31,284,000	0
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	1,006,000	1,006,000	0
Executive Direction			
General Fund	4,960,000	4,960,000	0
Internal Service Funds	1,647,000	1,647,000	0
Pension Investment and Public Finance			
Program			
General Fund	1,379,000	1,379,000	0
Internal Service Funds	1,840,000	1,840,000	0
Fiduciary Funds	7,248,000	7,248,000	0
Legal Services			
General Fund	3,616,000	3,616,000	0
State Services Program			
General Fund	43,350,000	43,350,000	0
Local Government Services and Economic			
Development Program			
General Fund	17,214,000	17,214,000	0
Special Revenue Funds - Other	545,000	545,000	0
Payroll and Revenue Services			
General Fund	28,239,000	28,239,000	0
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	4,287,000	4,287,000	0
Retirement Services Program			
Fiduciary Funds	75,837,000	75,837,000	0
Total	<u>222,452,000</u>	<u>222,452,000</u>	<u>0</u>

# AUDIT AND CONTROL

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	18,830,000	0	18,778,200	0
Executive Direction	4,294,000	0	4,277,700	0
Pension Investment and Public Finance Program	890,000	0	890,000	0
Legal Services	3,366,000	0	3,353,600	0
State Services Program	31,782,000	0	31,630,000	0
Local Government Services and Economic Development Program	15,153,000	0	15,134,000	0
Payroll and Revenue Services	16,113,000	0	15,186,200	0
<b>Total</b>	<b>90,428,000</b>	<b>0</b>	<b>89,249,700</b>	<b>0</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>
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
<b>Total</b>	<b>544,600</b>	<b>0</b>	<b>633,700</b>	<b>0</b>

# AUDIT AND CONTROL

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	250,000	0	5,000	0
State Services Program	11,568,000	0	21,000	0
Local Government Services and Economic				
Development Program	2,061,000	0	33,500	0
Payroll and Revenue Services	12,126,000	0	68,600	0
Total	<u>39,614,000</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	237,800	0
State Services Program	240,300	0	11,294,950	0
Local Government Services and Economic				
Development Program	404,800	0	1,618,500	0
Payroll and Revenue Services	89,400	0	11,952,250	0
Total	<u>785,600</u>	<u>0</u>	<u>37,862,300</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 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Environmental Protection and Spill				
Compensation	1,006,000	0	512,000	0
Executive Direction	1,647,000	0	1,038,000	0
Pension Investment and Public Finance				
Program	9,088,000	0	3,929,000	0
Local Government Services and Economic				
Development Program	545,000	0	0	0
Office of the Special Deputy Comptroller for				
New York City	4,287,000	0	2,702,000	0
Retirement Services Program	75,837,000	0	37,355,000	0
Total	<u>92,410,000</u>	<u>0</u>	<u>45,536,000</u>	<u>0</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Environmental Protection and Spill				
Compensation	494,000	0	0	0
Executive Direction	609,000	0	0	0
Pension Investment and Public Finance				
Program	5,159,000	0	0	0
Local Government Services and Economic				
Development Program	0	0	545,000	0
Office of the Special Deputy Comptroller for				
New York City	1,585,000	0	0	0
Retirement Services Program	38,482,000	0	0	0
Total	<u>46,329,000</u>	<u>0</u>	<u>545,000</u>	<u>0</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	37,925,000	40,000,000	2,075,000
Special Revenue Funds - Other	60,000,000	80,000,000	20,000,000
Total	<u>97,925,000</u>	<u>120,000,000</u>	<u>22,075,000</u>

Adjustments:

Prior Year Deficiency	
Audit and Control, Department of	
General Fund	400,000
Special Revenue Funds - Other	40,000,000
Recommended Deficiency	
Audit and Control, Department of	
General Fund	(600,000)
Special Revenue Funds - Other	(23,000,000)
Appropriated 2005-06	<u>114,725,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Executive Direction			
Special Revenue Funds - Other	60,000,000	80,000,000	20,000,000
State Services Program			
General Fund	37,925,000	40,000,000	2,075,000
Total	<u>97,925,000</u>	<u>120,000,000</u>	<u>22,075,000</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 2006-07 of \$33.5 million will fund the Budget Division's basic operations, the same level of funding provided in 2005-06.

An appropriation of \$1.5 million is provided to support the Public Authority Budget Office, established by the Governor pursuant to the Public Authorities Accountability Act of 2005. This Office will be coordinated with current Division oversight and reporting responsibilities to assure that public authorities adhere to the highest standards of appropriate governance, accountability and financial management. Within the amount made available, funding will be provided to improve the electronic reporting capabilities of public authorities in order to facilitate access to information on the activities and financial practices of public authorities by the public and the Public Authority Budget Office.

A \$110 million appropriation is also included to support a new statewide Financial Management System. Currently, State agencies operate individual financial management systems. These discrete systems will be replaced with a single Financial Management System (FMS21), which will interface with the new Central Accounting System being developed by the Office of the State Comptroller. FMS21 will standardize day-to-day business operations, resulting in greater efficiency while relieving agencies of the burden of maintaining redundant systems. The first group of agencies will connect to FMS21 during the spring of 2008.

## ***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.

# BUDGET

## ALL FUNDS APPROPRIATIONS (dollars)

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	60,824,000	172,324,000	111,500,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>60,824,000</b>	<b>172,324,000</b>	<b>111,500,000</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>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Budget Division			
General Fund	297	297	0
Special Revenue Funds - Other	68	33	(35)
Financial Management System			
Internal Service Funds	0	25	25
Public Authority Budget Office Program			
Special Revenue Funds - Other	0	10	10
<b>Total</b>	<b>365</b>	<b>365</b>	<b>0</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Budget Division			
General Fund	27,970,000	29,470,000	1,500,000
Special Revenue Funds - Other	19,704,000	23,704,000	4,000,000
Internal Service Funds	1,650,000	1,650,000	0
Cash Management Improvement Act			
General Fund	5,500,000	4,000,000	(1,500,000)
Special Revenue Funds - Other	6,000,000	2,000,000	(4,000,000)
Financial Management System			
Internal Service Funds	0	110,000,000	110,000,000
Public Authority Budget Office Program			
Special Revenue Funds - Other	0	1,500,000	1,500,000
<b>Total</b>	<b>60,824,000</b>	<b>172,324,000</b>	<b>111,500,000</b>

# ***CAPITAL DEFENDER OFFICE***

## ***MISSION***

Established simultaneously with the 1995 restoration of the death penalty, the Capital Defender Office is authorized to defend any indigent person charged with a capital crime. Under the restored death penalty legislation, persons convicted of first-degree murder could 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.

On June 24, 2004 the New York Court of Appeals determined that the deadlock provision of the death penalty statute was unconstitutional. The Court also directed that first degree murder charges could not proceed as capital cases absent the statute being repaired by the Legislature. There is only one remaining death penalty case pending review by the Court of Appeals. If the Legislature fails to enact a statute that addresses the issues raised by the Court, there will no longer be any reason for the continued existence of the Capital Defender Office.

## ***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 7 located in offices in New York City and Albany.

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

The Executive Budget recommendation provides a total of \$6.1 million in State tax dollars to fund the cost of providing death penalty defense in 2006-07. These funds will support the Office's staff attorneys, investigators and experts as well as legal aid societies and private attorneys appointed to represent indigent defendants in capital cases. A portion of these funds will be available to support diminishing office operations, in the absence of legislative action to address the issues raised by the Court of Appeals in its June 2004 decision regarding the State's death penalty. The full amount of this funding will only become available upon passage of the necessary statute.

## ***PROGRAM HIGHLIGHTS***

Since 1995, there have been a total of 875 capital-eligible cases and 58 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 18 in 2005.

# CAPITAL DEFENDER

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	12,277,000	6,100,000	(6,177,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	12,277,000	6,100,000	(6,177,000)	0

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Capital Defense			
General Fund	7	7	0
Total	7	7	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	12,277,000	6,100,000	(6,177,000)
Total	12,277,000	6,100,000	(6,177,000)

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

Program	Available 2005-06	Recommended 2006-07	Change
Capital Defense			
General Fund	12,277,000	6,100,000	(6,177,000)
Total	12,277,000	6,100,000	(6,177,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Capital Defense	0	(4,648,000)	0	(4,467,000)
Total	0	(4,648,000)	0	(4,467,000)

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Capital Defense	0	(181,000)
Total	0	(181,000)

# CAPITAL DEFENDER

STATE OPERATIONS - GENERAL FUND  
 SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
 APPROPRIATIONS AND CHANGES  
 2006-07 RECOMMENDED  
 (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Capital Defense	6,100,000	(1,529,000)	0	(187,000)
Total	6,100,000	(1,529,000)	0	(187,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Capital Defense	0	(314,000)	0	(2,040,000)
Total	0	(314,000)	0	(2,040,000)

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Capital Defense	0	(159,000)	6,100,000	1,171,000
Total	0	(159,000)	6,100,000	1,171,000



# **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**

Based in Albany, the Department of Civil Service operates under the direction of a Commissioner appointed by the Governor. 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 maintain a workforce of 572 in 2006-07.

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 1.2 million covered individuals and financial accounting for approximately \$5.4 billion in annual premiums through the New York Benefits Eligibility and Accounting System. The Employee Health Service is responsible for conducting and administering medical examinations and evaluations, work place nursing activities, and occupational health screenings and immunizations for NYS employees located in nursing stations throughout the State;
- The Municipal Service Division assists 101 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.

## **CIVIL SERVICE**

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

The Department is funded, in part, with tax dollars from the General Fund that supports approximately 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. The premiums paid by public employers are partially used 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 many of the tests that are open to the general public. The Executive Budget recommends funding of \$65.6 million for the Department, which includes \$23.8 million in General Fund support and \$41.8 million in payments from other State agencies and public entities.

### **PROGRAM HIGHLIGHTS**

The Department of Civil Service will continue to use technology to strengthen services and increase efficiency. The Department will implement an Employee Self Service Project, which will centralize agency benefits counseling services in EBD. Employee benefits information will be delivered by the Department via a newly developed online State portal as well as an EBD call center. Employees will have the ability to access various personnel records through a secure website. In addition, the Department will continue the development of 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 (EBD) achieved a reduction of \$46.8 million for Empire Plan subscribers through negotiated changes to the insurance companies requested initial 2006 premium. As a result of new Medicare Part D provisions effective January 1, 2006, EBD is implementing procedures to continue prescription drug coverage under both the Empire Plan and HMOs for Medicare eligible retirees, while seeking the Federal subsidy to partially offset the cost of that coverage.

The Public Management Institute (PMI), which was re-established in 2004, was expanded to 48 internships in 2005. The PMI program serves as an important vehicle for bringing exceptional individuals with a capacity for leadership to careers in New York State government.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	63,161,000	65,596,000	2,435,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	63,161,000	65,596,000	2,435,000	0



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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration and Information			
Management			
General Fund	93	90	(3)
Internal Service Funds	23	23	0
Local Civil Service			
General Fund	14	14	0
Labor Management Programs			
General Fund	17	17	0
Personnel Benefit Services			
General Fund	32	32	0
Internal Service Funds	158	158	0
Personnel Management Services			
General Fund	188	188	0
Internal Service Funds	50	50	0
Total	<u>575</u>	<u>572</u>	<u>(3)</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	26,555,000	23,836,000	(2,719,000)
Special Revenue Funds - Other	1,400,000	2,300,000	900,000
Internal Service Funds	35,206,000	39,460,000	4,254,000
Total	<u>63,161,000</u>	<u>65,596,000</u>	<u>2,435,000</u>

Adjustments:

Transfer(s) From	
Special Pay Bill	
General Fund	(100,000)
Appropriated 2005-06	<u>63,061,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration and Information			
Management			
General Fund	10,152,000	7,446,000	(2,706,000)
Internal Service Funds	2,713,000	3,269,000	556,000
Local Civil Service			
General Fund	992,000	1,046,000	54,000
Personnel Benefit Services			
General Fund	2,013,000	2,132,000	119,000
Special Revenue Funds - Other	400,000	300,000	(100,000)
Internal Service Funds	24,716,000	28,422,000	3,706,000
Personnel Management Services			
General Fund	13,398,000	13,212,000	(186,000)
Special Revenue Funds - Other	1,000,000	2,000,000	1,000,000
Internal Service Funds	7,777,000	7,769,000	(8,000)
Total	<u>63,161,000</u>	<u>65,596,000</u>	<u>2,435,000</u>

# CIVIL SERVICE

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	5,750,000	69,000	5,747,000	69,000
Local Civil Service	1,014,000	54,000	1,013,000	54,000
Personnel Benefit Services	1,902,000	(13,000)	1,872,000	(13,000)
Personnel Management Services	10,912,000	(517,000)	10,009,000	(517,000)
<b>Total</b>	<b>19,578,000</b>	<b>(407,000)</b>	<b>18,641,000</b>	<b>(407,000)</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  
2006-07 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	1,696,000	(2,775,000)	45,000	0
Local Civil Service	32,000	0	6,000	0
Personnel Benefit Services	230,000	132,000	37,000	20,000
Personnel Management Services	2,300,000	331,000	168,000	0
<b>Total</b>	<b>4,258,000</b>	<b>(2,312,000)</b>	<b>256,000</b>	<b>20,000</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Information				
Management	32,000	0	1,539,000	(2,775,000)
Local Civil Service	11,000	0	15,000	0
Personnel Benefit Services	20,000	10,000	143,000	87,000
Personnel Management Services	171,000	0	1,938,000	(509,000)
<b>Total</b>	<b>234,000</b>	<b>10,000</b>	<b>3,635,000</b>	<b>(3,197,000)</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	0	0
Local Civil Service	0	0	0	0
Personnel Benefit Services	30,000	15,000	0	0
Personnel Management Services	23,000	0	0	840,000
<b>Total</b>	<b>133,000</b>	<b>15,000</b>	<b>0</b>	<b>840,000</b>

**CIVIL SERVICE****STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	3,269,000	556,000	1,567,000	374,000
Personnel Benefit Services	28,722,000	3,606,000	9,243,000	845,000
Personnel Management Services	9,769,000	992,000	0	0
Total	<u>41,760,000</u>	<u>5,154,000</u>	<u>10,810,000</u>	<u>1,219,000</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	1,702,000	182,000	0	0
Personnel Benefit Services	9,850,000	2,410,000	9,629,000	351,000
Personnel Management Services	0	0	9,769,000	992,000
Total	<u>11,552,000</u>	<u>2,592,000</u>	<u>19,398,000</u>	<u>1,343,000</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 Newburgh, Utica and New York City. For 2006-07 the Consumer Protection Board will have a workforce of 32.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Consumer Protection Board is financed entirely from non-taxpayer sources, primarily assessments on utilities operating within the State. The Executive Budget recommendation provides approximately \$4.36 million for the Consumer Protection Board for 2006-07, an increase of \$565,000, which will permit the Board to provide greater assistance in resolving consumer complaints and enhance consumer education programs.

## PROGRAM HIGHLIGHTS

The Office of Strategic Programs consists of the utility intervention and outreach information units. These units represent consumers in utility rate cases and develop and deliver 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.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	3,792,000	4,357,000	565,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,792,000	4,357,000	565,000	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Consumer Protection			
Special Revenue Funds - Other	32	32	0
Total	32	32	0

# CONSUMER PROTECTION

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Special Revenue Funds - Other	3,792,000	4,357,000	565,000
Total	<u>3,792,000</u>	<u>4,357,000</u>	<u>565,000</u>

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Consumer Protection			
Special Revenue Funds - Other	3,792,000	4,357,000	565,000
Total	<u>3,792,000</u>	<u>4,357,000</u>	<u>565,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Consumer Protection	4,357,000	565,000	2,138,000	196,000
Total	<u>4,357,000</u>	<u>565,000</u>	<u>2,138,000</u>	<u>196,000</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Consumer Protection	2,208,000	369,000	11,000	0
Total	<u>2,208,000</u>	<u>369,000</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 2006-07 with a staff of 35.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Commission of Correction will be supported by approximately \$2.6 million in State tax dollars in 2006-07 .

## 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
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	2,577,000	2,607,000	30,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,577,000	2,607,000	30,000	0

# CORRECTION

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Improvement of Correctional Facilities			
General Fund	32	32	0
Special Revenue Funds - Federal	3	3	0
Total	<u>35</u>	<u>35</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	2,577,000	2,607,000	30,000
Total	<u>2,577,000</u>	<u>2,607,000</u>	<u>30,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Improvement of Correctional Facilities			
General Fund	2,577,000	2,607,000	30,000
Total	<u>2,577,000</u>	<u>2,607,000</u>	<u>30,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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>
Improvement of Correctional Facilities	2,139,000	20,000	2,119,000	20,000
Total	<u>2,139,000</u>	<u>20,000</u>	<u>2,119,000</u>	<u>20,000</u>

<b>Program</b>	<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Improvement of Correctional Facilities	20,000	0
Total	<u>20,000</u>	<u>0</u>



**CORRECTION**

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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>
Improvement of Correctional Facilities	468,000	10,000	16,000	0
Total	468,000	10,000	16,000	0

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Improvement of Correctional Facilities	161,000	4,000	283,000	6,000
Total	161,000	4,000	283,000	6,000

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Improvement of Correctional Facilities	8,000	0
Total	8,000	0



# **DEPARTMENT OF CORRECTIONAL SERVICES**

## **MISSION**

The Department of Correctional Services is responsible for the safe and secure confinement of convicted felons, and the preparation of these individuals for successful reintegration into the community upon release.

## **ORGANIZATION AND STAFFING**

The Department oversees the nation's fourth largest state prison system. With a staff of approximately 31,300 employees, the Department currently operates 70 facilities, grouped within nine regional hubs. Each facility is managed by a Superintendent, who reports to the Commissioner. Nearly 68 percent of the Department's staff are security personnel, with remaining personnel primarily dedicated to the delivery of inmate programs, health services or facility operations. The Department also operates the Willard Drug Treatment Campus in Seneca County, in cooperation with the Division of Parole and the Office of Alcoholism and Substance Abuse Services.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

For 2006-07 the Department will be supported by appropriations of \$2.6 billion. Recommendations account for the current and projected prison population, and support the safe and efficient operation of the state prison system.

The 2006-07 Executive Budget recommends the transfer of the Camp Pharsalia minimum security facility to the Office of Mental Health for the civil commitment of sexually violent predators.

The Department's \$2.3 billion in operating expenses will be supported primarily by State tax dollars, which comprise 93 percent of the Department's operating budget. Nearly \$36 million in Federal funds offset the State cost of housing illegal alien felons, inmate education and substance abuse treatment. Another \$71 million is authorized for the operation of the Correctional Industries program, an inmate vocational program which produces commodities for sale to government agencies. Finally, \$245 million will support the Department's capital program.

## **PROGRAM HIGHLIGHTS**

Over the last decade, penalties for violent crime have increased significantly in New York State. Jenna's Law, enacted in 1998, together with the Truth-in-Sentencing legislation, enacted in 1995, ensures that violent offenders will serve at least 85 percent of their sentence in prison. These and other criminal justice reforms have reduced crime rates resulting in fewer people sentenced to prison. By the close of the 2006-07 fiscal year, the population is expected to be an estimated 63,100 inmates – 8,400 inmates less than the 1999 peak of 71,500.

The decline in inmate population over the past several years can be attributed to reduced crime rates; alternative to incarceration programs, such as the Willard Drug Treatment campus, which provides the court with the option to sentence certain non-violent offenders to treatment for addiction; and programs in which non-violent offenders earn early release from prison through good behavior and progress in inmate programs. The success of these programs has contributed to lower rates of recidivism.

## **CORRECTIONAL SERVICES**

Although the overall size of the prison population has declined, violent and predatory offenders are remaining in prison longer — on average, 53 percent longer. Tougher penalties for the most serious crimes and the elimination of parole for violent felony offenders have led to a prison population more heavily comprised of violent offenders. Violent offenders now constitute 57 percent of the total inmate population, up from 51 percent in 1995.

To ensure sufficient capacity to appropriately house the greater proportion of violent offenders, 4,950 maximum-security beds were constructed during the late 1990's — including nine 200-bed disciplinary housing units and two new 1,500-bed facilities. Since the population began to decline in 2000, 6,200 minimum and medium security beds once needed to house the much larger prison population have been eliminated. Assaults on inmates and staff are down 64 percent and 45 percent, respectively — the lowest levels since the early 1980's.

The Department is comprised of seven major programs, aimed at providing a safe and secure environment that affords each inmate the opportunity for rehabilitation. These include:

- **Administration:** Administrative staff formulate policy and provide centralized operational support to correctional facilities, including directing the classification and movement of inmates, as well as coordinating labor relations, personnel and financial functions and the Department's response to legal issues.
- **Support Services:** Dedicated to facility management, this program ensures smooth operations within correctional facilities, including food service, transportation, utility management and maintenance of the physical plant.
- **Supervision of Inmates:** A total of 21,000 correction officers ensures a safe and secure environment for both employees and inmates, and protects the safety of surrounding communities.
- **Program Services:** The Department offers a wide range of programs designed to prepare inmates for successful reintegration into the community, including basic educational and vocational training, sex offender and substance abuse treatment, aggression management and transitional planning.
- **Health Services:** Treating a population with significant health care needs and high rates of infectious disease (e.g., AIDS, tuberculosis and hepatitis), the Department combines the use of telemedicine with access to regional medical units to achieve cost-effective healthcare. Inmate mental health services are provided jointly with the Office of Mental Health, and a planned expansion of services is on track.
- **Correctional Industries:** This program provides commodities and services for the Department, other State agencies and local governments. Inmates are employed by Correctional Industries, providing them with vocational training and real work experience.
- **Facilities Planning and Development:** The Department's capital program ensures that all aspects of each facility remain safe and secure. The advanced age of some of the system's facilities, as well as the changing needs of the inmate population, require a steady program of rehabilitation and preservation projects.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	2,263,313,000	2,346,239,000	82,926,000	37,000,000
Aid To Localities	8,000,000	6,000,000	(2,000,000)	8,000,000
Capital Projects	205,000,000	248,000,000	43,000,000	820,865,000
Total	<u>2,476,313,000</u>	<u>2,600,239,000</u>	<u>123,926,000</u>	<u>865,865,000</u>

# CORRECTIONAL SERVICES

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
General Fund	235	235	0
Special Revenue Funds - Federal	655	655	0
Enterprise Funds	11	11	0
Correctional Industries			
Internal Service Funds	474	474	0
Facilities Planning and Development			
Capital Projects Funds - Other	32	32	0
Health Services			
General Fund	1,891	1,924	33
Enterprise Funds	26	26	0
Program Services			
General Fund	3,273	3,260	(13)
Enterprise Funds	42	42	0
Supervision of Inmates			
General Fund	21,251	21,160	(91)
Support Services			
General Fund	3,582	3,549	(33)
Total	<u>31,472</u>	<u>31,368</u>	<u>(104)</u>

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	2,091,745,000	2,179,398,000	87,653,000
Special Revenue Funds - Federal	36,600,000	35,700,000	(900,000)
Special Revenue Funds - Other	1,000,000	850,000	(150,000)
Enterprise Funds	58,957,000	59,046,000	89,000
Internal Service Funds	75,011,000	71,245,000	(3,766,000)
Total	<u>2,263,313,000</u>	<u>2,346,239,000</u>	<u>82,926,000</u>

Adjustments:	
Prior Year Deficiency	
Correctional Services, Department of	
General Fund	116,000,000
Appropriated 2005-06	<u>2,379,313,000</u>

# CORRECTIONAL SERVICES

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	25,434,000	27,557,000	2,123,000
Special Revenue Funds - Federal	36,600,000	35,700,000	(900,000)
Special Revenue Funds - Other	400,000	250,000	(150,000)
Enterprise Funds	2,082,000	2,082,000	0
Correctional Industries			
Internal Service Funds	75,011,000	71,245,000	(3,766,000)
Health Services			
General Fund	291,770,000	323,694,000	31,924,000
Enterprise Funds	9,694,000	2,613,000	(7,081,000)
Program Services			
General Fund	203,114,000	205,101,000	1,987,000
Special Revenue Funds - Other	100,000	100,000	0
Enterprise Funds	46,356,000	52,986,000	6,630,000
Supervision of Inmates			
General Fund	1,174,924,000	1,170,850,000	(4,074,000)
Support Services			
General Fund	396,503,000	452,196,000	55,693,000
Special Revenue Funds - Other	500,000	500,000	0
Enterprise Funds	825,000	1,365,000	540,000
Total	<u>2,263,313,000</u>	<u>2,346,239,000</u>	<u>82,926,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	15,510,000	197,000	15,435,000	195,000
Health Services	121,401,000	10,469,000	109,968,000	10,295,000
Program Services	170,994,000	4,298,000	155,868,000	373,000
Supervision of Inmates	1,148,247,000	(6,310,000)	1,085,582,000	5,089,000
Support Services	162,320,000	6,486,000	152,946,000	6,041,000
Total	<u>1,618,472,000</u>	<u>15,140,000</u>	<u>1,519,799,000</u>	<u>21,993,000</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	75,000	2,000
Health Services	3,919,000	(401,000)	7,514,000	575,000
Program Services	11,917,000	3,810,000	3,209,000	115,000
Supervision of Inmates	7,176,000	(591,000)	55,489,000	(10,808,000)
Support Services	442,000	86,000	8,932,000	359,000
Total	<u>23,454,000</u>	<u>2,904,000</u>	<u>75,219,000</u>	<u>(9,757,000)</u>

# CORRECTIONAL SERVICES

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	12,047,000	1,926,000	523,000	109,000
Health Services	202,293,000	21,455,000	86,776,000	10,262,000
Program Services	34,107,000	(2,311,000)	10,193,000	640,000
Supervision of Inmates	22,603,000	2,236,000	11,710,000	(422,000)
Support Services	289,876,000	49,207,000	141,673,000	34,883,000
Total	560,926,000	72,513,000	250,875,000	45,472,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	454,000	126,000	8,180,000	1,669,000
Health Services	187,000	74,000	113,646,000	10,107,000
Program Services	480,000	85,000	21,251,000	(4,553,000)
Supervision of Inmates	3,474,000	998,000	6,674,000	1,372,000
Support Services	489,000	161,000	137,836,000	14,621,000
Total	5,084,000	1,444,000	287,587,000	23,216,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	890,000	22,000	2,000,000	0
Health Services	1,684,000	1,012,000	0	0
Program Services	2,183,000	1,517,000	0	0
Supervision of Inmates	745,000	288,000	0	0
Support Services	9,878,000	(458,000)	0	0
Total	15,380,000	2,381,000	2,000,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	38,032,000	(1,050,000)	32,327,000	0
Correctional Industries	71,245,000	(3,766,000)	23,761,000	(922,000)
Health Services	2,613,000	(7,081,000)	2,364,000	119,000
Program Services	53,086,000	6,630,000	2,273,000	25,000
Support Services	1,865,000	540,000	0	0
Total	166,841,000	(4,727,000)	60,725,000	(778,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,505,000	(150,000)	4,200,000	(900,000)
Correctional Industries	47,484,000	(2,844,000)	0	0
Health Services	249,000	(7,200,000)	0	0
Program Services	50,813,000	6,605,000	0	0
Support Services	1,865,000	540,000	0	0
Total	101,916,000	(3,049,000)	4,200,000	(900,000)

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	8,000,000	6,000,000	(2,000,000)
Total	8,000,000	6,000,000	(2,000,000)

# **CORRECTIONAL SERVICES**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Support Services			
General Fund	8,000,000	6,000,000	(2,000,000)
Total	<u>8,000,000</u>	<u>6,000,000</u>	<u>(2,000,000)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Maintenance and Improvement of Existing Facilities				
Federal Capital Projects Fund	0	0	0	3,482,000
Special Conservation Activities Account	0	3,000,000	3,000,000	0
Correctional Facilities Capital Improvement Fund	205,000,000	245,000,000	40,000,000	555,980,000
UDC Financed and Other New Facility Capacity Expansion				
Correctional Facilities Capital Improvement Fund	0	0	0	261,403,000
Total	<u>205,000,000</u>	<u>248,000,000</u>	<u>43,000,000</u>	<u>820,865,000</u>



# **CRIME VICTIMS BOARD**

## **MISSION**

Since its establishment in 1966, the Crime Victims Board (CVB) has been the lead State agency in assisting persons who have been the victims of crime, particularly crimes of a violent nature.

The agency's principal mission is to provide financial assistance to victims for losses they suffer as a result of crime. The Board provides grants to local agencies, which assist witnesses and victims, and serves as the State's advocate for crime victims' rights, needs and interests.

## **ORGANIZATION AND STAFFING**

The Board consists of five members, appointed by the Governor to seven-year terms, who work full-time to administer the agency and to make final decisions on victim compensation awards. The Governor designates one member of the Board to be the Chair. The agency has primary offices in Albany and New York City and has a satellite office in Buffalo. Each office processes victim claims and provides grant program aid and advocacy services on a regional basis in support of the Board's mission. Including the five Board members, the agency will have 103 staff in 2006-07.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

During 2006-07, \$7.1 million will be spent to operate the agency. Approximately \$67.6 million in Federal aid and revenue from offenders will support compensation payments to victims, local grants to programs assisting victims with treatment and other services, and payments for forensic rape exams.

Funding is included to support CVB's efforts to further modernize its operations, thereby improving the timeliness of processing compensation claims from victims and their families.

## **PROGRAM HIGHLIGHTS**

The Crime Victims Board operates with three programs. The Payment to Victims Program compensates individual crime victims for crime-related losses. The Victim and Witness Assistance Program administers grants to local agencies. The Administration Program provides executive direction and administrative support to the agency, as well as advocacy services for crime victims.

The September 11<sup>th</sup> attacks on the World Trade Center in New York City were a catastrophic crime, which affected an unprecedented number of people in terms of deaths, injuries and loss of economic support. Although virtually all claims have been processed, the agency will continue to assist all victims of the World Trade Center attacks to meet medical, housing, employment, and counseling expenses.

## **PAYMENTS TO VICTIMS**

The agency annually reviews more than 18,000 cases of persons who may have suffered financial loss as the result of violent crime or, in the case of the elderly and disabled, any crime. Assistance is given with losses for which no other source of compensation is available. Categories in which payments are made include medical expenses, lost wages due to work missed because of an injury, stolen or damaged essential personal property and the costs of counseling to relieve the traumatic effects of victimization. Surviving family members of a victim also may be eligible for these services, as well as reimbursement for funeral expenses for a crime victim.

## CRIME VICTIMS

Over the past several years, the agency has made a significant effort to increase public awareness about the services available to assist victims of crime. As a result, the number of people seeking help has risen.

### VICTIM AND WITNESS ASSISTANCE

The Crime Victims Board currently administers approximately 200 contracts with other State agencies, local governments, and not-for-profit agencies to provide direct services to crime victims and witnesses. In a cooperative program with the New York State Police, CVB funds are used for victim advocates who link crime victims, law enforcement officials and assistance programs for an overall enhancement to criminal justice. Similarly, the agency cooperates with the Department of Correctional Services to fund advocate positions and the automated victim notification system to keep victims informed about the legal status of the offenders responsible for the crimes committed against them. Services provided by local not-for-profit agencies include crisis intervention, counseling and assistance in filing victim compensation.

### ADVOCACY

The agency is responsible by law to “coordinate State programs and activities relating to crime victims” and “to advise and assist the Governor in developing policies designed to recognize the legitimate rights, needs and interests of crime victims.” To that end, the agency provides legal and technical assistance to other State agencies and to local organizations involved with crime victims. In addition, the Crime Victims Board sponsors an annual statewide conference on crime victim issues.

The State’s “Son of Sam Law” prevents convicted persons from profiting from their crimes, including the sale of publishing or film rights to their stories. Any such profits can, by law, be payable to the persons who were victims of the crimes. The agency is charged with notifying victims of a convicted person that a “Son of Sam” situation exists, and may also act on the victims’ behalf to prevent the profits from being spent or otherwise put beyond the reach of the victims while a recovery suit is pending.

#### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	6,184,000	7,134,000	950,000	0
Aid To Localities	67,614,000	67,614,000	0	40,410,000
Capital Projects	0	0	0	0
Total	73,798,000	74,748,000	950,000	40,410,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	64	70	6
Special Revenue Funds - Federal	28	28	0
Special Revenue Funds - Other	5	5	0
Payment to Victims			
Special Revenue Funds - Other	6	0	(6)
Total	103	103	0

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	3,332,000	4,282,000	950,000
Special Revenue Funds - Federal	1,925,000	1,925,000	0
Special Revenue Funds - Other	927,000	927,000	0
<b>Total</b>	<b>6,184,000</b>	<b>7,134,000</b>	<b>950,000</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	3,332,000	4,282,000	950,000
Special Revenue Funds - Federal	1,925,000	1,925,000	0
Special Revenue Funds - Other	927,000	927,000	0
<b>Total</b>	<b>6,184,000</b>	<b>7,134,000</b>	<b>950,000</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	3,490,000	375,000	3,490,000	375,000
<b>Total</b>	<b>3,490,000</b>	<b>375,000</b>	<b>3,490,000</b>	<b>375,000</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	792,000	575,000	21,000	0
<b>Total</b>	<b>792,000</b>	<b>575,000</b>	<b>21,000</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	15,000	0	751,000	575,000
<b>Total</b>	<b>15,000</b>	<b>0</b>	<b>751,000</b>	<b>575,000</b>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	5,000	0
<b>Total</b>	<b>5,000</b>	<b>0</b>

# CRIME VICTIMS

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	2,852,000	0	1,349,000	0
Total	<u>2,852,000</u>	<u>0</u>	<u>1,349,000</u>	<u>0</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Administration	1,503,000	0
Total	<u>1,503,000</u>	<u>0</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>2005-06</b>	<b>2006-07</b>	
Special Revenue Funds - Federal	36,523,000	36,523,000	0
Special Revenue Funds - Other	31,091,000	31,091,000	0
Total	<u>67,614,000</u>	<u>67,614,000</u>	<u>0</u>

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

<b>Program</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2005-06</b>	<b>2006-07</b>	
Payment to Victims			
Special Revenue Funds - Federal	11,523,000	11,523,000	0
Special Revenue Funds - Other	24,000,000	24,000,000	0
Victim and Witness Assistance			
Special Revenue Funds - Federal	25,000,000	25,000,000	0
Special Revenue Funds - Other	7,091,000	7,091,000	0
Total	<u>67,614,000</u>	<u>67,614,000</u>	<u>0</u>

# ***DIVISION OF CRIMINAL JUSTICE SERVICES***

## ***MISSION***

The mission of the Division of Criminal Justice Services is to enhance public safety and improve criminal justice. The Division measures progress toward the overall goal of reducing crime, and tracks the effectiveness of both agency and systemwide criminal justice strategies designed to increase public safety.

## ***VISION***

The Division of Criminal Justice Services' strategic vision is to make New York the safest state in the nation.

## ***OPERATING HIGHLIGHTS***

- Leads Operation IMPACT, supporting crime-fighting approaches in 17 upstate counties and certain high crime communities.
- Manages more than 2,100 contracts totaling \$134 million in State and Federal funds to support statewide crime reduction strategies.
- Provides technical support through training and crime analysis to law enforcement agencies to reduce crime throughout New York State.
- Maintains the Sex Offender Registry and the State DNA Databank.
- Operates the Statewide Automated Fingerprint Identification System which expedites access to information for local police departments.
- Supports eJustice NY, a secure communications network which provides law enforcement with essential operational support, such as criminal history information and offender photos.
- Operates the Missing and Exploited Children Clearinghouse and the Operation SAFE CHILD program.

## ***ENVIRONMENTAL CHALLENGES AND OPPORTUNITIES***

Through their strategic plan, the Division of Criminal Justice Services is meeting the challenge to:

- Continue lowering the crime rate in New York.
- Improve coordination among Federal, State, and local law enforcement agencies.
- Improve information available to help fight crime.
- Expand the use of technology to combat crime.

## ***CRIMINAL JUSTICE SERVICES***

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### ***KEY AGENCY STRATEGIES***

The Division of Criminal Justice Services will implement the following major strategies during the next three years to accomplish its vision:

- Improve the effectiveness of statewide enforcement efforts.
- Improve offender management through technology and information-sharing systems.
- Expand public safety information and services.

### ***ACTIONS TO IMPLEMENT THE STRATEGIES***

The Division of Criminal Justice Services will pursue the following actions and innovations to implement the above key strategies:

#### ***Improve the Effectiveness of Statewide Enforcement Efforts.***

Implementation actions include expansion of Operation IMPACT, the eJusticeNY program, and DNA processing. The Budget provides an additional \$5 million for Operation IMPACT, to assist communities that are experiencing high crime rates; \$6 million for local crime labs to expand DNA processing capabilities and \$2 million for training in the collection, testing and use of DNA through a partnership with the John Jay College of Criminal Justice; \$2 million for local law enforcement and district attorneys associated with the Governor's initiative to combat illegal gun trafficking; and, an additional \$5 million for programs aimed at improving the recruitment and retention of assistant district attorneys.

<b>Action</b>	<b>Three-Year Performance Goals</b>
<ul style="list-style-type: none"><li>➤ Continue support for Operation IMPACT in the 17 counties outside of New York City who report the highest crime volume, and provide grants to other jurisdictions who are experiencing increases in violent crime</li></ul>	<ul style="list-style-type: none"><li>• Make New York the safest state in the country by 2008</li></ul>
<ul style="list-style-type: none"><li>➤ Improve the effectiveness of the DNA program through increased aid to local laboratories and expanded law enforcement training</li></ul>	<ul style="list-style-type: none"><li>• Reduce DNA sample processing times for local laboratories; train law enforcement on the collection and use of DNA evidence</li></ul>
<ul style="list-style-type: none"><li>➤ Expand access to eJusticeNY, a secure communications network for law enforcement</li></ul>	<ul style="list-style-type: none"><li>• 100 percent of all law enforcement agencies linked to and using the network</li></ul>
<ul style="list-style-type: none"><li>➤ Conduct 200 law enforcement training sessions for 6,000 officers annually through the Office of Public Safety</li></ul>	<ul style="list-style-type: none"><li>• All sessions evaluated by participants as excellent or very good</li></ul>
<ul style="list-style-type: none"><li>➤ Provide an efficient equipment repair and certification service to law enforcement through the Office of Public Safety</li></ul>	<ul style="list-style-type: none"><li>• Repair and certify 5,300 breathalyzers and speed enforcement devices annually within 3 days of receipt, with service ratings of excellent or very good</li></ul>

## CRIMINAL JUSTICE SERVICES

### ***Improve Offender Management Through Technology and Information-Sharing Systems.***

Implementation actions include expanding electronic transmission of fingerprints and improving the Sex Offender Registry. The Budget provides \$21 million from the Fingerprint Identification and Technology Account to fully fund major criminal justice technology initiatives including improvements to eJusticeNY and the computerized Sex Offender Registry.

Action	Three-Year Performance Goals
<ul style="list-style-type: none"><li>➤ Provide timely, accurate criminal history information to law enforcement and civil customers</li></ul>	<ul style="list-style-type: none"><li>• Process 650,000 criminal and 400,000 civil prints annually; process electronically submitted prints within 3 hours of receipt</li></ul>
<ul style="list-style-type: none"><li>➤ Expand the number of agencies submitting fingerprint arrest records electronically</li></ul>	<ul style="list-style-type: none"><li>• Increase the percent of criminal fingerprints submitted electronically from 80 to 100 percent</li></ul>
<ul style="list-style-type: none"><li>➤ Improve the Sex Offender Registry by improving the case management system and implementing a process to update offender photos</li></ul>	<ul style="list-style-type: none"><li>• Register all high risk sex offenders within one day of receipt of registration information; update public website photos of high risk sex offenders annually</li></ul>

### ***Expand Public Safety Information and Services.***

Implementation actions include expanding Operation SAFE CHILD and the inquiry capacity of the Sex Offender Registry.

Action	Three-Year Performance Goals
<ul style="list-style-type: none"><li>➤ Expand Operation SAFE CHILD through a partnership with 25 local law enforcement agencies</li></ul>	<ul style="list-style-type: none"><li>• Expand the number of SAFE CHILD ID cards issued to 60,000 annually</li></ul>
<ul style="list-style-type: none"><li>➤ Provide the public with information on sex offenders by providing a 24 hour toll free phone service and operating a public website</li></ul>	<ul style="list-style-type: none"><li>• Maintain a website that can respond to up to 20 million Sex Offender Registry inquiries annually, and staff the toll free line to respond to 125,000 public inquiries annually</li></ul>

# CRIMINAL JUSTICE SERVICES

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	143,459,000	128,567,000	(14,892,000)	410,714,000
Aid To Localities	147,185,000	131,591,000	(15,594,000)	239,109,000
Capital Projects	0	0	0	0
Total	290,644,000	260,158,000	(30,486,000)	649,823,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	82	82	0
Funding and Program Assistance			
General Fund	53	53	0
Special Revenue Funds - Federal	117	117	0
Special Revenue Funds - Other	4	4	0
Operation and Systems			
General Fund	349	363	14
Special Revenue Funds - Federal	29	29	0
Public Safety			
General Fund	55	55	0
Special Revenue Funds - Other	3	3	0
Total	692	706	14

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	42,499,000	55,907,000	13,408,000
Special Revenue Funds - Federal	90,310,000	50,010,000	(40,300,000)
Special Revenue Funds - Other	10,650,000	22,650,000	12,000,000
Total	143,459,000	128,567,000	(14,892,000)

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	14,188,000	18,215,000	4,027,000
Funding and Program Assistance			
General Fund	2,940,000	3,279,000	339,000
Special Revenue Funds - Federal	82,810,000	42,510,000	(40,300,000)
Special Revenue Funds - Other	500,000	500,000	0
Operation and Systems			
General Fund	22,395,000	30,913,000	8,518,000
Special Revenue Funds - Federal	7,500,000	7,500,000	0
Special Revenue Funds - Other	9,200,000	21,200,000	12,000,000
Public Safety			
General Fund	2,976,000	3,500,000	524,000
Special Revenue Funds - Other	950,000	950,000	0
Total	143,459,000	128,567,000	(14,892,000)



# CRIMINAL JUSTICE SERVICES

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	6,953,000	625,000	6,914,000	625,000
Funding and Program Assistance	3,130,000	339,000	3,121,000	339,000
Operation and Systems	17,169,000	1,972,000	17,087,000	1,972,000
Public Safety	2,922,000	324,000	2,878,000	324,000
Total	30,174,000	3,260,000	30,000,000	3,260,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	5,000	0	34,000	0
Funding and Program Assistance	0	0	9,000	0
Operation and Systems	0	0	82,000	0
Public Safety	0	0	44,000	0
Total	5,000	0	169,000	0

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	11,262,000	3,402,000	346,000	0
Funding and Program Assistance	149,000	0	20,000	0
Operation and Systems	13,744,000	6,546,000	66,000	0
Public Safety	578,000	200,000	87,000	0
Total	25,733,000	10,148,000	519,000	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	271,000	0	5,976,000	402,000
Funding and Program Assistance	23,000	0	97,000	0
Operation and Systems	25,000	0	13,603,000	6,546,000
Public Safety	215,000	0	12,000	0
Total	534,000	0	19,688,000	6,948,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,169,000	0	3,500,000	3,000,000
Funding and Program Assistance	9,000	0	0	0
Operation and Systems	50,000	0	0	0
Public Safety	264,000	200,000	0	0
Total	1,492,000	200,000	3,500,000	3,000,000

# CRIMINAL JUSTICE SERVICES

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Funding and Program Assistance	43,010,000	(40,300,000)	4,100,000	4,100,000
Operation and Systems	28,700,000	12,000,000	0	0
Public Safety	950,000	0	0	0
Total	72,660,000	(28,300,000)	4,100,000	4,100,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Funding and Program Assistance	500,000	0	38,410,000	(44,400,000)
Operation and Systems	0	0	28,700,000	12,000,000
Public Safety	0	0	950,000	0
Total	500,000	0	68,060,000	(32,400,000)

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	63,435,000	27,135,000	(36,300,000)
Special Revenue Funds - Federal	58,050,000	33,050,000	(25,000,000)
Special Revenue Funds - Other	25,700,000	71,406,000	45,706,000
Total	147,185,000	131,591,000	(15,594,000)

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Funding and Program Assistance			
General Fund	63,435,000	27,135,000	(36,300,000)
Special Revenue Funds - Federal	58,050,000	33,050,000	(25,000,000)
Special Revenue Funds - Other	25,700,000	71,406,000	45,706,000
Total	147,185,000	131,591,000	(15,594,000)

# 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. The Board also assists County Boards of Elections by completing administrative reviews, assisting in resolving complaints and producing reports and recommendations. The Board will have a workforce of 62 in 2006-07.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends over \$4.6 million in General Fund support for the Board of Elections and includes a total of \$237 million in appropriations for the implementation of the Help America Vote Act. This funding will permit the Board to continue to carry out its various responsibilities related to the electoral process, including HAVA initiatives and the development of a local campaign report database, as well as voter outreach activities and interaction with local Boards of Elections.

## PROGRAM HIGHLIGHTS

Over the past 30 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 provides 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 of the Board remains the continued use of technology to provide services and information to local election boards and the public. Financial disclosure reports and election information on the Board's web site are accessed by an estimated 10 million requestors annually.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	31,929,000	14,888,000	(17,041,000)	27,700,000
Aid To Localities	200,000,000	0	(200,000,000)	200,000,000
Capital Projects	0	0	0	0
Total	231,929,000	14,888,000	(217,041,000)	227,700,000

# ELECTIONS

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Regulation of Elections			
General Fund	43	53	10
Special Revenue Funds - Federal	4	9	5
Total	<u>47</u>	<u>62</u>	<u>15</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	4,109,000	4,688,000	579,000
Special Revenue Funds - Federal	20,000,000	10,000,000	(10,000,000)
Special Revenue Funds - Other	7,820,000	200,000	(7,620,000)
Total	<u>31,929,000</u>	<u>14,888,000</u>	<u>(17,041,000)</u>

Adjustments:

Recommended Deficiency	
Elections, State Board of	
General Fund	(500,000)
Appropriated 2005-06	<u>31,429,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Regulation of Elections			
General Fund	4,109,000	4,688,000	579,000
Special Revenue Funds - Federal	20,000,000	10,000,000	(10,000,000)
Special Revenue Funds - Other	7,820,000	200,000	(7,620,000)
Total	<u>31,929,000</u>	<u>14,888,000</u>	<u>(17,041,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	3,130,000	544,000	3,130,000	544,000
Total	<u>3,130,000</u>	<u>544,000</u>	<u>3,130,000</u>	<u>544,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	1,558,000	35,000	1,558,000	35,000
Total	<u>1,558,000</u>	<u>35,000</u>	<u>1,558,000</u>	<u>35,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	10,200,000	(17,620,000)	10,200,000	(17,620,000)
Total	10,200,000	(17,620,000)	10,200,000	(17,620,000)

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Federal	200,000,000	0	(200,000,000)
Total	200,000,000	0	(200,000,000)

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Regulation of Elections			
Special Revenue Funds - Federal	200,000,000	0	(200,000,000)
Total	200,000,000	0	(200,000,000)



# **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 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**

Located in Albany, OER is administered by a Director appointed by the Governor. OER will have a workforce of 72 positions for 2006-07. This staffing level will enable the agency to carry out its responsibilities for negotiating and implementing collective bargaining agreements.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

A total of \$7.0 million is recommended for the Office of Employee Relations, including \$4.0 million in General Fund support. 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:

- \$2.5 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 State Labor 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 2006-07 will be administration of collective bargaining agreements and the programs that are derived from them, and preparation for the next cycle of collective bargaining, which will begin in the winter of 2007.

# EMPLOYEE RELATIONS

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	6,508,000	6,969,000	461,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	6,508,000	6,969,000	461,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Contract Negotiation and Administration			
General Fund	35	41	6
Internal Service Funds	33	27	(6)
Management Confidential Affairs			
General Fund	4	4	0
Total	72	72	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	3,559,000	4,020,000	461,000
Special Revenue Funds - Other	479,000	479,000	0
Internal Service Funds	2,470,000	2,470,000	0
Total	6,508,000	6,969,000	461,000

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Contract Negotiation and Administration			
General Fund	3,111,000	3,572,000	461,000
Special Revenue Funds - Other	479,000	479,000	0
Internal Service Funds	2,470,000	2,470,000	0
Management Confidential Affairs			
General Fund	448,000	448,000	0
Total	6,508,000	6,969,000	461,000



## EMPLOYEE RELATIONS

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	3,298,000	447,000	3,288,000	447,000
Management Confidential Affairs	288,000	0	287,000	0
Total	<u>3,586,000</u>	<u>447,000</u>	<u>3,575,000</u>	<u>447,000</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>
Contract Negotiation and Administration	10,000	0	0	0
Management Confidential Affairs	0	0	1,000	0
Total	<u>10,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	274,000	14,000	35,000	0
Management Confidential Affairs	160,000	0	3,000	0
Total	<u>434,000</u>	<u>14,000</u>	<u>38,000</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>
Contract Negotiation and Administration	31,000	0	208,000	14,000
Management Confidential Affairs	4,000	0	18,000	0
Total	<u>35,000</u>	<u>0</u>	<u>226,000</u>	<u>14,000</u>

<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	<u>135,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	2,949,000	0	1,449,000	(244,000)
Total	<u>2,949,000</u>	<u>0</u>	<u>1,449,000</u>	<u>(244,000)</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Contract Negotiation and Administration	1,021,000	244,000	479,000	0
Total	<u>1,021,000</u>	<u>244,000</u>	<u>479,000</u>	<u>0</u>



# 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 2006-07 Executive Budget recommends a General Fund appropriation of \$15.1 million, the same level of funding provided in 2005-06. A special revenue 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	15,216,000	15,216,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	15,216,000	15,216,000	0	0

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Executive Chamber			
General Fund	153	153	0
Total	153	153	0

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

Program	Available 2005-06	Recommended 2006-07	Change
Executive Chamber			
General Fund	15,116,000	15,116,000	0
Special Revenue Funds - Other	100,000	100,000	0
Total	15,216,000	15,216,000	0

**EXECUTIVE CHAMBER**

**OFFICE OF THE LIEUTENANT GOVERNOR**

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	508,500	509,000	500	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>508,500</b>	<b>509,000</b>	<b>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>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	5	5	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	508,500	509,000	500
<b>Total</b>	<b>508,500</b>	<b>509,000</b>	<b>500</b>

# **OFFICE OF GENERAL SERVICES**

## **MISSION**

The Office of General Services (OGS) manages and leases real property, designs and builds facilities, contracts for goods, services and technology, and delivers a wide array of support services. OGS aims to provide government and nonprofit agencies with innovative solutions, integrated service, and best value, enabling the State of New York to function optimally.

## **VISION**

The Office of General Services' strategic vision centers on:

- Keeping the physical and operational infrastructure for State government in optimal condition and delivering customer-focused services by sustaining preventive maintenance, prioritizing capital investments, enhancing project and portfolio management and providing improved security/safety systems;
- Reducing the cost of government and stimulating State and local economies through its real estate management, construction, and statewide procurement activities, including a new energy management agenda and environment-friendly initiatives;
- Positioning itself for long-term organizational effectiveness through efforts to make the Office an excellent place to work, including systematic staff development and succession management, computerization of business processes facilitated by a strengthened information technology infrastructure, and cooperative employee relations.

## **OPERATING HIGHLIGHTS**

The Office of General Services:

- Manages approximately 18 million square feet of interior space used by State agencies spread across 55 major and 88 ancillary buildings. Services include indoor and outdoor maintenance, heating, ventilation and cooling, office space planning and renovations, and security.
- Manages a portfolio of 595 leases, covering 15 million square feet of privately-owned office space used by State agencies.
- Manages design and construction projects on behalf of State agencies (including OGS) with current portfolio values totaling approximately \$900 million in design and \$760 million in construction.
- Manages more than 2,800 centralized procurement contracts, with a total purchasing value of approximately \$3.1 billion per year, used by State agencies, municipalities, and selected public authorities and nonprofit entities.
- Administers a wide variety of other facilities and programs serving State and local government agencies as well as the general public, including managing parking facilities across the State, events at the Empire State Plaza and its Convention Center, a donated foods program for local school districts, and providing administrative services to 15 State agencies.

## ***GENERAL SERVICES***

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### ***ENVIRONMENTAL CHALLENGES AND OPPORTUNITIES***

The lead issues currently confronting OGS are:

- **Scarcity and rising cost of energy resources combined with public concerns for environmental quality.** As a major consumer of energy, as well as a lead procurer and user of a vast range of equipment and products, OGS has an opportunity and obligation to pursue ways to conserve energy use, reduce energy expenses, and minimize possible adverse environmental impacts from governmental operations.
- **Heightened threat of harm to governmental property, people, and information.** As a major building owner/operator, OGS must protect the personal safety of occupants and reduce the vulnerability of all assets to deliberate or accidental damage, while continuing to keep government accessible. OGS is pursuing planned upgrades to a host of physical and information technology systems, policies, and procedures, matched with safety awareness education for building operators, system users, and tenants.
- **Aging public buildings infrastructure.** Most OGS-managed facilities are over 30 years old, meaning that major components such as facades, roofs, operating systems, and grounds are in need of improvements, modernization, or total replacement. Continued preventive maintenance coupled with capital investments will avert extraordinary, unplanned repairs.
- **Complexity and competitiveness in government purchasing.** Contracts constitute a major OGS product. Supporting significant public spending, they can require months of effort for both buyers and sellers. OGS, State agencies, and vendors will all benefit from streamlined procurement procedures that can expedite the process without compromising the goals and principles of public procurement.
- **Fast pace of change in information technology industry and increased business requirements for information technology (IT).** OGS' information technology infrastructure and services are under great pressure to bridge the gap between the agency's business demands and systems capabilities, streamline data and applications, and safeguard information technology assets.

### ***KEY AGENCY STRATEGIES***

OGS will implement the following major strategies during the next three years to accomplish its vision:

- **Leverage the entire State's buying power to minimize State energy expenditures.**
- **Improve building security systems and practices to reduce personal safety and property damage risks from accidental or malicious harm.**
- **Initiate a long-range maintenance and repair program focused on maintaining total facility integrity while preventing emergency replacement expenditures.**
- **Modernize methodologies used in centralized procurement contracting.**
- **Strengthen management and protection of the agency's information and technology assets.**

### ***ACTIONS TO IMPLEMENT THE STRATEGIES***

OGS will pursue the following actions and innovations to implement the above key strategies:

***Leverage the entire State’s buying power to minimize State energy expenditures.***

Implementation actions include: providing OGS with statutory and appropriation authority (\$110 million) to enable consolidated energy purchases on behalf of other State facility operators including but not limited to the Department of Correctional Services, Office of Children and Family Services, and State mental hygiene agencies; arranging for structured growth in OGS’ purchase of green power; and establishing an energy management office to coordinate energy market analysis and develop innovative buying practices.

Action	Three-Year Performance Goals
<ul style="list-style-type: none"> <li>➤ Consolidate State energy purchases made for/by New York State</li> <li>➤ Adjust energy buying practices to gradually incorporate green power purchases</li> <li>➤ Establish an energy management office with coordinative responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve \$10 million in annual cost avoidance on statewide energy purchases</li> <li>• Increase OGS energy usage from renewable sources from the currently minimal level to 18% in 2008-09</li> <li>• Decrease OGS and statewide energy use by 35% from 1990 baseline</li> </ul>

***Improve building security systems and practices to reduce personal safety and property damage risks from accidental or malicious harm.***

Implementation actions include: a joint project with the Division of State Police that will enhance detection and security response capability in the Empire State Plaza by integrating the existing mix of security systems and expanding the use of the building access systems now employed throughout the Empire State Plaza to additional OGS-managed facilities.

Action	Three-Year Performance Goals
<ul style="list-style-type: none"> <li>➤ Integrate both physically and logically the multiple security systems installed in the Empire State Plaza</li> <li>➤ Install building access system and security upgrades statewide</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce incident response time and achieve 85% tenant satisfaction with building safety/security</li> <li>• Increase number of buildings meeting building-specific standards from 2 to 18 buildings</li> </ul>

***Initiate a long-range maintenance and repair program focused on maintaining total facility integrity while preventing emergency replacement expenditures.***

Implementation actions include: launching an initiative to preserve and protect the structural and functional integrity of the Empire State Plaza (ESP) by replacing the Plaza’s stone and marble facades and reconstructing its deck over a twenty-year period; and improving State office building indoor air quality through ventilation systems projects and building staff and tenant education.

Action	Three-Year Performance Goals
<ul style="list-style-type: none"> <li>➤ Develop and pursue a 20-year capital program to replace the exterior surfaces of the Empire State Plaza</li> <li>➤ Implement indoor air quality improvement plan throughout OGS’ building portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve top condition rating for building facades for 5% of ESP in 2008-09</li> <li>• Eliminate emergencies and accidents resulting from façade failures</li> <li>• Improve tenant satisfaction with air quality in OGS buildings from 54% currently to 65% or better in 2008-09</li> </ul>

## **GENERAL SERVICES**

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### ***Modernize methodologies used in centralized procurement contracting.***

Implementation actions include: building on the agency's recent success in reducing spending by coordinating large multi-agency aggregated purchases of computer and related technology components; and using technology to systematize and simplify the work steps involved in bidding, establishing and monitoring State procurement contracts.

<b>Action</b>	<b>Three-Year Performance Goals</b>
<ul style="list-style-type: none"><li>➤ Expand use of the aggregated buy method</li></ul>	<ul style="list-style-type: none"><li>• Increase annual savings from statewide aggregated purchasing from \$12 million currently to \$25 million in 2008-09</li></ul>
<ul style="list-style-type: none"><li>➤ Further automate procurement and contract management activities</li></ul>	<ul style="list-style-type: none"><li>• Improve proportion of contracts with continuous coverage from 74% currently to 80% or better in 2008-09</li></ul>

### ***Strengthen management and protection of the agency's information and technology assets.***

Implementation actions include: establishing a five-year requirements plan that enables strategic and proactive advancement of the agency's total IT portfolio; transitioning the Office's technical infrastructure to technology that enables more efficient operation and storage; implementing a robust plan for disaster recovery and business continuity; and reinforcing current staff capacity directed toward maintaining, updating, and enhancing the agency's hardware and software.

<b>Action</b>	<b>Three-Year Performance Goals</b>
<ul style="list-style-type: none"><li>➤ Design and implement a multi-year, comprehensive resource requirements planning process for OGS IT infrastructure and services, aligned with the State CIO direction</li></ul>	<ul style="list-style-type: none"><li>• Reduce unplanned IT projects (over \$50,000) from 10 to fewer than five in 2008-09</li></ul>
<ul style="list-style-type: none"><li>➤ Migrate to new technical infrastructure on which to run the agency's computer applications, complementing statewide IT infrastructure plans</li></ul>	<ul style="list-style-type: none"><li>• Reduce number of servers by 33%, from 120 currently to 80 in 2008-09</li><li>• Improve overall system reliability from 99.88% currently to 99.95%</li></ul>
<ul style="list-style-type: none"><li>➤ Develop and implement IT disaster recovery/business continuity</li></ul>	<ul style="list-style-type: none"><li>• Initiate an off-site replication of critical computer applications to achieve 100% replication by 2008-09</li></ul>
<ul style="list-style-type: none"><li>➤ Add capacity for performing IT hardware/software maintenance, updates and enhancements</li></ul>	<ul style="list-style-type: none"><li>• Reduce number of known critical vulnerabilities in OGS IT production environment to industry standard or better</li></ul>



# GENERAL SERVICES

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	401,647,000	451,748,000	50,101,000	71,830,000
Aid To Localities	0	0	0	0
Capital Projects	100,250,000	122,800,000	22,550,000	244,356,000
Total	<u>501,897,000</u>	<u>574,548,000</u>	<u>72,651,000</u>	<u>316,186,000</u>

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Design and Construction			
Internal Service Funds	425	425	0
Executive Direction			
General Fund	106	111	5
Internal Service Funds	16	19	3
Procurement Services			
General Fund	151	161	10
Special Revenue Funds - Other	13	18	5
Internal Service Funds	79	79	0
Real Property Management and Development			
General Fund	814	821	7
Special Revenue Funds - Other	55	55	0
Enterprise Funds	12	12	0
Internal Service Funds	48	50	2
Total	<u>1,719</u>	<u>1,751</u>	<u>32</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	148,003,000	158,127,000	10,124,000
Special Revenue Funds - Federal	7,700,000	7,730,000	30,000
Special Revenue Funds - Other	18,910,000	16,246,000	(2,664,000)
Enterprise Funds	1,371,000	2,121,000	750,000
Internal Service Funds	225,413,000	267,274,000	41,861,000
Fiduciary Funds	250,000	250,000	0
Total	<u>401,647,000</u>	<u>451,748,000</u>	<u>50,101,000</u>

Adjustments:	
Prior Year Deficiency	
General Services, Office of General Fund	20,500,000
Recommended Deficiency	
General Services, Office of General Fund	(16,595,000)
Transfer(s) From	
Homeland Security - Miscellaneous	(2,285,000)
All Funds	<u>(2,285,000)</u>
Appropriated 2005-06	<u>403,267,000</u>

# GENERAL SERVICES

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

Program	Available 2005-06	Recommended 2006-07	Change
Design and Construction			
Internal Service Funds	47,027,000	54,027,000	7,000,000
Executive Direction			
General Fund	11,997,000	13,119,000	1,122,000
Special Revenue Funds - Other	1,248,000	1,017,000	(231,000)
Enterprise Funds	34,000	34,000	0
Internal Service Funds	79,293,000	172,293,000	93,000,000
Procurement Services			
General Fund	9,898,000	11,624,000	1,726,000
Special Revenue Funds - Federal	7,700,000	7,730,000	30,000
Special Revenue Funds - Other	6,534,000	6,034,000	(500,000)
Internal Service Funds	31,945,000	22,945,000	(9,000,000)
Real Property Management and Development			
General Fund	126,108,000	133,384,000	7,276,000
Special Revenue Funds - Other	11,128,000	9,195,000	(1,933,000)
Enterprise Funds	1,337,000	2,087,000	750,000
Internal Service Funds	67,148,000	18,009,000	(49,139,000)
Fiduciary Funds	250,000	250,000	0
Total	<u>401,647,000</u>	<u>451,748,000</u>	<u>50,101,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	6,758,000	1,104,000	6,537,000	1,093,000
Procurement Services	9,860,000	1,111,000	9,751,000	1,100,000
Real Property Management and Development	39,286,000	2,152,000	38,130,000	2,087,000
Total	<u>55,904,000</u>	<u>4,367,000</u>	<u>54,418,000</u>	<u>4,280,000</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Executive Direction	156,000	0	65,000	11,000
Procurement Services	0	0	109,000	11,000
Real Property Management and Development	0	0	1,156,000	65,000
Total	<u>156,000</u>	<u>0</u>	<u>1,330,000</u>	<u>87,000</u>

# GENERAL SERVICES

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Executive Direction	6,361,000	18,000	266,000	0
Procurement Services	1,764,000	615,000	100,000	0
Real Property Management and Development	94,098,000	5,124,000	10,379,000	1,571,000
Total	<u>102,223,000</u>	<u>5,757,000</u>	<u>10,745,000</u>	<u>1,571,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Executive Direction	97,000	0	1,823,000	18,000
Procurement Services	61,000	0	1,528,000	563,000
Real Property Management and Development	213,000	0	82,838,000	3,553,000
Total	<u>371,000</u>	<u>0</u>	<u>86,189,000</u>	<u>4,134,000</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction	0	0	4,175,000	0
Procurement Services	75,000	52,000	0	0
Real Property Management and Development	668,000	0	0	0
Total	<u>743,000</u>	<u>52,000</u>	<u>4,175,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Design and Construction	54,027,000	7,000,000	24,117,000	0
Executive Direction	173,344,000	92,769,000	1,813,000	(142,000)
Procurement Services	36,709,000	(9,470,000)	4,312,000	0
Real Property Management and Development	29,541,000	(50,322,000)	5,955,000	229,000
Total	<u>293,621,000</u>	<u>39,977,000</u>	<u>36,197,000</u>	<u>87,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Design and Construction	29,910,000	7,000,000	0	0
Executive Direction	171,331,000	92,911,000	200,000	0
Procurement Services	32,397,000	(9,470,000)	0	0
Real Property Management and Development	23,336,000	(5,551,000)	250,000	(45,000,000)
Total	<u>256,974,000</u>	<u>84,890,000</u>	<u>450,000</u>	<u>(45,000,000)</u>

# **GENERAL SERVICES**

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Design and Construction Supervision				
Capital Projects Fund	12,000,000	12,600,000	600,000	22,360,000
Maintenance and Improvement of Real Property				
Facilities				
Capital Projects Fund	84,250,000	84,400,000	150,000	198,305,000
Capital Projects Fund - Advances	0	5,800,000	5,800,000	0
Cap Proj Fund - Alfred E. Smith Bldg. (Auth Bonds)	0	0	0	13,621,000
Cap Proj Fund - Elk Street Garage (Auth Bonds)	4,000,000	0	(4,000,000)	10,070,000
Capital Projects Fund - Authority Bonds	0	20,000,000	20,000,000	0
Total	<u>100,250,000</u>	<u>122,800,000</u>	<u>22,550,000</u>	<u>244,356,000</u>

# **OFFICE OF HOMELAND SECURITY**

## **MISSION**

The Office of Homeland Security is responsible for the development and implementation of a comprehensive statewide strategy to detect, protect against and respond to terrorist threats and events. Established as a permanent office by anti-terror legislation enacted in July 2004, the Office maintains strong partnerships with relevant State and local agencies, as well as Federal security-related agencies including the Department of Homeland Security. Among its responsibilities are assessments of vulnerability of critical assets, systems and material; policy development; the allocation of Federal homeland security and related funds; cyber readiness and the prevention and detection of cyber events. Additionally, the Office is required to coordinate the collection and dissemination of counter-terrorism information, as well as the development and implementation of a statewide strategy for disaster preparedness training.

## **ORGANIZATION AND STAFFING**

The Office of Homeland Security has its permanent office in Albany with a satellite office in New York City. The Office is also now establishing the State's Preparedness Training Center in Oneida County. The Director, appointed by the Governor, provides counsel on counter-terrorism affairs and coordinates a myriad of activities with Federal, state, and local organizations to better prepare the state to respond to threats and terrorist-related incidents. The Office has two programs, Administration and Cyber Security, and will have a workforce of 147 in 2006-07.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 Executive Budget provides \$17.7 million for the operation of the Office. In addition, Federal funds anticipated from the State Homeland Security Grant and Urban Area Security Initiative programs will continue to be appropriated under the auspices of the Office. This reflects the Office's leadership role in maximizing Federal funding and ensuring distribution of that funding in an effective manner which supports the State's comprehensive security strategy.

## **PROGRAM HIGHLIGHTS**

Since its creation, the Office has pursued a comprehensive, coordinated strategy for domestic counter-terrorism preparedness in the State. Agencies and organizations from each jurisdictional level, and representing various disciplines, have been brought together to formulate and implement a comprehensive approach to public security for New York.

The Office has implemented a Counter-Terrorism 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 and is being expanded in 2006-07 to additional public sectors. The Office's Critical Infrastructure Assessment Teams are also conducting security assessments of critical infrastructure in New York State, including large scale reviews of security measures at energy generation and transmission plants, chemical, and general aviation facilities.

The Preparedness Training Center in Oneida County will begin training significant numbers of the State's 300,000 first responders in 2006. The latest advances in the Counterterrorism Network will be incorporated into the Center's training delivery methods, ensuring maximum benefit to fire fighters, law enforcement personnel, emergency medical services personnel and emergency managers.

## **HOMELAND SECURITY**

The Office of Cyber Security has developed a comprehensive cyber security strategy that includes the private sector along with local and Federal jurisdictions. The Office chairs the Public/Private Sector Cyber Security Workgroup, and continues to play a leadership role in coordinating the Multi-State Information Sharing and Analysis Center. This Center facilitates communication among 11 northeastern states regarding cyber readiness and response efforts, and is the primary point of contact between those states and the Federal government on cyber security issues. These efforts have been lauded by the Federal Department of Homeland Security as exemplary.

Further, State Information Security policy is being implemented, with the Office of Cyber Security providing technical assistance and monitoring critical segments of the State's information technology infrastructure. Cyber Security is also completing a four-year project to provide digital imagery of the entire state, which will assist State and local government in emergency response, local planning, E911 and watershed and coastal management. Similarly, Cyber Security provides State agencies with access to cyber-intrusion detection services and contracts.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	17,508,000	17,767,000	259,000	0
Aid To Localities	350,000,000	350,000,000	0	350,000,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>367,508,000</b>	<b>367,767,000</b>	<b>259,000</b>	<b>350,000,000</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	42	79	37
Cyber Security and Critical Infrastructure Coordination Program			
Special Revenue Funds - Federal	4	4	0
Special Revenue Funds - Other	40	40	0
Homeland Security Program			
Special Revenue Funds - Federal	24	24	0
<b>Total</b>	<b>110</b>	<b>147</b>	<b>37</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	8,590,000	8,849,000	259,000
Special Revenue Funds - Other	7,418,000	7,418,000	0
Internal Service Funds	1,500,000	1,500,000	0
<b>Total</b>	<b>17,508,000</b>	<b>17,767,000</b>	<b>259,000</b>

# HOMELAND SECURITY

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	8,590,000	8,849,000	259,000
Cyber Security and Critical Infrastructure Coordination Program			
Special Revenue Funds - Other	7,418,000	7,418,000	0
Internal Service Funds	1,500,000	1,500,000	0
Total	<u>17,508,000</u>	<u>17,767,000</u>	<u>259,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,300,000	252,000	3,300,000	252,000
Total	<u>3,300,000</u>	<u>252,000</u>	<u>3,300,000</u>	<u>252,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	5,549,000	7,000	497,000	(229,000)
Total	<u>5,549,000</u>	<u>7,000</u>	<u>497,000</u>	<u>(229,000)</u>

Program	Contractual Services		Equipment	
	Amount	Change	Amount	Change
Administration	4,004,000	299,000	1,048,000	(63,000)
Total	<u>4,004,000</u>	<u>299,000</u>	<u>1,048,000</u>	<u>(63,000)</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Cyber Security and Critical Infrastructure Coordination Program	8,918,000	0	2,789,000	250,000
Total	<u>8,918,000</u>	<u>0</u>	<u>2,789,000</u>	<u>250,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Cyber Security and Critical Infrastructure Coordination Program	4,006,000	127,000	2,123,000	(377,000)
Total	<u>4,006,000</u>	<u>127,000</u>	<u>2,123,000</u>	<u>(377,000)</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Federal	350,000,000	350,000,000	0
Total	<u>350,000,000</u>	<u>350,000,000</u>	<u>0</u>

# ***HOMELAND SECURITY***

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Homeland Security Program			
Special Revenue Funds - Federal	350,000,000	350,000,000	0
Total	<u>350,000,000</u>	<u>350,000,000</u>	<u>0</u>



# 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 70 in 2006-07.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2006-07 Executive Budget recommendations provide over \$4.7 million in State tax dollar support and \$2.2 million in funding from other governmental entities to meet the demands of increasingly sophisticated investigations of alleged fraudulent activity within State government.

## PROGRAM HIGHLIGHTS

Since June 1996, the Office of the State Inspector General has acted on more than 9,150 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 over 480 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
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	6,540,000	7,015,000	475,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	6,540,000	7,015,000	475,000	0

# INSPECTOR GENERAL

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Inspector General			
General Fund	50	50	0
Special Revenue Funds - Other	20	20	0
Total	<u>70</u>	<u>70</u>	<u>0</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	4,606,000	4,779,000	173,000
Special Revenue Funds - Other	1,934,000	2,236,000	302,000
Total	<u>6,540,000</u>	<u>7,015,000</u>	<u>475,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Inspector General			
General Fund	4,606,000	4,779,000	173,000
Special Revenue Funds - Other	1,934,000	2,236,000	302,000
Total	<u>6,540,000</u>	<u>7,015,000</u>	<u>475,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Inspector General	4,380,000	164,000	4,380,000	164,000
Total	<u>4,380,000</u>	<u>164,000</u>	<u>4,380,000</u>	<u>164,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Inspector General	399,000	9,000	399,000	9,000
Total	<u>399,000</u>	<u>9,000</u>	<u>399,000</u>	<u>9,000</u>

# INSPECTOR GENERAL

STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	2,236,000	302,000	1,196,000	134,000
Total	<u>2,236,000</u>	<u>302,000</u>	<u>1,196,000</u>	<u>134,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
Inspector General	1,040,000	168,000
Total	<u>1,040,000</u>	<u>168,000</u>



# INTEREST ON LAWYER ACCOUNT

## MISSION

The Interest on Lawyer Account (IOLA) Fund was established in 1983 to finance civil legal services for the indigent. Revenues are derived from the interest earned on small trust accounts in which attorneys hold certain funds for their clients. Banks transfer the interest earned on these IOLA escrow accounts to the Interest on Lawyer Account to fund grants to not-for-profit, tax-exempt entities providing civil legal services to the indigent, elderly, disabled and others. 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 the Interest on Lawyer Account. 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 \$13 million for the calendar year 2006 grant cycle, the specific amount being dependent upon actual revenue generated. The Interest on Lawyer Account and participating banks have worked successfully to lower account costs. These efforts, combined with higher earned interest, allows the amount available for grants to increase.

## PROGRAM HIGHLIGHTS

At least 75 percent of the grants from the Interest on Lawyer Account 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 the 2006 calendar year, the board administering the Interest on Lawyer Account will award grants to an estimated 48 organizations.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,661,000	1,747,000	86,000	0
Aid To Localities	11,000,000	13,000,000	2,000,000	0
Capital Projects	0	0	0	0
Total	12,661,000	14,747,000	2,086,000	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
	New York Interest on Lawyer Account Special Revenue Funds - Other	9	9
Total	9	9	0

# INTEREST ON LAWYER

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	1,661,000	1,747,000	86,000
Total	<u>1,661,000</u>	<u>1,747,000</u>	<u>86,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	1,661,000	1,747,000	86,000
Total	<u>1,661,000</u>	<u>1,747,000</u>	<u>86,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	1,747,000	86,000	619,000	21,000
Total	<u>1,747,000</u>	<u>86,000</u>	<u>619,000</u>	<u>21,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>	
	<b>Amount</b>	<b>Change</b>
New York Interest on Lawyer Account	1,128,000	65,000
Total	<u>1,128,000</u>	<u>65,000</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	11,000,000	13,000,000	2,000,000
Total	<u>11,000,000</u>	<u>13,000,000</u>	<u>2,000,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
New York Interest on Lawyer Account			
Special Revenue Funds - Other	11,000,000	13,000,000	2,000,000
Total	<u>11,000,000</u>	<u>13,000,000</u>	<u>2,000,000</u>

# 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 25 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 2006-07 provides nearly \$3.5 million in State tax dollars, and \$287,000 in anticipated asset forfeitures, to support the Commission.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	3,678,000	3,785,000	107,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,678,000	3,785,000	107,000	0

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Investigation			
General Fund	31	31	0
Total	31	31	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	3,486,000	3,498,000	12,000
Special Revenue Funds - Other	192,000	287,000	95,000
Total	3,678,000	3,785,000	107,000

# INVESTIGATION

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

Program	Available 2005-06	Recommended 2006-07	Change
Investigation			
General Fund	3,486,000	3,498,000	12,000
Special Revenue Funds - Other	192,000	287,000	95,000
Total	<u>3,678,000</u>	<u>3,785,000</u>	<u>107,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Investigation	2,652,000	66,000	2,637,000	66,000
Total	<u>2,652,000</u>	<u>66,000</u>	<u>2,637,000</u>	<u>66,000</u>

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
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  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Investigation	846,000	(54,000)	17,000	0
Total	<u>846,000</u>	<u>(54,000)</u>	<u>17,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Investigation	66,000	2,000	728,000	(57,000)
Total	<u>66,000</u>	<u>2,000</u>	<u>728,000</u>	<u>(57,000)</u>

Program	Equipment	
	Amount	Change
Investigation	35,000	1,000
Total	<u>35,000</u>	<u>1,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Investigation	287,000	95,000	287,000	95,000
Total	<u>287,000</u>	<u>95,000</u>	<u>287,000</u>	<u>95,000</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 2006-07. Its main office is in New York City, with branches in Albany and Rochester. Its budget of over \$2.7 million is supported entirely by State tax dollars. The Commission continues to work with the Temporary State Commission of Investigation to identify opportunities for sharing resources and reducing costs.

## 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.

## 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 2006-07, a total of \$150,000 in State tax dollars will support the Committees.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available	Appropriations	Change	Reappropriations
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	2,769,000	2,933,000	164,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,769,000	2,933,000	164,000	0

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Judicial Conduct			
General Fund	28	28	0
Total	<u>28</u>	<u>28</u>	<u>0</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	2,769,000	2,933,000	164,000
Total	<u>2,769,000</u>	<u>2,933,000</u>	<u>164,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Judicial Conduct			
General Fund	2,609,000	2,773,000	164,000
Judicial Nomination, Commission on			
General Fund	10,000	10,000	0
Judicial Screening Committees			
General Fund	150,000	150,000	0
Total	<u>2,769,000</u>	<u>2,933,000</u>	<u>164,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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>
Judicial Conduct	2,101,000	110,000	2,081,000	110,000
Total	<u>2,101,000</u>	<u>110,000</u>	<u>2,081,000</u>	<u>110,000</u>

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>
Judicial Conduct	20,000	0
Total	<u>20,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	672,000	54,000	40,000	6,000
Judicial Nomination, Commission on	10,000	0	0	0
Judicial Screening Committees	150,000	0	0	0
<b>Total</b>	<b>832,000</b>	<b>54,000</b>	<b>40,000</b>	<b>6,000</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Judicial Conduct	73,000	40,000	477,000	(59,000)
Judicial Nomination, Commission on	0	0	0	0
Judicial Screening Committees	0	0	0	0
<b>Total</b>	<b>73,000</b>	<b>40,000</b>	<b>477,000</b>	<b>(59,000)</b>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Judicial Conduct	82,000	67,000	0	0
Judicial Nomination, Commission on	0	0	10,000	0
Judicial Screening Committees	0	0	150,000	0
<b>Total</b>	<b>82,000</b>	<b>67,000</b>	<b>160,000</b>	<b>0</b>



# **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 1,752 positions for 2006-07.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Executive Budget recommends \$223 million for the Department. This recommendation includes nearly \$125 million in tax dollars from the General Fund, which will finance 56 percent of department expenses for 2006-07. Additional support for 2006-07 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	223,172,000	223,150,000	(22,000)	55,376,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	223,172,000	223,150,000	(22,000)	55,376,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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	265	265	0
Criminal Prosecutions			
General Fund	179	179	0
Special Revenue Funds - Other	74	74	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	1,752	1,752	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	124,678,000	124,678,000	0
Special Revenue Funds - Federal	32,738,000	32,716,000	(22,000)
Special Revenue Funds - Other	65,756,000	65,756,000	0
Total	223,172,000	223,150,000	(22,000)

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	29,594,000	29,594,000	0
Appeals and Opinions			
General Fund	5,435,000	5,435,000	0
Counsel for the State			
General Fund	34,412,000	34,412,000	0
Special Revenue Funds - Other	47,908,000	47,908,000	0
Criminal Prosecutions			
General Fund	19,526,000	19,526,000	0
Special Revenue Funds - Federal	22,000	0	(22,000)
Special Revenue Funds - Other	4,904,000	4,904,000	0
Medicaid Fraud Control			
Special Revenue Funds - Federal	32,716,000	32,716,000	0
Special Revenue Funds - Other	12,944,000	12,944,000	0
Public Advocacy			
General Fund	23,565,000	23,565,000	0
Regional Offices			
General Fund	12,146,000	12,146,000	0
Total	<u>223,172,000</u>	<u>223,150,000</u>	<u>(22,000)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	14,426,000	0	14,136,000	0
Appeals and Opinions	4,608,000	0	4,463,000	0
Counsel for the State	24,619,000	0	24,086,000	0
Criminal Prosecutions	16,673,000	0	16,618,000	0
Public Advocacy	21,988,000	0	21,470,000	0
Regional Offices	10,442,000	0	10,116,000	0
Total	<u>92,756,000</u>	<u>0</u>	<u>90,889,000</u>	<u>0</u>

<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	<u>1,867,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	15,168,000	0	83,000	0
Appeals and Opinions	827,000	0	317,000	0
Counsel for the State	9,793,000	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
<b>Total</b>	<b>31,922,000</b>	<b>0</b>	<b>613,000</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	60,000	0	14,694,000	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
<b>Total</b>	<b>786,000</b>	<b>0</b>	<b>21,247,000</b>	<b>0</b>

<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	8,158,000	0
Criminal Prosecutions	565,000	0	0	0
Public Advocacy	139,000	0	0	0
Regional Offices	37,000	0	0	0
<b>Total</b>	<b>1,118,000</b>	<b>0</b>	<b>8,158,000</b>	<b>0</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	47,908,000	0	16,505,000	0
Criminal Prosecutions	4,904,000	(22,000)	0	0
Medicaid Fraud Control	45,660,000	0	23,746,000	0
<b>Total</b>	<b>98,472,000</b>	<b>(22,000)</b>	<b>40,251,000</b>	<b>0</b>

<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	31,403,000	0	0	0
Criminal Prosecutions	4,904,000	0	0	(22,000)
Medicaid Fraud Control	21,914,000	0	0	0
<b>Total</b>	<b>58,221,000</b>	<b>0</b>	<b>0</b>	<b>(22,000)</b>



# **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 34. The increased staff level is to address the expanded oversight responsibility of the Lobbying Commission to implement and enforce the Omnibus Lobbying Reform Act.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The Commission will receive \$3.016 million in 2006-07, with 78 percent of its support from State tax dollars. The remaining 22 percent of its operations will be funded by civil penalty fines assessed on lobbyists for violations of the Lobbying Law.

## **PROGRAM HIGHLIGHTS**

In 2005, the Commission's oversight responsibilities included 3,840 registered lobbyists, 2,345 clients of lobbyists and 79 public corporations that reported lobbying expenses. The Commission's monitoring responsibilities encompassed both registered and unregistered special interest groups. These groups were active on bills before the Legislature and rules, regulations and rate applications involving State agencies.

In 2005, the Commission made further enhancements to its Electronic Filing Program to permit on-line payment of fees, which will further simplify reporting, accelerate public disclosure and enhance staff efficiencies. The Commission will implement and administer the Omnibus Lobbying Reform Act, Chapter 1 of 2005, which enacted comprehensive reforms that will allow for more effective regulation of lobbying before State and municipal entities. A \$500,000 deficiency is recommended to fund the initial start-up costs associated with implementing this new program. During 2006-07, the Commission will focus on implementation and deployment of an educational program to make lobbyists aware of their new responsibilities.

# LOBBYING

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	2,014,000	3,016,000	1,002,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,014,000	3,016,000	1,002,000	0

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Operations			
General Fund	15	28	13
Special Revenue Funds - Other	3	6	3
Total	18	34	16

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	1,474,000	2,348,000	874,000
Special Revenue Funds - Other	540,000	668,000	128,000
Total	2,014,000	3,016,000	1,002,000

Adjustments:

Recommended Deficiency Lobbying, Temporary State Commission on General Fund	(500,000)
Appropriated 2005-06	1,514,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	1,474,000	2,348,000	874,000
Special Revenue Funds - Other	540,000	668,000	128,000
Total	2,014,000	3,016,000	1,002,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Operations	2,348,000	874,000	2,348,000	874,000
Total	2,348,000	874,000	2,348,000	874,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	668,000	128,000	668,000	128,000
Total	668,000	128,000	668,000	128,000



# ***DIVISION OF MILITARY AND NAVAL AFFAIRS***

## ***MISSION***

The Division of Military and Naval Affairs (DMNA) has two primary missions. Through the State's organized militia, DMNA maintains a well-trained military force ready to respond to civil emergencies, natural and man-made disasters, and 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 citizens to deal effectively with potential disasters.

## ***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 State headquarters in Albany, the Division operates 58 armories as well as 32 maintenance shops, 6 Air Guard bases, 3 Army Aviation Support facilities, and 5 regional emergency management facilities. In 2006-07, DMNA and SEMO will have a combined workforce of 601.

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

The Executive Budget recommendations for fiscal year 2006-07 fully support the Division's mission and activities. Recommended funding for State Operations of \$78.9 million, includes \$22.3 million in General Fund support, \$45.7 million from Federal funding and \$10.9 million supported by armory rental proceeds and fund transfer. As in 2005-06, and consistent with Federal Homeland Security grant structure requirements, appropriations for federally supported emergency management State Operations are included in consolidated Homeland Security Program appropriations.

The Division's Aid to Localities budget includes State and Federal disaster assistance reappropriations available if necessary for future disasters, and \$12.9 million in anticipated Federal grants and assessments paid by nuclear power generating facilities to support emergency preparedness activities.

The 2006-07 Capital Plan recommendation of \$47.5 million in new appropriations including \$31.5 million for the multi-year Federal military construction plan to replace or expand armories and equipment maintenance facilities across the State. New capital appropriations are also included for the maintenance of existing facilities to support military readiness and to preserve the historic and future value of the armories.

## ***PROGRAM HIGHLIGHTS***

### ***MILITARY READINESS***

The Military Readiness 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 1,000 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. Since September 11, 2001, the Readiness program has mounted a sustained activation to safeguard the State's citizenry from emerging 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.

# MILITARY AND NAVAL AFFAIRS

## EMERGENCY MANAGEMENT

The State Emergency Management Office serves as the operational component of the Disaster Preparedness Commission and coordinates the State's response to natural and man made disasters, as well as other civil emergencies. Recent disasters have included multiple life-threatening snowstorms across the State in the winter of 2003-04, forest fires and hurricanes in the fall of 2004, and severe flooding in the spring of 2005. Through participation in the national Emergency Management Assistance Compact, SEMO coordinated over 20 disaster assistance missions to states affected by Hurricane Katrina.

The 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. It 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.

## SPECIAL SERVICES

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 helped to stabilize the Guard's troop strength and significantly improved member morale in recent years.

Another important element 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)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	65,427,000	78,904,000	13,477,000	20,196,000
Aid To Localities	58,795,000	12,950,000	(45,845,000)	546,645,000
Capital Projects	48,800,000	47,500,000	(1,300,000)	104,000,000
Total	173,022,000	139,354,000	(33,668,000)	670,841,000

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	62	62	0
Emergency Management			
General Fund	30	30	0
Special Revenue Funds - Federal	75	75	0
Special Revenue Funds - Other	18	18	0
Military Readiness			
General Fund	155	158	3
Special Revenue Funds - Federal	241	255	14
Special Service			
Special Revenue Funds - Other	3	3	0
Total	584	601	17

# MILITARY AND NAVAL AFFAIRS

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	22,230,000	22,269,000	39,000
Special Revenue Funds - Federal	33,127,000	45,688,000	12,561,000
Special Revenue Funds - Other	10,070,000	10,947,000	877,000
Total	<u>65,427,000</u>	<u>78,904,000</u>	<u>13,477,000</u>

Adjustments:

Recommended Deficiency	
Military and Naval Affairs, Division of General Fund	(1,670,000)
Transfer(s) From	
Homeland Security - Miscellaneous All Funds	(1,612,000)
Appropriated 2005-06	<u>62,145,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	3,707,000	3,896,000	189,000
Disaster Assistance			
Special Revenue Funds - Federal	4,366,000	4,504,000	138,000
Emergency Management			
General Fund	3,458,000	3,402,000	(56,000)
Special Revenue Funds - Federal	505,000	635,000	130,000
Special Revenue Funds - Other	1,724,000	2,000,000	276,000
Military Readiness			
General Fund	14,615,000	14,971,000	356,000
Special Revenue Funds - Federal	28,256,000	40,549,000	12,293,000
Special Service			
General Fund	450,000	0	(450,000)
Special Revenue Funds - Other	8,346,000	8,947,000	601,000
Total	<u>65,427,000</u>	<u>78,904,000</u>	<u>13,477,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,448,000	139,000	3,439,000	164,000
Emergency Management	1,751,000	(66,000)	1,723,000	(66,000)
Military Readiness	6,757,000	226,000	6,732,000	225,000
Total	<u>11,956,000</u>	<u>299,000</u>	<u>11,894,000</u>	<u>323,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	9,000	(25,000)
Emergency Management	0	0	28,000	0
Military Readiness	25,000	2,000	0	(1,000)
Total	<u>25,000</u>	<u>2,000</u>	<u>37,000</u>	<u>(26,000)</u>

# MILITARY AND NAVAL AFFAIRS

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	448,000	50,000	81,000	5,000
Emergency Management	1,651,000	10,000	114,000	700
Military Readiness	8,214,000	130,000	397,000	0
Special Service	0	(450,000)	0	0
Total	10,313,000	(260,000)	592,000	5,700

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	32,000	5,000	194,000	20,000
Emergency Management	18,000	(500)	1,018,000	758,200
Military Readiness	49,000	0	6,999,000	130,000
Special Service	0	0	0	(450,000)
Total	99,000	4,500	8,211,000	458,200

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	141,000	20,000	0	0
Emergency Management	501,000	(748,400)	0	0
Military Readiness	29,000	0	740,000	0
Special Service	0	0	0	0
Total	671,000	(728,400)	740,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disaster Assistance	4,504,000	138,000	2,525,000	66,000
Emergency Management	2,635,000	406,000	1,299,000	66,000
Military Readiness	40,549,000	12,293,000	12,480,000	1,425,000
Special Service	8,947,000	601,000	658,000	17,000
Total	56,635,000	13,438,000	16,962,000	1,574,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disaster Assistance	1,979,000	72,000	0	0
Emergency Management	1,336,000	340,000	0	0
Military Readiness	28,069,000	10,868,000	0	0
Special Service	4,311,000	584,000	3,978,000	0
Total	35,695,000	11,864,000	3,978,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	46,000,000	0	(46,000,000)
Special Revenue Funds - Federal	11,145,000	11,300,000	155,000
Special Revenue Funds - Other	1,650,000	1,650,000	0
Total	58,795,000	12,950,000	(45,845,000)

Adjustments:	
Recommended Deficiency	
Military and Naval Affairs, Division of	
General Fund	(45,000,000)
Appropriated 2005-06	13,795,000



# **MILITARY AND NAVAL AFFAIRS**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Disaster Assistance			
General Fund	46,000,000	0	(46,000,000)
Emergency Management			
Special Revenue Funds - Federal	11,145,000	11,300,000	155,000
Special Revenue Funds - Other	1,650,000	1,650,000	0
Total	<u>58,795,000</u>	<u>12,950,000</u>	<u>(45,845,000)</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Design and Construction Supervision				
Capital Projects Fund	1,000,000	5,400,000	4,400,000	3,300,000
Federal Capital Projects Fund	11,600,000	3,500,000	(8,100,000)	12,500,000
Maintenance and Improvements				
Capital Projects Fund	7,000,000	9,100,000	2,100,000	17,400,000
Federal Capital Projects Fund	29,200,000	29,500,000	300,000	70,800,000
Total	<u>48,800,000</u>	<u>47,500,000</u>	<u>(1,300,000)</u>	<u>104,000,000</u>



# ***DIVISION OF PAROLE***

## ***MISSION***

The Division of Parole, which consists of the Board of Parole and Division staff, is responsible for preparing inmates for release from prison and the community supervision and successful reintegration of those offenders back into society. Offenders are released from prison and placed under Parole supervision by action of the Parole Board, a presumptive release decision by the Department of Correctional Services, by conditional release, or when inmates with determinate sentences reach their maximum expiration date.

## ***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. Board members review the cases of inmates eligible for parole release and determine if and when the offender should be released to parole supervision. Board members establish conditions the parolee must abide by in the community if released. Board members also establish the conditions of release for inmates released through mechanisms other than a Parole Board determination. Conditions outline a parolee's responsibilities while under community supervision and, if these conditions are violated, serve as justification for parole revocation.

The Division's administrative staff are located in its central office in Albany. Parole operations staff are located across the state in 70 correctional facilities and 38 community-based field supervision offices. The Division will have a workforce of 2,029 in 2006-07.

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

In 2006-07, approximately \$157 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 provides for the supervision of offenders in the community through intensive parole officer supervision caseloads for violent felony offenders, offenders with severe mental health conditions, 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.

In order to maintain the highest levels of public safety throughout the State, the Division is expanding its efforts to ensure that sex offenders under parole supervision are strictly monitored and kept away from the most vulnerable members of the community. The Budget includes funds for increased levels of community supervision and provides for the use of polygraphs as a pre-emptive monitoring tool to deter the predatory behavior of these offenders.

Approximately \$40 million in State tax dollars is recommended to support the Aid to Localities portion of the budget. Approximately \$16 million of this funding supports vocational development, residential stabilization, and relapse prevention programs. Included in those funds is \$3 million of a \$6 million joint Division of Parole and Office of Alcoholism and Substance Abuse Services initiative on offender re-entry. Under this initiative, a consortium of not-for-profit providers will secure early access to substance abuse, employment and housing services for parolees, thereby enhancing the prospects of their successful re-integration into the community.

## **PAROLE**

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There is also Aid to Localities funding for county jails that house parole violators awaiting a parole revocation hearing that will determine whether the individual will return to State prison or be returned to the community. This Budget supports an increase in the reimbursement rate paid to local jails. The Division continues to develop procedural changes that make the parole revocation process more efficient which reduces the amount of time parole violators spend in local jails.

### **PROGRAM HIGHLIGHTS**

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. Additionally, the 2004 drug law reforms provide for determinate sentences. All offenders with determinate sentences are subject to fixed periods of post-release supervision by Parole Officers upon their release from prison.

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.

### **PAROLE OPERATIONS**

The Parole Operations program, the core of the State parole system, consists of three major areas: preparing inmates for reentry into the community; assisting the Board in making release determinations as well as providing the Board with information needed for setting conditions of release; and supervising parolees released from prison while supporting their successful reintegration into the community.

Institutional Parole staff, assigned to correctional facilities, assist the Board by preparing an assessment of an inmate's readiness for release based on his or her case history. The staff summarizes an inmate's rehabilitation progress, family background and community connections, as well as housing and employment prospects for the Board's consideration. Parole Officers attempt to obtain housing, employment and other services for inmates that are to be released into the community.

When offenders are to be released from prison, the Board imposes conditions of release and they are assigned to a Parole Officer. Field Parole staff supervise parolees by monitoring behavior, reviewing employment and treatment progress, administering drug tests and arranging for services to help parolees remain productive and law-abiding members of the community. Parole Officers also investigate alleged violations and revoke parole when necessary.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	151,926,000	158,348,000	6,422,000	1,921,000
Aid To Localities	44,439,000	53,146,000	8,707,000	0
Capital Projects	0	0	0	0
Total	196,365,000	211,494,000	15,129,000	1,921,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
General Fund	107	107	0
Parole Operations			
General Fund	1,962	1,922	(40)
Total	<u>2,069</u>	<u>2,029</u>	<u>(40)</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	150,601,000	157,023,000	6,422,000
Special Revenue Funds - Federal	500,000	500,000	0
Special Revenue Funds - Other	825,000	825,000	0
Total	<u>151,926,000</u>	<u>158,348,000</u>	<u>6,422,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	8,042,000	8,727,000	685,000
Parole Operations			
General Fund	142,559,000	148,296,000	5,737,000
Special Revenue Funds - Federal	500,000	500,000	0
Special Revenue Funds - Other	825,000	825,000	0
Total	<u>151,926,000</u>	<u>158,348,000</u>	<u>6,422,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	7,102,000	626,000	7,064,000	721,000
Parole Operations	114,281,000	250,000	109,715,000	(86,000)
Total	<u>121,383,000</u>	<u>876,000</u>	<u>116,779,000</u>	<u>635,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	38,000	(95,000)
Parole Operations	84,000	0	4,482,000	336,000
Total	<u>84,000</u>	<u>0</u>	<u>4,520,000</u>	<u>241,000</u>

# PAROLE

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	1,625,000	59,000	22,000	1,000
Parole Operations	34,015,000	5,487,000	1,139,000	71,000
Total	35,640,000	5,546,000	1,161,000	72,000

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	288,000	48,000	1,300,000	9,000
Parole Operations	3,994,000	941,000	27,157,000	4,417,000
Total	4,282,000	989,000	28,457,000	4,426,000

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration	15,000	1,000
Parole Operations	1,725,000	58,000
Total	1,740,000	59,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	1,325,000	0	1,325,000	0

**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>2005-06</b>	<b>2006-07</b>	
General Fund	35,189,000	43,896,000	8,707,000
Internal Service Funds	9,250,000	9,250,000	0
Total	44,439,000	53,146,000	8,707,000

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

<b>Program</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2005-06</b>	<b>2006-07</b>	
Parole Operations			
General Fund	35,189,000	43,896,000	8,707,000
Internal Service Funds	9,250,000	9,250,000	0
Total	44,439,000	53,146,000	8,707,000

# 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 2006-07 with a staff of 28.

## FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

In 2006-07, approximately \$1.9 million in State tax dollars will support the Division's State Operations budget. The Division's Aid to Localities program will provide \$70 million in funding for Probation Aid, the Intensive Supervision Program, the Juvenile Intensive Supervision Program and a number of alternative to incarceration programs, as well as increased assistance for monitoring sex offenders.

## PROGRAM HIGHLIGHTS

The Division of Probation and Correctional Alternatives will continue to focus on performance measurement, enhanced training and education for local providers, and improved technology. The Division currently 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)

Category	Available	Appropriations Recommended	Change	Reappropriations Recommended
	2005-06	2006-07		2006-07
State Operations	1,888,000	1,954,000	66,000	0
Aid To Localities	68,549,000	69,603,000	1,054,000	19,797,000
Capital Projects	0	0	0	0
Total	70,437,000	71,557,000	1,120,000	19,797,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Community Corrections			
General Fund	28	28	0
Total	28	28	0

# PROBATION AND CORRECTIONAL ALTERNATIVES

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	1,888,000	1,954,000	66,000
Total	<u>1,888,000</u>	<u>1,954,000</u>	<u>66,000</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Community Corrections			
General Fund	1,888,000	1,954,000	66,000
Total	<u>1,888,000</u>	<u>1,954,000</u>	<u>66,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Community Corrections	1,542,000	56,000	1,542,000	56,000
Total	<u>1,542,000</u>	<u>56,000</u>	<u>1,542,000</u>	<u>56,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Community Corrections	412,000	10,000	16,000	1,000
Total	<u>412,000</u>	<u>10,000</u>	<u>16,000</u>	<u>1,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Community Corrections	42,000	1,000	344,000	8,000
Total	<u>42,000</u>	<u>1,000</u>	<u>344,000</u>	<u>8,000</u>

Program	Equipment	
	Amount	Change
Community Corrections	10,000	0
Total	<u>10,000</u>	<u>0</u>

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	68,549,000	69,603,000	1,054,000
Total	<u>68,549,000</u>	<u>69,603,000</u>	<u>1,054,000</u>



# **PROBATION AND CORRECTIONAL ALTERNATIVES**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Community Corrections			
General Fund	<u>68,549,000</u>	<u>69,603,000</u>	<u>1,054,000</u>
Total	<u>68,549,000</u>	<u>69,603,000</u>	<u>1,054,000</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 2006-07.

## 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 \$2.6 million in 2006-07 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
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	1,683,000	1,756,000	73,000	300,000
Aid To Localities	927,000	927,000	0	112,000
Capital Projects	0	0	0	0
Total	2,610,000	2,683,000	73,000	412,000

# PREVENTION OF DOMESTIC VIOLENCE

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06	2006-07	FTE Change
	Estimated FTEs 03/31/06	Estimated FTEs 03/31/07	
Administration			
General Fund	15	15	0
Special Revenue Funds - Federal	18	18	0
Total	33	33	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	1,513,000	1,586,000	73,000
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	70,000	70,000	0
Total	1,683,000	1,756,000	73,000

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Administration			
General Fund	1,513,000	1,586,000	73,000
Special Revenue Funds - Federal	100,000	100,000	0
Special Revenue Funds - Other	70,000	70,000	0
Total	1,683,000	1,756,000	73,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	1,139,000	63,000	1,139,000	63,000
Total	1,139,000	63,000	1,139,000	63,000

# PREVENTION OF DOMESTIC VIOLENCE

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	447,000	10,000	48,000	1,000
Total	447,000	10,000	48,000	1,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	41,000	1,000	340,000	8,000
Total	41,000	1,000	340,000	8,000

Program	Equipment	
	Amount	Change
Administration	18,000	0
Total	18,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	170,000	0	170,000	0
Total	170,000	0	170,000	0

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

Fund Type	Available	Recommended	Change
	2005-06	2006-07	
General Fund	927,000	927,000	0
Total	927,000	927,000	0

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

Program	Available	Recommended	Change
	2005-06	2006-07	
Administration			
General Fund	927,000	927,000	0
Total	927,000	927,000	0



# ***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 4,750 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 88 percent of its funding from the General Fund, which supports its mediation, fact-finding and arbitration services and administrative costs.

The Executive Budget recommends \$3.7 million in General Fund support for the Board, and the Board's remaining expenses of \$482,000 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 385 of the 2,382 State and local contracts negotiated in 2004-2005. 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 2004-2005, the Board received 125 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 850 charges of improper employment and negotiating practices in the previous year. In 2004-2005, the agency wrote over 126 decisions and closed, either by

## **PUBLIC EMPLOYMENT RELATIONS**

decision or settlement, over 820 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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	3,951,000	4,147,000	196,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>3,951,000</b>	<b>4,147,000</b>	<b>196,000</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>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Administration			
General Fund	37	37	0
<b>Total</b>	<b>37</b>	<b>37</b>	<b>0</b>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	3,694,000	3,665,000	(29,000)
Special Revenue Funds - Other	257,000	482,000	225,000
<b>Total</b>	<b>3,951,000</b>	<b>4,147,000</b>	<b>196,000</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	3,694,000	3,665,000	(29,000)
Special Revenue Funds - Other	257,000	482,000	225,000
<b>Total</b>	<b>3,951,000</b>	<b>4,147,000</b>	<b>196,000</b>



# PUBLIC EMPLOYMENT RELATIONS

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,183,000	(48,000)	2,876,000	(24,000)
Total	3,183,000	(48,000)	2,876,000	(24,000)

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	307,000	(24,000)
Total	307,000	(24,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	482,000	19,000	83,000	9,000
Total	482,000	19,000	83,000	9,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	72,000	0	318,000	10,000
Total	72,000	0	318,000	10,000

Program	Equipment	
	Amount	Change
Administration	9,000	0
Total	9,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	482,000	225,000	140,000	0
Total	482,000	225,000	140,000	0

Program	Nonpersonal Service	
	Amount	Change
Administration	342,000	225,000
Total	342,000	225,000



# ***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.

The Division will have a total workforce of 5,977 in 2006-07, with 4,884 sworn police officers.

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

Approximately \$450 million of the Division's operations budget will be supported by State tax dollars from the General Fund. 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 at the various casinos throughout the State is reimbursed by the Native American Nations which own and operate these facilities. In addition, revenue raised from the annual fee on insurance policies of all registered motor vehicles will support \$60.4 million of vital State Police public safety operations.

The 2006-07 Executive Budget includes \$16 million in funding for an initiative, begun in December 2005, to combat illegal gun trafficking and gun violence in New York State. This initiative calls for 100 new State Police Investigators to partner with federal and local law enforcement officials to remove illegal guns from communities with the highest rates of gun violence and to reduce the illegal transport of guns into New York from other states.

The Executive Budget also provides additional funding for the following:

- \$9.1 million to expand the use of forensic DNA analysis to property crimes and other lower level infractions;
- \$2.0 million for a new SUNY forensic DNA training academy;
- \$3.1 million to enhance the Division's ability to investigate and respond to computer and Internet crimes;
- \$4.0 million in new capital funds to support the construction of a new Troop L facility in Nassau County; and
- \$8.4 million in new bonded capital funds for the construction of new evidence storage facilities at five State Police Troop Headquarters throughout the State.

# STATE POLICE

## 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.

### 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	626,161,000	632,574,000	6,413,000	11,277,000
Aid To Localities	0	0	0	0
Capital Projects	19,200,000	20,100,000	900,000	21,470,000
Total	645,361,000	652,674,000	7,313,000	32,747,000

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

Program	Full-Time Equivalent Positions (FTE)		
	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	208	208	0
Criminal Investigation Activities			
General Fund	1,096	1,215	119
Special Revenue Funds - Federal	62	0	(62)
Special Revenue Funds - Other	111	198	87
Patrol Activities			
General Fund	3,065	3,121	56
Special Revenue Funds - Federal	41	41	0
Special Revenue Funds - Other	36	28	(8)
Special Revenue Funds - Other	4	4	0
Policing the Thruway			
Special Revenue Funds - Other	340	340	0
Technical Police Services			
General Fund	760	817	57
Special Revenue Funds - Other	6	5	(1)
Total	5,729	5,977	248

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
General Fund	442,387,200	449,527,000	7,139,800
Special Revenue Funds - Federal	4,709,000	4,621,000	(88,000)
Special Revenue Funds - Other	179,064,800	178,426,000	(638,800)
Total	<u>626,161,000</u>	<u>632,574,000</u>	<u>6,413,000</u>

Adjustments:

Transfer(s) From	
Special Pay Bill	
General Fund	(85,805,200)
Special Revenue Funds - Other	(14,676,800)
Appropriated 2005-06	<u>525,679,000</u>

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Administration			
General Fund	16,369,200	16,529,000	159,800
Special Revenue Funds - Other	208,000	208,000	0
Criminal Investigation Activities			
General Fund	121,810,000	127,782,000	5,972,000
Special Revenue Funds - Federal	700,000	700,000	0
Special Revenue Funds - Other	20,661,800	22,106,000	1,444,200
Patrol Activities			
General Fund	235,160,000	212,941,000	(22,219,000)
Special Revenue Funds - Federal	3,867,000	3,921,000	54,000
Special Revenue Funds - Other	68,943,000	68,254,000	(689,000)
Policing the Thruway			
Special Revenue Funds - Other	52,350,000	50,956,000	(1,394,000)
Technical Police Services			
General Fund	69,048,000	92,275,000	23,227,000
Special Revenue Funds - Federal	142,000	0	(142,000)
Special Revenue Funds - Other	36,902,000	36,902,000	0
Total	<u>626,161,000</u>	<u>632,574,000</u>	<u>6,413,000</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	15,715,000	771,000	15,656,000	771,000
Criminal Investigation Activities	118,561,000	5,245,000	117,104,000	5,245,000
Patrol Activities	207,367,000	(21,136,000)	194,930,000	(29,136,000)
Technical Police Services	43,291,000	5,163,000	43,119,000	5,163,000
Total	<u>384,934,000</u>	<u>(9,957,000)</u>	<u>370,809,000</u>	<u>(17,957,000)</u>

<u>Program</u>	<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>
Administration	59,000	0
Criminal Investigation Activities	1,457,000	0
Patrol Activities	12,437,000	8,000,000
Technical Police Services	172,000	0
Total	<u>14,125,000</u>	<u>8,000,000</u>

# STATE POLICE

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	814,000	(611,200)	330,000	(611,200)
Criminal Investigation Activities	9,221,000	727,000	708,000	6,000
Patrol Activities	5,574,000	(1,083,000)	1,209,000	39,000
Technical Police Services	48,984,000	18,064,000	9,653,000	6,973,000
Total	64,593,000	17,096,800	11,900,000	6,406,800

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	80,000	0	396,000	0
Criminal Investigation Activities	70,000	0	496,000	5,000
Patrol Activities	1,977,000	0	647,000	21,000
Technical Police Services	3,761,000	0	15,343,000	998,000
Total	5,888,000	0	16,882,000	1,024,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	8,000	0	0	0
Criminal Investigation Activities	7,947,000	1,716,000	0	(1,000,000)
Patrol Activities	1,741,000	57,000	0	(1,200,000)
Technical Police Services	20,227,000	10,093,000	0	0
Total	29,923,000	11,866,000	0	(2,200,000)

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	208,000	0	0	0
Criminal Investigation Activities	22,806,000	1,444,200	9,232,000	656,200
Patrol Activities	72,175,000	(635,000)	56,921,000	(489,000)
Policing the Thruway	50,956,000	(1,394,000)	33,858,000	(1,971,000)
Technical Police Services	36,902,000	(142,000)	4,000,000	4,000,000
Total	183,047,000	(726,800)	104,011,000	2,196,200

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	208,000	0	0	0
Criminal Investigation Activities	12,874,000	788,000	700,000	0
Patrol Activities	15,254,000	(146,000)	0	0
Policing the Thruway	17,098,000	577,000	0	0
Technical Police Services	30,602,000	(4,142,000)	2,300,000	0
Total	76,036,000	(2,923,000)	3,000,000	0

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Maintenance and Improvement of Existing Facilities				
Capital Projects Fund	3,500,000	6,200,000	2,700,000	5,773,000
Misc. Capital Projects	0	1,500,000	1,500,000	0
New Facilities				
Capital Projects Fund - Authority Bonds	15,700,000	12,400,000	(3,300,000)	15,697,000
Total	19,200,000	20,100,000	900,000	21,470,000

# **OFFICE FOR TECHNOLOGY**

## **MISSION**

Since its inception in 1997, the Office for Technology (“OFT” or “the Office”) has evolved from an organization that plans and coordinates the State’s investments regarding information technology into an organization with significant operational responsibilities. The Office’s mission today is to provide centralized technology services, shape technology policy and coordinate statewide technology related initiatives to improve efficiency for New York State government.

## **ORGANIZATION AND STAFFING**

The Office is located in Albany and is overseen by the Director, who works in partnership with the State’s Chief Information Officer. The Office is supported with State tax dollars from the General Fund and payments from other State agencies. The Office will have a staff of 729 in 2006-07.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 General Fund recommendation of \$23 million supports ongoing agency activities. Other major recommendations include:

- A \$75 million Capital Projects appropriation for the construction of a new Consolidated Data Center that will permit the safe and secure operation of the State’s mainframe computers and servers at a single, efficient primary site. The data center will be designed to permit the consolidation of the growing number of servers operated by OFT and individual agencies. By pooling these resources, staff and hardware can be used far more efficiently to provide better, more dependable service to agencies and the customers they serve;
- A \$115 million Internal Service Fund appropriation for operation of the current consolidated State Data Center sites;
- 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 \$36.5 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
- Working with the Office of General Services, OFT will continue a statewide effort to coordinate acquisitions of information technology and services to ensure that State agencies receive the best value at the lowest possible price.

## **PROGRAM HIGHLIGHTS**

The Office for Technology’s primary objectives for fiscal year 2006-07 include two significant priorities for improving the State’s technology infrastructure: commencing design and construction of a new consolidated data center to meet the growing needs for secure space, power and cooling; and continuing the design and beginning primary regional build-out of the Statewide Wireless Network (SWN). A contract was awarded in late 2005 to design and begin to build and test SWN by regions. The Office for Technology will also continue to sharpen its focus on the State as an enterprise, concentrating resources on opportunities to develop enterprise solutions and to work cooperatively on common

## TECHNOLOGY

problems identified in the planning process. In this regard, an additional priority will be to improve services to agencies by earlier joint planning to meet agency needs. Building on the newly-instituted Annual Technology Plans developed by each agency, OFT and customer agencies will be better positioned to ensure that resources are in place when needed.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	270,953,000	279,595,000	8,642,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	75,000,000	75,000,000	0
Total	270,953,000	354,595,000	83,642,000	0

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Technology			
General Fund	127	135	8
Internal Service Funds	594	594	0
Total	721	729	8

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	21,953,000	23,095,000	1,142,000
Internal Service Funds	249,000,000	256,500,000	7,500,000
Total	270,953,000	279,595,000	8,642,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Technology			
General Fund	21,953,000	23,095,000	1,142,000
Internal Service Funds	249,000,000	256,500,000	7,500,000
Total	270,953,000	279,595,000	8,642,000



# TECHNOLOGY

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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>
Technology	7,986,000	118,000	7,776,000	118,000
Total	<u>7,986,000</u>	<u>118,000</u>	<u>7,776,000</u>	<u>118,000</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>
Technology	200,000	0	10,000	0
Total	<u>200,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	15,109,000	1,024,000	260,000	4,000
Total	<u>15,109,000</u>	<u>1,024,000</u>	<u>260,000</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>
Technology	27,000	1,000	4,788,000	774,000
Total	<u>27,000</u>	<u>1,000</u>	<u>4,788,000</u>	<u>774,000</u>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Technology	10,034,000	245,000
Total	<u>10,034,000</u>	<u>245,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	256,500,000	7,500,000	256,500,000	7,500,000
Total	<u>256,500,000</u>	<u>7,500,000</u>	<u>256,500,000</u>	<u>7,500,000</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
New Facilities				
Capital Projects Fund - Authority Bonds	0	75,000,000	75,000,000	0
Total	<u>0</u>	<u>75,000,000</u>	<u>75,000,000</u>	<u>0</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 1.1 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 112 employees in 2006-07.

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

The Executive Budget recommends \$14.9 million for the Division of Veterans' Affairs to fund administration, veterans' services and benefits. The Blind Veteran Annuity Assistance Program has been increased slightly to accommodate the potential for changes in the number of beneficiaries. State aid is continued for county and city veterans' service agencies and Federal appropriations for the Veterans' Education Program are maintained. 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.

## ***PROGRAM HIGHLIGHTS***

The largest of the Division of Veterans' Affairs four programs, the Veterans' Counseling Program, provides benefits 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 Federal, State, local and private veterans' benefits. Veterans' counselors 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 \$1.25 billion annually in recurring Federal VA compensation and pension payments made directly to New York State veterans and their dependents. State veterans' counselors file nearly 8,000 benefit claims annually that result in approximately \$64 million in new and recurring Federal benefits. The average compensation award for each veteran represented by State veterans' counselors exceeds \$11,500 annually. State veterans' counselors 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 New York Patriot Plans in 2003, 2004, and 2005, 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 Blind Veteran Annuity Program provides visually impaired veterans and eligible surviving spouses with monthly assistance. In 2006-07, this program will assist more than 4,300 recipients. Legislation approved in 2004 provides for an annual cost of living increase tied to Federal increases in veterans' compensation in order to maintain the value of the benefit paid to each recipient.

## VETERANS' AFFAIRS

The Veterans' Education Program certifies post-secondary educational and vocational programs as providing quality education and training to veterans eligible for Federal G. I. education benefits. The program staff reviews and approves thousands of programs for use by veterans, ensuring a wide variety of career training and educational opportunities for veterans and eligible dependents and survivors.

The Division of Veterans' Affairs continues to maintain its community outreach activities through senior citizens' seminars and similar forums for women veterans. In addition, it is 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 also collaborates with other 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 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	8,487,000	8,530,000	43,000	2,082,000
Aid To Localities	6,130,000	6,330,000	200,000	750,000
Capital Projects	0	0	0	0
Total	14,617,000	14,860,000	243,000	2,832,000

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	10	9	(1)
Higher Education			
Special Revenue Funds - Federal	12	12	0
Veteran Counseling Services Program			
General Fund	91	91	0
Total	113	112	(1)

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	6,212,000	6,230,000	18,000
Special Revenue Funds - Federal	2,275,000	2,300,000	25,000
Total	8,487,000	8,530,000	43,000

# VETERANS' AFFAIRS

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	844,000	802,000	(42,000)
Higher Education			
Special Revenue Funds - Federal	1,775,000	1,800,000	25,000
Veteran Counseling Services Program			
General Fund	5,368,000	5,428,000	60,000
Special Revenue Funds - Federal	500,000	500,000	0
Total	<u>8,487,000</u>	<u>8,530,000</u>	<u>43,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	690,000	(47,000)	690,000	(47,000)
Veteran Counseling Services Program	4,938,000	0	4,938,000	0
Total	<u>5,628,000</u>	<u>(47,000)</u>	<u>5,628,000</u>	<u>(47,000)</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Contractual Services	
	Amount	Change	Amount	Change
Administration	112,000	5,000	112,000	5,000
Veteran Counseling Services Program	490,000	60,000	490,000	110,000
Total	<u>602,000</u>	<u>65,000</u>	<u>602,000</u>	<u>115,000</u>

Program	Maintenance Undistributed	
	Amount	Change
Administration	0	0
Veteran Counseling Services Program	0	(50,000)
Total	<u>0</u>	<u>(50,000)</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Higher Education	1,800,000	25,000	1,055,000	0
Veteran Counseling Services Program	500,000	0	0	0
Total	<u>2,300,000</u>	<u>25,000</u>	<u>1,055,000</u>	<u>0</u>

Program	Nonpersonal Service	
	Amount	Change
Higher Education	745,000	25,000
Veteran Counseling Services Program	500,000	0
Total	<u>1,245,000</u>	<u>25,000</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 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	6,130,000	6,330,000	200,000
Total	<u>6,130,000</u>	<u>6,330,000</u>	<u>200,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	200,000	200,000	0
Blind Veteran Annuity Assistance			
General Fund	5,000,000	5,200,000	200,000
Veteran Counseling Services Program			
General Fund	930,000	930,000	0
Total	<u>6,130,000</u>	<u>6,330,000</u>	<u>200,000</u>

# **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 1,539 positions for 2006-07.

## **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 2006-07 Executive Budget recommends approximately \$190 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.

The Board's Office of Fraud Inspector General (OFIG) continues to proactively fight Worker's Compensation fraud statewide. During 2004, OFIG received 3,274 fraud complaints, investigated and closed 3,448 fraud cases, submitted 1,716 cases to various authorities for criminal prosecution or other appropriate action and returned \$2.2 million to defrauded victims.

## **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 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	184,196,600	190,046,000	5,849,400	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>184,196,600</b>	<b>190,046,000</b>	<b>5,849,400</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>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</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	1,407	1,407	0
<b>Total</b>	<b>1,539</b>	<b>1,539</b>	<b>0</b>



# WORKERS' COMPENSATION

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	184,196,600	190,046,000	5,849,400
Total	<u>184,196,600</u>	<u>190,046,000</u>	<u>5,849,400</u>

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

Program	Available 2005-06	Recommended 2006-07	Change
Disability Benefits			
Special Revenue Funds - Other	7,516,000	7,457,000	(59,000)
Systems Modernization			
Special Revenue Funds - Other	36,798,600	38,136,000	1,337,400
Workers Compensation			
Special Revenue Funds - Other	139,882,000	144,453,000	4,571,000
Total	<u>184,196,600</u>	<u>190,046,000</u>	<u>5,849,400</u>

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Disability Benefits	7,457,000	(59,000)	3,723,000	(133,000)
Systems Modernization	38,136,000	1,337,400	4,845,000	198,400
Workers Compensation	144,453,000	4,571,000	73,657,000	1,099,000
Total	<u>190,046,000</u>	<u>5,849,400</u>	<u>82,225,000</u>	<u>1,164,400</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Disability Benefits	3,734,000	74,000	0	0
Systems Modernization	33,291,000	1,139,000	0	0
Workers Compensation	70,099,000	3,478,000	697,000	(6,000)
Total	<u>107,124,000</u>	<u>4,691,000</u>	<u>697,000</u>	<u>(6,000)</u>



***MISCELLANEOUS***



# MISCELLANEOUS

## ALL STATE DEPARTMENTS AND AGENCIES

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	0	0	0
Aid To Localities	200,000,000	0	(200,000,000)	377,000,000
Capital Projects	0	0	0	0
Total	200,000,000	0	(200,000,000)	377,000,000

## ALL STATE DEPARTMENTS AND AGENCIES SERVICES, EXPENSES OR GRANTS

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	0	0	0
Aid To Localities	0	0	0	3,350,000
Capital Projects	0	0	0	0
Total	0	0	0	3,350,000

## ALL STATE DEPARTMENTS AND AGENCIES STATE EQUIPMENT FINANCING PROGRAM

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	117,000,000	117,000,000	0
Total	0	117,000,000	117,000,000	0

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

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Program Changes and Expansion				
Cap Proj Fund - Equipment Financing (Direct Auth Bonds)	0	117,000,000	117,000,000	0
Total	0	117,000,000	117,000,000	0

**MISCELLANEOUS**

**AUTOMATED EXTERNAL DEFIBRILLATORS**

Pursuant to Chapter 510 of the Laws of 2004, public buildings and institutions must be equipped with automated external defibrillators. The Commissioner of General Services is charged with promulgating regulations providing a schedule for phasing in such installations, prescribing the appropriate number of defibrillators based on building size or occupancy, and defining the training requirements for personnel operating such equipment. The 2006-07 Executive Budget provides a reappropriation of \$45 million for the acquisition and installation of such automated external defibrillators.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	45,000,000	0	(45,000,000)	45,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>45,000,000</b>	<b>0</b>	<b>(45,000,000)</b>	<b>45,000,000</b>

**COLLECTIVE BARGAINING AGREEMENTS**

**PROGRAM HIGHLIGHTS**

Settlements for most negotiating units are in place. A \$39,178,760 appropriation is recommended for those negotiating units where settlements have been reached and for certain Management/Confidential programs. A \$14,000,000 General Fund appropriation is recommended to continue certain programs for those units that have not yet settled. Additionally, a total of \$37,955,400 in reappropriations is also recommended.

A total of \$250,000 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.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	40,059,580	39,178,760	(880,820)	37,955,400
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>40,059,580</b>	<b>39,178,760</b>	<b>(880,820)</b>	<b>37,955,400</b>

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

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

<b>Program</b>	<b>2005-06 Estimated FTEs 03/31/06</b>	<b>2006-07 Estimated FTEs 03/31/07</b>	<b>FTE Change</b>
Labor Management Programs			
General Fund	53	53	0
<b>Total</b>	<b>53</b>	<b>53</b>	<b>0</b>

**MISCELLANEOUS**

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	39,809,580	38,928,760	(880,820)
Special Revenue Funds - Other	250,000	250,000	0
Total	<u>40,059,580</u>	<u>39,178,760</u>	<u>(880,820)</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(1,523,980)		
Appropriated 2005-06	<u>38,535,600</u>		

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Labor Management Programs			
General Fund	39,809,580	38,928,760	(880,820)
Special Revenue Funds - Other	250,000	250,000	0
Total	<u>40,059,580</u>	<u>39,178,760</u>	<u>(880,820)</u>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Labor Management Programs	38,928,760	(880,820)	38,928,760	(880,820)
Total	<u>38,928,760</u>	<u>(880,820)</u>	<u>38,928,760</u>	<u>(880,820)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Labor Management Programs	250,000	0	250,000	0
Total	<u>250,000</u>	<u>0</u>	<u>250,000</u>	<u>0</u>

**COMMUNITY SERVICE PROVIDER  
ASSISTANCE PROGRAM**

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	0	0	0	0
Aid To Localities	0	0	0	10,000,000
Capital Projects	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000,000</u>

## **MISCELLANEOUS**

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### **DEFERRED COMPENSATION BOARD**

#### **MISSION**

The Deferred Compensation Board oversees public employee Deferred Compensation Plans, including the State Plan and locally operated plans. The mission of the State Plan is to help employees achieve their retirement savings goals by providing quality investment options, investment educational programs and related services. Local plans are overseen by local committees, but must operate in compliance with the Board's rules.

#### **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 maintains a staff of four professionals who are responsible for management of the State Plan as well as for regulatory duties for 250 local plans. Management of the State Plan includes oversight of administrative services delivered by contracted staff, monitoring of 26 investment managers, coordination with professional services firms and direct service delivery through the main office.

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

The Executive Budget recommendations for 2006-07 will provide continued support for the current operations of the Deferred Compensation Board. The recommended funding includes \$170,000 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 remaining \$701,000 needed to operate the Plan is derived from a participant fee and administrative rebates that the Plan receives from the investment firms.

#### **PROGRAM HIGHLIGHTS**

The Board continues to pursue opportunities to improve service and further participants' ability to construct cost effective, well-diversified portfolios. Regulatory improvements authorized under the Economic Growth and Tax Relief Reconciliation Act of 2001 provided for increased contribution limits, distribution flexibility and new tax benefits beginning in 2002. The Board initiates outreach efforts to employers to encourage even greater Plan participation at both the State and local government levels. Due to these efforts, as well as to recent Plan improvements, contributions to the Plan have increased by \$192 million (40 percent) annually, while employer membership has increased by 42 percent in the past four years. The Board increased its outreach to local plans through additional regulatory mailings and will continue to provide guidance to local governments on compliance issues related to Federal statutory changes and the State's Model Deferred Compensation Plan.

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

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	806,000	871,000	65,000	100,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	806,000	871,000	65,000	100,000



**MISCELLANEOUS**

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

Full-Time Equivalent Positions (FTE)			
Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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 2005-06	Recommended 2006-07	Change
General Fund	157,000	170,000	13,000
Special Revenue Funds - Other	649,000	701,000	52,000
Total	806,000	871,000	65,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	157,000	170,000	13,000
Special Revenue Funds - Other	649,000	701,000	52,000
Total	806,000	871,000	65,000

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	170,000	13,000	170,000	13,000
Total	170,000	13,000	170,000	13,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	701,000	52,000	341,000	29,000
Total	701,000	52,000	341,000	29,000

Program	Nonpersonal Service	
	Amount	Change
Operations	360,000	23,000
Total	360,000	23,000

## **MISCELLANEOUS**

### **EXTRAORDINARY ENERGY COSTS**

Contingency appropriation authority of \$58.6 million is provided to cover any extraordinary energy cost increases experienced by the State University of New York and the City University of New York in 2006-07. Funds will be allocated from this appropriation upon the submission and approval of campus expenditure plans documenting actual utility expenditures in excess of budgeted amounts.

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	0	58,600,000	58,600,000
Total	<u>0</u>	<u>58,600,000</u>	<u>58,600,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Energy Costs			
General Fund	0	58,600,000	58,600,000
Total	<u>0</u>	<u>58,600,000</u>	<u>58,600,000</u>

### **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**

Recommended appropriations for General State Charges total \$3 billion in 2006-07. This amount will be augmented by \$751 million initially appropriated to the State University of New York for employee fringe benefits. This appropriation also includes funds that are to be used for the services and expenses of a New York State Pension Reform Task Force. This task force, whose members will represent a broad array of stakeholder groups, will examine and report on possible methods to modernize the State's public pension systems. Topics to be discussed will include, but not be limited to, benefit designs to support long-term workforce planning strategies; alternative and more affordable benefit designs; demographic factors such as longer length of service and increased life expectancy; and alternative defined benefit funding methodologies.

### **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 2006-07 General Fund appropriation of \$1.78 billion reflects a 8.6 percent increase in the State's employee health insurance expenditures. The State will actively seek savings by improving clinically-based utilization review of employee health services to reduce waste.

**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 \$128 billion in combined invested 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.

The recommended appropriation for the State's contribution to the retirement systems in 2006-07 is \$949 million, an increase of 14 percent. This appropriation reflects an estimated normal contribution rate of 10 percent of salary.

**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 6.2 percent, applied on wages up to \$94,200 in 2006, and the Medicare tax rate is 1.45 percent on all wages.

The recommended General Fund appropriation for Social Security and Medicare taxes in 2006-07 is \$409 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. Most State employees are paid supplemental benefits pursuant to collective bargaining agreements.

The recommended General Fund appropriation for workers' compensation benefits in 2006-07 is \$216 million. Efforts to contain costs and improve program management will continue through funding the automated Accident Reporting System and a dispute resolution program.

**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 \$138 million in General Fund appropriations is recommended in 2006-07 to fund dental, vision and other employee benefits.

**Fringe Benefits for State University Employees:** A \$751 million General Fund appropriation to support fringe benefits for employees of the State University will be initially included in the State University budget. Upon enactment, this amount will be transferred to the General State Charges program to be centrally administered along with the benefit programs for all State employees.

## **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:

## MISCELLANEOUS

**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 \$190 million in appropriations is recommended in 2006-07 for payment of taxes and various other property assessments on State lands. This amount includes an additional \$6 million beyond the current 19-a Public Lands Law schedule for the City of Albany, pursuant to legislation proposed in this budget. Legislation is also included in the Executive Budget to prevent certain localities from artificially increasing the State's tax bill by unfairly increasing assessments on State owned 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 \$105 million in appropriations is recommended in 2006-07 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 that the courts have required under an interpretation of current law.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	2,779,769,225	3,010,409,000	230,639,775	13,923,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,779,769,225	3,010,409,000	230,639,775	13,923,000

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	2,779,769,225	3,010,409,000	230,639,775
Total	2,779,769,225	3,010,409,000	230,639,775

Adjustments:

Transfer(s) From

Special Pay Bill

General Fund

Appropriated 2005-06

(8,259,225)

2,771,510,000

**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 2006-07 Executive Budget recommends a General Fund appropriation of \$3,194,000 that reflects a \$422,000 increase from the 2005-06 funding level.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

Category	Available	Appropriations	Change	Reappropriations
	2005-06	Recommended 2006-07		Recommended 2006-07
State Operations	2,772,000	3,194,000	422,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	2,772,000	3,194,000	422,000	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	2,772,000	3,194,000	422,000
Total	2,772,000	3,194,000	422,000

Adjustments:

Prior Year Deficiency	
Green Thumb	
General Fund	185,000
Appropriated 2005-06	2,957,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Green Thumb Program			
General Fund	2,772,000	3,194,000	422,000
Total	2,772,000	3,194,000	422,000

**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 the Greenway, and designate and develop the Hudson River Valley Greenway Trail. The 2006-07 Executive Budget recommends total funding of \$256,000 from the General Fund for operational support of the Conservancy.

## MISCELLANEOUS

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	256,000	256,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	256,000	256,000	0	0

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	256,000	256,000	0
Total	256,000	256,000	0

## HEALTH INSURANCE CONTINGENCY RESERVE

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	474,305,000	522,977,000	48,672,000
Total	474,305,000	522,977,000	48,672,000

## HEALTH INSURANCE RESERVE RECEIPTS FUND

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Fiduciary Funds	192,400,000	192,400,000	0
Total	192,400,000	192,400,000	0

## 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 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	734,000	780,000	46,000
Total	<u>734,000</u>	<u>780,000</u>	<u>46,000</u>

**HIGHER EDUCATION FACILITIES  
CAPITAL MATCHING GRANTS PROGRAM**

The 2005-06 Budget included a new \$150 million higher education facilities capital matching grant program for private colleges in New York. Under this program, \$150 million will be awarded to private colleges based on enrollment and the colleges' relative student financial need as measured by total awards provided through the Tuition Assistance Program. This program requires a three to one (non-State to State) match by institutions.

Under this program, grants are awarded by the Higher Education Capital Matching Grant Board consisting of three members appointed by the Governor. Grants may be used for the design, construction or acquisition of new facilities, rehabilitation and repair of existing facilities or for any projects for targeted priorities including economic development/high-technology (including wet labs), critical academic facilities and urban renewal/historic preservation.

The 2006-07 Executive Budget recommends language amendments to facilitate administration of the program by streamlining the review process for contract approval.

This program, once fully implemented, will leverage over \$450 million in external funds to match the State's \$150 million investment, thereby providing for a combined capital program totaling \$600 million. The State's share of the program will be financed through the issuance of bonds.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	150,000,000	0	(150,000,000)	150,000,000
Total	<u>150,000,000</u>	<u>0</u>	<u>(150,000,000)</u>	<u>150,000,000</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Higher Education Capital Matching Grants				
Capital Projects Fund - Authority Bonds	150,000,000	0	(150,000,000)	150,000,000
Total	<u>150,000,000</u>	<u>0</u>	<u>(150,000,000)</u>	<u>150,000,000</u>

**MISCELLANEOUS**

**HOMELAND SECURITY**

Since fall 2001, State agencies have deployed numerous resources to detect and protect against domestic security threats. The 2006-07 Executive Budget provides appropriations of approximately \$185.7 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 will continue to address other public safety needs, including testing of potential biological and chemical agents and upgrades for communications and technology systems.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	140,199,000	135,685,000	(4,514,000)	79,376,000
Aid To Localities	50,000,000	50,000,000	0	138,495,000
Capital Projects	0	0	0	30,961,000
Total	<u>190,199,000</u>	<u>185,685,000</u>	<u>(4,514,000)</u>	<u>248,832,000</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Other	3,000,000	3,000,000	0
All Funds	137,199,000	132,685,000	(4,514,000)
Total	<u>140,199,000</u>	<u>135,685,000</u>	<u>(4,514,000)</u>

Adjustments:

Transfer(s) To

Agriculture and Markets, Department of General Fund	3,000,000
General Services, Office of General Fund	2,285,000
Military and Naval Affairs, Division of General Fund	1,612,000
Parks, Recreation and Historic Preservation, Office of General Fund	1,057,000
Appropriated 2005-06	<u>148,153,000</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Domestic Anti-Terrorism Program Special Revenue Funds - Other	3,000,000	3,000,000	0
All Funds	137,199,000	132,685,000	(4,514,000)
Total	<u>140,199,000</u>	<u>135,685,000</u>	<u>(4,514,000)</u>



**MISCELLANEOUS**

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Domestic Anti-Terrorism Program	135,685,000	(4,514,000)	135,685,000	(4,514,000)
Total	<u>135,685,000</u>	<u>(4,514,000)</u>	<u>135,685,000</u>	<u>(4,514,000)</u>

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Special Revenue Funds - Federal	50,000,000	50,000,000	0
Total	<u>50,000,000</u>	<u>50,000,000</u>	<u>0</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Domestic Anti-Terrorism Program			
Special Revenue Funds - Federal	50,000,000	50,000,000	0
Total	<u>50,000,000</u>	<u>50,000,000</u>	<u>0</u>

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
Homeland Security				
Capital Projects Fund	0	0	0	9,559,000
Federal Capital Projects Fund	0	0	0	21,402,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,961,000</u>

**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 \$608,000 in 2006-07 to support the Council's administration, technical assistance, and local planning grants programs.

# MISCELLANEOUS

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	391,000	404,000	13,000	0
Aid To Localities	204,000	204,000	0	640,500
Capital Projects	0	0	0	0
Total	595,000	608,000	13,000	640,500

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Operations			
General Fund	5	5	0
Total	5	5	0

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	391,000	404,000	13,000
Total	391,000	404,000	13,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	204,000	204,000	0
Total	204,000	204,000	0

# INSURANCE AND SECURITIES FUNDS RESERVE GUARANTEE

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	1,605,000,000	1,605,000,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	1,605,000,000	1,605,000,000	0	0

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Aggregate Trust Fund			
General Fund	220,000,000	220,000,000	0
Property/Casualty Insurance Security Fund			
General Fund	90,000,000	90,000,000	0
State Insurance Fund			
General Fund	1,295,000,000	1,295,000,000	0
Total	<u>1,605,000,000</u>	<u>1,605,000,000</u>	<u>0</u>

**LOCAL GOVERNMENT ASSISTANCE**

The following appropriations provide State aid to all classes of local government. Of the total miscellaneous local government assistance, only 3.7 percent is appropriated from the General Fund. The remaining 96.3 percent is appropriated primarily as fiduciary funds with no General Fund impact.

Executive Budget recommendations for 2006-07 are as follows:

- An additional \$50 million for the Aid and Incentives for Municipalities (AIM) program to support continuing aid increases for cities, towns and villages. Cities are required to use this additional funding to provide real property tax relief for local taxpayers. In addition, the Shared Municipal Services Incentive Award Program, created in 2005-06 to encourage cooperative cost saving ventures between municipalities, will be expanded to include special purpose units of government and to target particular municipal services and expenditures. Funding for this program will increase from \$2.75 million to \$25 million, with \$10 million dedicated to the consolidation of local government units. The total State appropriation for AIM is \$1.1 billion, a \$72.2 million increase above 2005-06 levels.
- Acceleration of Efficiency Incentive Grant funding originally authorized in 2005-06, including: \$18 million for the Erie County Fiscal Stability Authority to encourage implementation of cost saving initiatives included in Erie County's Four Year Gap-Closing Plan; and \$2 million for the Buffalo Fiscal Stability Authority to encourage cost saving efforts in the City of Buffalo.
- \$2 million each is provided to Oneida and Madison Counties as interim financial assistance related to land claim settlements.
- \$20 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. This is the final State appropriation required under the settlement agreement and supports the State's remaining obligation for the 2006 Yonkers city fiscal year.
- Small Government Assistance totaling \$2.1 million is appropriated for certain counties and school districts.
- Fiduciary appropriations totaling more than \$31 billion are recommended 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)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	3,243,000	3,243,000	0	0
Aid To Localities	29,909,383,000	32,569,632,600	2,660,249,600	2,750,000
Capital Projects	0	0	0	0
Total	29,912,626,000	32,572,875,600	2,660,249,600	2,750,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Financial Control Board, New York State			
Special Revenue Funds - Other	17	17	0
Total	17	17	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	3,243,000	3,243,000	0
Total	3,243,000	3,243,000	0

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

Program	Available 2005-06	Recommended 2006-07	Change
Financial Control Board, New York State			
Special Revenue Funds - Other	3,243,000	3,243,000	0
Total	3,243,000	3,243,000	0

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Financial Control Board, New York State	3,243,000	0	1,789,000	0
Total	3,243,000	0	1,789,000	0

Program	Nonpersonal Service	
	Amount	Change
Financial Control Board, New York State	1,454,000	0
Total	1,454,000	0

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	1,131,083,000	1,190,832,600	59,749,600
Fiduciary Funds	28,778,300,000	31,378,800,000	2,600,500,000
Total	<u>29,909,383,000</u>	<u>32,569,632,600</u>	<u>2,660,249,600</u>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Aid and Incentives for Municipalities General Fund	1,072,451,400	1,144,701,000	72,249,600
Efficiency Incentive Grants Program General Fund	0	20,000,000	20,000,000
Miscellaneous Financial Assistance General Fund	4,000,000	4,000,000	0
Municipal Assistance State Aid Fund Fiduciary Funds	563,300,000	563,300,000	0
Municipal Assistance Tax Fund Fiduciary Funds	16,215,000,000	17,815,500,000	1,600,500,000
Nassau County Interim Finance Authority General Fund	7,500,000	0	(7,500,000)
Small Government Assistance General Fund	2,131,600	2,131,600	0
Stock Transfer Tax Fund Fiduciary Funds	12,000,000,000	13,000,000,000	1,000,000,000
Yonkers Settlement General Fund	45,000,000	20,000,000	(25,000,000)
Total	<u>29,909,383,000</u>	<u>32,569,632,600</u>	<u>2,660,249,600</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. The community service grants support programs that help communities address issues related to youth education, assisting individuals with disabilities and public health and disaster preparedness.

**ORGANIZATION AND STAFFING**

The Office of National and Community Service is housed and staffed within the Office of Children and Family Services. The Office will have a workforce of nine, which is consistent with 2005-06 staffing levels.

**FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2006-07 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 \$344,000 is recommended to meet match requirements for the Office's administration grant.

# MISCELLANEOUS

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	30,332,000	30,344,000	12,000	101,370,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	30,332,000	30,344,000	12,000	101,370,000

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	332,000	344,000	12,000
Special Revenue Funds - Federal	30,000,000	30,000,000	0
Total	30,332,000	30,344,000	12,000

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

Program	Available 2005-06	Recommended 2006-07	Change
Operations			
General Fund	332,000	344,000	12,000
Special Revenue Funds - Federal	30,000,000	30,000,000	0
Total	30,332,000	30,344,000	12,000

## STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	344,000	12,000	344,000	12,000
Total	344,000	12,000	344,000	12,000

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	30,000,000	0	30,000,000	0
Total	30,000,000	0	30,000,000	0

## NORTHEASTERN QUEENS NATURE AND HISTORICAL PRESERVE COMMISSION

The Northeast Queens Nature and Historical Preserve Commission was created in 1973 to regulate publicly owned lands and wetlands in this section of Queens County. The Executive Budget recommends \$120,000 to support the Commission's operations in 2006-07, the same level of funding provided in 2005-06.

**MISCELLANEOUS**

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	120,000	120,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
<b>Total</b>	<b>120,000</b>	<b>120,000</b>	<b>0</b>	<b>0</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
General Fund	120,000	120,000	0
<b>Total</b>	<b>120,000</b>	<b>120,000</b>	<b>0</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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	78,000	0	78,000	0
<b>Total</b>	<b>78,000</b>	<b>0</b>	<b>78,000</b>	<b>0</b>

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2006-07 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	42,000	0	42,000	0
<b>Total</b>	<b>42,000</b>	<b>0</b>	<b>42,000</b>	<b>0</b>

**PAYMENT TO THE CITY OF NEW YORK**

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
STARC Payment			
General Fund	170,000,000	170,000,000	0
<b>Total</b>	<b>170,000,000</b>	<b>170,000,000</b>	<b>0</b>

**MISCELLANEOUS**

**COMMISSION ON PUBLIC AUTHORITY REFORM**

In 2006-07, \$150,000 is appropriated to support the work of the Commission on Public Authority Reform. The Commission is expected to issue its final report including: recommendations for the effective governance and oversight of public authority operations and practices; and the reporting and disclosure of financial information.

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	1,000,000	150,000	(850,000)
Total	1,000,000	150,000	(850,000)

**RACING REFORM PROGRAM**

Chapter 354 of the laws of 2005 enacted a series of reform measures that relate to the State's franchise to conduct thoroughbred racing at Aqueduct, Belmont and Saratoga race tracks. That 2005 reform legislation created a five member oversight board to review the finances, contracting and administrative practices of the State's current franchisee, the New York Racing Association (NYRA). The 2005 law also accelerated, from July 2006 to December 2005, the establishment of a nine member "ad hoc committee." The "ad hoc committee" (Committee on the Future of Racing) is charged with developing and administering the State's process that will result in the selection of a successor franchisee to operate the race tracks commencing on January 1, 2008. This recommended appropriation of \$2 million will be used to finance administrative and contractual costs of the oversight board and the "ad hoc committee."

The State will continue to work with NYRA to ensure that quality racing is maintained through the end of 2007, under the terms of an agreement between the State, NYRA and the oversight board.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	0	2,000,000	2,000,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	2,000,000	2,000,000	0

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Racing Reform Program			
General Fund	0	2,000,000	2,000,000
Total	0	2,000,000	2,000,000



**RESERVE FOR FEDERAL AUDIT DISALLOWANCES**

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	50,000,000	100,000,000	50,000,000
Total	50,000,000	100,000,000	50,000,000

**REVIEW OF STATE TESTING ADMINISTRATION**

To ensure a bright future for all of our children, the Regents have established rigorous State learning standards. Consistent with the State’s unwavering commitment to these high standards, it is essential that the administration of the State’s testing program ensures an accurate, reliable and fair measurement of student performance against these standards. To this end, a Panel of experts will be selected to provide guidance and recommendations to strengthen the State Education Department’s administration of the Regents’ testing program.

The Panel will include representatives of teachers, parents, school administrators, teacher colleges, and appropriate subject matter experts. Although similar in composition to the Panel created by the Regents in the aftermath of problems associated with the 2003 Regents Math A test, this new Panel would be independent of the Regents and provide an on going capacity for an objective and thorough review of issues related to the administration of the State’s testing program. The Panel will conduct its reviews in collaboration with one or more distinguished academic partners, such as Cornell University.

Recommended funding will support the expenses of the Panel, including the salary of the full-time Chair appointed by the Governor, administrative staff, and the cost of any studies undertaken or commissioned by the Panel.

ALL FUNDS  
APPROPRIATIONS  
(dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	500,000	500,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	500,000	500,000	0

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

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
State Testing Review Program			
General Fund	0	3	3
Total	0	3	3

# MISCELLANEOUS

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

<u>Program</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
State Testing Review Program			
General Fund	0	500,000	500,000
Total	<u>0</u>	<u>500,000</u>	<u>500,000</u>

## **SPECIAL EMERGENCY APPROPRIATION**

### ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2005-06</u>	<u>Appropriations Recommended 2006-07</u>	<u>Change</u>	<u>Reappropriations Recommended 2006-07</u>
State Operations	50,000,000	50,000,000	0	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>50,000,000</u>	<u>50,000,000</u>	<u>0</u>	<u>0</u>

## **SPECIAL FEDERAL EMERGENCY APPROPRIATION**

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Special Revenue Funds - Federal	1,000,000,000	1,000,000,000	0
Total	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>0</u>

**SPECIAL PAY BILL**

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Total	0	0	0
Adjustments:			
Transfer(s) To			
City University of New York Agency Trust Funds	20,200,000		
Civil Service, Department of General Fund	100,000		
General State Charges General Fund	8,259,225		
Housing and Community Renewal, Division of General Fund	30,100		
Special Revenue Funds - Federal	23,050		
Special Revenue Funds - Other	1,089,350		
Labor Management Committees General Fund	1,523,980		
State Police, Division of General Fund	85,805,200		
Special Revenue Funds - Other	14,676,800		
State University of New York General Fund	6,972,000		
Special Revenue Funds - Other	472,600		
Appropriated 2005-06	<u>139,152,305</u>		

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

<u>Fund Type</u>	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Total	0	0	0
Adjustments:			
Transfer(s) To			
City University of New York General Fund	20,200,000		
Appropriated 2005-06	<u>20,200,000</u>		

**STATEWIDE WIRELESS NETWORK**

The Statewide Wireless Network Project Office was established under the Office for Technology in January 2000, to develop and implement an integrated emergency wireless radio network to modernize and unify the patchwork of deteriorating public safety communications systems across New York State. Many of the existing radio systems in New York State are antiquated, difficult to maintain and incapable of communicating with neighboring jurisdictions. The Executive Budget recommends a total of \$25.5 million for 2006-07 to support the development of the Statewide Wireless Network, which is fully funded by a monthly cellular telephone surcharge. The Network will provide the first comprehensive upgrade to communications infrastructure in more than 30 years. The State's

## MISCELLANEOUS

implementation of this project will encourage partnerships with local governments to enhance communications functionality, while lowering operating costs for all participants. Construction of this statewide network will begin in 2006 and will be completed within the next five years.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	27,800,000	25,549,000	(2,251,000)	14,000,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	27,800,000	25,549,000	(2,251,000)	14,000,000

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

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

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Operations			
Special Revenue Funds - Other	45	45	0
Total	45	45	0

### STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	25,549,000	(2,251,000)	25,549,000	(2,251,000)
Total	25,549,000	(2,251,000)	25,549,000	(2,251,000)

## TRANSITION OF GOVERNMENT

This appropriation will provide funds for necessary expenses associated with the change in the administration of State government that will occur during the 2006-07 fiscal year. The funds recommended will ensure a smooth and efficient transition of government, and will support operational expenses incurred during this transition.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	0	500,000	500,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	0	500,000	500,000	0

**TRIBAL STATE COMPACT REVENUE**

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	0	0	0	0
Aid To Localities	29,368,000	14,600,000	(14,768,000)	29,368,000
Capital Projects	0	0	0	0
<b>Total</b>	<b>29,368,000</b>	<b>14,600,000</b>	<b>(14,768,000)</b>	<b>29,368,000</b>

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

<b>Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Tribal-State Compact Revenue Program			
Special Revenue Funds - Other	29,368,000	14,600,000	(14,768,000)
<b>Total</b>	<b>29,368,000</b>	<b>14,600,000</b>	<b>(14,768,000)</b>

**WORKERS' COMPENSATION RESERVE**

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

<b>Fund Type</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
General Fund	29,048,000	25,126,000	(3,922,000)
<b>Total</b>	<b>29,048,000</b>	<b>25,126,000</b>	<b>(3,922,000)</b>

**WORLD TRADE CENTER  
REBUILDING AND REVITALIZATION**

The recommended new appropriation and 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. Recommendations will provide ongoing authorization for payments related to the design, engineering and construction of State capital projects in lower Manhattan and completion of State recovery efforts.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2005-06</b>	<b>Appropriations Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations Recommended 2006-07</b>
State Operations	0	0	0	12,528,000
Aid To Localities	0	0	0	5,174,168,000
Capital Projects	0	265,000,000	265,000,000	257,648,000
<b>Total</b>	<b>0</b>	<b>265,000,000</b>	<b>265,000,000</b>	<b>5,444,344,000</b>

# MISCELLANEOUS

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

<b>Comprehensive Construction Program</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</b>
World Trade Center	0	265,000,000	265,000,000	257,648,000
Federal Capital Projects Fund	0	265,000,000	265,000,000	257,648,000
Total	0	265,000,000	265,000,000	257,648,000

# ***PART II***

## ***STATE DEBT SERVICE***





# **STATE DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS**

## **DEBT SERVICE APPROPRIATIONS FOR 2006-07**

The 2006-07 recommended debt service appropriations meet all of the State's potential obligations to bondholders, and reflect the maximum estimated debt service payments for outstanding bonds, including payments due on outstanding variable rate debt, interest rate exchange agreements ("swaps") and new State-supported bond issuances.

For 2006-07, the recommended appropriations also separately distinguish between amounts due for debt service (principal, interest, and swap payments) and related expenses required pursuant to financing agreements (letter of credit fees, trustee fees, and public authority administrative expenses for certain bond-financed capital programs). This is consistent with efforts by the Office of the State Comptroller to account for these as operational-type expenses rather than debt service spending.

In addition, the appropriations for 2006-07 demonstrate ongoing debt management initiatives to reduce debt service costs, including the issuance of lower-cost State Personal Income Tax (PIT) revenue bonds to finance capital projects, and the continued use of authorizations for variable rate obligations and swaps. To further reduce debt service costs by \$50 million in 2006-07, the State will continue to maximize refunding opportunities, including the use of the State's remaining swaps capacity. New State-supported bond issuances are anticipated to be financed under the State's revenue credits, including the Personal Income Tax Revenue Bond program, Dedicated Highway and Bridge Trust Fund program, the Mental Hygiene program, Department of Health, and the State University of New York Dormitory Facilities program.

The recommendations also include increased funding of \$250 million for debt reduction efforts, which would be utilized to reduce high cost debt and/or avoid new debt issuances.

Total State-supported debt service costs remain within the caps imposed by the Debt Reform Act of 2000. To build on the success of that legislation, the Governor will submit a Constitutional Debt Reform bill to:

- Create limits on State debt levels and debt service costs;
- Ban "back door" borrowing;
- Limit debt to capital purposes only;
- 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.

For a comprehensive discussion of the State's debt service obligations and debt-financing activities, including affordability and performance measures, please see the State's Five-Year Capital Program and Financing Plan.

## **GENERAL DEBT SERVICE FUND**

The General Debt Service Fund provides for debt service and related expenses due on fixed and/or variable rate general obligation bonds, Personal Income Tax revenue bonds, and lease-purchase and contractual obligation payments to public authorities. The General Debt Service Fund's moneys are provided from the General Fund and other available transfers and revenues. Total appropriations of \$3.5 billion are recommended from the General Debt Service Fund. These amounts include contingent appropriations for obligations related to tobacco and secured hospital financings, which are more fully discussed in the Contingent and Other Appropriations section.

## ***DEBT SERVICE***

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### ***General Obligation Bonds***

Appropriations from the General Debt Service Fund for general obligation bonds are recommended at \$480 million, and reflect payments on outstanding fixed rate and variable rate general obligation bonds, and estimated payments on new bonds anticipated to be issued.

### ***Lease Purchase Obligations***

Appropriations of \$63 million are recommended for lease-purchase payments for various State facilities, 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.

### ***Special Contractual Obligations***

Appropriations of \$1.7 billion are recommended from the General Debt Service Fund to the following public authorities for special contractual obligations 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 Pipeline for Jobs Program, and the financing of parks and other environmental programs (\$53 million);
- Urban Development Corporation (UDC), for financing the construction and rehabilitation of correctional facilities, State facilities, youth facilities, stadia facilities, the pine barrens land acquisition, economic development purposes, projects at various university technology centers, the Higher Education Applied Technology (HEAT) program, and the Onondaga Convention Center (\$369 million);
- Dormitory Authority of the State of New York (DASNY), for State University of New York (SUNY) educational facilities, 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, the Albany Airport, and the Department of Audit and Control building and East Garage (\$764 million);
- Housing Finance Agency, pursuant to agreements to finance the State's housing programs (\$76 million);
- Triborough Bridge and Tunnel Authority, for the Javits Convention Center in New York City (\$43 million);
- 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 (\$6.0 million);

### ***Revenue Bond Tax Fund***

Appropriations of \$860 million are recommended from the Revenue Bond Tax Fund (RBTF), an account within the General Debt Service Fund, and are provided for the payment of State Personal Income Tax revenue bonds. These bonds are secured by the pledge of payments from the Revenue Bond Tax Fund, which receives 25 percent of State personal income tax receipts. Tax receipts in excess of debt service requirements are then transferred back to the General Fund.

Personal Income Tax revenue bonds are issued under broad functional areas by certain public authorities and are provided, as follows:

- Economic Development and Housing (\$300 million);
- Education (\$220 million);
- Environment (\$50 million);
- Healthcare (\$5 million);
- State Facilities and Equipment (\$165 million);
- Transportation (\$115 million)
- 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 2006-07.

**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 Certificates of Participation trustees. Such obligations' maturities are predominantly short-term in nature, reflecting the useful life of the equipment financed. An appropriation of \$22 million is recommended to pay debt service and related expenses on outstanding Certificates of Participation. More cost-effective Personal Income Tax revenue bonds are anticipated to continue to be used for new equipment acquisition financings.

**HEALTH INCOME FUND**

The Department of Health (DOH) has entered into contractual agreements with the Dormitory Authority of the State of New York to finance the construction and rehabilitation of State hospitals and veterans' homes. These agreements require the Department of Health to make lease-purchase rental payments to the Dormitory Authority of the State of New York. Such payments have first claim on revenues received in this Fund from patient care at the Department of Health 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 2006-07 require appropriations of \$33 million.

**STATE UNIVERSITY DORMITORY INCOME FUND**

This Fund receives payments from student dormitory rentals and other fees at dormitories operated by the State University of New York. Debt service on bonds issued by the Dormitory Authority of the State of New York for the construction and rehabilitation of the State University of New York dormitory facilities has first claim on all revenues deposited in the Fund. An appropriation of \$70 million is recommended for lease-purchase payments to the Dormitory Authority of the State of New York.

## ***DEBT SERVICE***

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### ***MENTAL HEALTH SERVICES FUND***

The Dormitory Authority of the State of New York is authorized to issue bonds to finance capital programs for the Department of Mental Hygiene. Patient revenues received from care and treatment activities at State mental health facilities are deposited into the Mental Health Services Fund, and are used to make payments to the Dormitory Authority of the State of New York for debt service on mental health services bonds. These payments have first claim on moneys in the Fund. The Dormitory Authority of the State of New York 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 Fund. The recommended appropriation for these obligations is \$340 million.

### ***LOCAL GOVERNMENT ASSISTANCE TAX FUND***

To eliminate the State's annual spring cash flow borrowing, 1990 legislation authorized the Local Government Assistance Corporation (LGAC) to issue bonds to finance payments to local governments previously funded by the State. By 1995, the Local Government Assistance Corporation had issued its entire \$4.7 billion net authorization, and its activities are primarily limited to the ongoing maintenance of those existing obligations. Revenues equal to the first cent of the four cent State sales and use tax are deposited into the Local Government Assistance Tax Fund (LGATF) and used to pay debt service on the Local Government Assistance Corporation bonds. The recommended appropriation of \$373 million represents anticipated debt service on all outstanding fixed and variable rate bonds, interest rate exchange agreement payments and related administrative expenses. Local aid payments from the Local Government Assistance Tax Fund due to New York City, and assigned by the City to the Sales Tax Asset Receivable Corporation (STARC) are appropriated in the local assistance portion of the budget.

### ***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 Dormitory Authority of the State of New York on behalf of special act and certain other authorized local school districts. The districts have assigned their State local assistance payments to the Dormitory Authority of the State of New York, which are deposited into the Fund and used to make debt service payments on bonds issued to finance their facilities.

### ***DEDICATED HIGHWAY AND BRIDGE TRUST FUND***

An appropriation of \$475 million is recommended to the Thruway Authority for 2006-07 debt service payments and related expenses on Dedicated Highway and Bridge Trust Fund bonds. Debt service payments for the highway program are supported by the statutory dedication of highway-related taxes and fees to the Fund.

### ***DEBT REDUCTION RESERVE FUND***

An appropriation of \$250 million is recommended from one-time resources for the State's Debt Reduction Reserve Fund (DRRF). Consistent with prior deposits of \$1 billion into DRRF, these moneys will be used to reduce high cost debt and pay hard dollar for capital projects that would otherwise be financed through the issuance of additional State debt.

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**CONTINGENT AND OTHER APPROPRIATIONS**

Appropriations in this section of the debt service appropriation bill provide for the State's contingent liability to make payments on certain other types of debt instruments. These include arbitrage rebate and defeasance obligations required by Federal tax code limitations, the maximum potential variable rate, swap, or termination payments on State-supported debt obligations, as well as contingent-contractual obligations for tobacco and secured hospital bonds. The State does not anticipate making disbursements from any of these appropriations during the 2006-07 fiscal year. Nonetheless, these appropriations are required pursuant to various bond financing requirements. Therefore, they supply appropriation authority for the unlikely event that the primary obligated parties cannot provide sufficient funds to meet their own debt service obligations, or for unforeseen additional expenses that may arise on State-supported obligations.

**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. In addition, a \$225 million appropriation is recommended for the redemption of general obligation bonds, should this become necessary to maintain the exemption from Federal taxation of the interest paid to General Obligation 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-ups. The potential use of this appropriation is unlikely, as every effort is made to find the responsible parties prior to the issuance of bonds.

**All Funds**

An All Funds appropriation of \$2.5 billion provides authority for a maximum interest rate of 18 percent on both variable rate bonds and the notional amount of interest rate exchange agreements which are permitted by the limitations under Article 5-D of the State Finance Law. 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 and swap instruments. In addition, it provides the State the flexibility needed to comprehensively manage such instruments and State-supported obligations, including the ability to terminate swap agreements and effectively manage risk.

**Secured Hospitals**

This appropriation is provided to the Dormitory Authority of the State of New York for contingent-contractual obligations related to financially distressed hospitals, in the event that hospital loan repayments and other available funds are inadequate to meet debt service and related expenses (\$91 million). Legislative authorization for new projects in this program expired in March 1998.

**Tobacco Settlement Financing Corporation**

This appropriation is provided to the Tobacco Settlement Financing Corporation (TSFC), for contingent-contractual obligations that are available to pay debt service on tobacco bonds. Such funds would only be called upon in the unlikely event that tobacco receipts sold

## ***DEBT SERVICE***

to the Tobacco Settlement Financing Corporation are insufficient to make such payments. As required by the contingent contract, the debt service bill includes a recommended appropriation that is equal to amounts payable on the Corporation's bonds in 2006-07 (\$361 million).

### **ALL FUNDS FISCAL REQUIREMENTS DEBT SERVICE AND FINANCING AGREEMENT PAYMENTS (dollars)**

<b>Fund</b>	<b>Available 2005-06</b>	<b>Recommended 2006-07</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	25,000,000	22,010,000	(2,990,000)
Subtotal	<u>25,000,000</u>	<u>22,010,000</u>	<u>(2,990,000)</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	0	250,000,000	250,000,000
Mental Health Services Fund			
Financing Agreements	316,000,000	340,000,000	24,000,000
General Debt Service Fund			
General Obligation Bonds	480,000,000	480,000,000	0
Financing Agreements	2,190,400,000	2,136,320,000	(54,080,000)
Revenue Bond Payments	680,000,000	859,900,000	179,900,000
Lease Purchase Payments	61,900,000	62,700,000	800,000
Housing Debt Fund			
General Obligation Bonds	25,000,000	25,000,000	0
Health Income Fund			
Financing Agreements	34,500,000	30,000,000	(4,500,000)
Financing Agreements	2,500,000	2,500,000	0
State University Dormitory Income Fund			
Financing Agreements	70,000,000	70,000,000	0
Local Government Assistance Tax Fund			
Financing Agreements	348,000,000	373,000,000	25,000,000
Subtotal	<u>4,208,300,000</u>	<u>4,629,420,000</u>	<u>421,120,000</u>
<b>Capital Projects Funds - Other</b>			
Dedicated Highway and Bridge Trust Fund			
Financing Agreements	775,000,000	475,150,000	(299,850,000)
Subtotal	<u>775,000,000</u>	<u>475,150,000</u>	<u>(299,850,000)</u>
<b>All Funds</b>			
All Funds			
Contingent Appropriation	2,350,000,000	2,450,000,000	100,000,000
Subtotal	<u>2,350,000,000</u>	<u>2,450,000,000</u>	<u>100,000,000</u>
Total Fiscal Year	<u>7,643,300,000</u>	<u>7,861,580,000</u>	<u>218,280,000</u>
Appropriated 2005-06	<u>7,643,300,000</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 2006-07. As required by the Constitution, I am presenting the Judiciary budget as it has been submitted by the Office of Court Administration.

The Judiciary, under the direction of Chief Judge Kaye continues to implement several initiatives designed to make the courts more responsive to the people of New York:

- Problem solving courts that address drugs, alcohol, mental illness, and domestic violence.
- Experimental reorganization of the courts of criminal jurisdiction in the Bronx.
- Offices for the Self-Represented that provide legal and procedural information to self-represented litigants.

The Judiciary has requested appropriations totaling nearly \$2.3 billion – an increase of \$228 million, or 11.1 percent over the current year. More than 98 percent of this increase would support Court operations. Included in the increase is \$13.2 million for security equipment, contracts and personnel to ensure the safety of New York’s courts — a priority of the Chief Judge, with which I concur.

Another \$136.2 million is attributed to contractual salary increases, higher costs of employee fringe benefits, the annualized costs of 21 new judgeships, Family Court permanency planning initiatives, Court Facilities Incentive Aid, the impact of inflation, and unavoidable fixed cost increases.

In addition, the request advanced by the Chief Judge also includes an increase in judicial salaries. The increase would be retroactive to April 1, 2005, at an estimated cost of \$69.5 million.

I too support a judicial salary increase. Last year, I proposed a bill that would provide New York State judges with a fair and reasonable compensation package. My proposal would cost the State \$28 million annually and provide that an increase be made on a prospective basis only. I recommend that the Legislature approve my proposal to ensure that the State continue to attract and retain the finest jurists in the country.

Finally, while I recognize that the Office of Court Administration has many worthwhile proposals, in the aggregate, its budget submission provides for a significant funding increase. I urge the Legislature to join me, the Chief Judge and the Office of Court Administration to explore alternative approaches that reduce the impact on the State’s Financial Plan.



# **THE JUDICIARY**

## **2006-2007 BUDGET REQUEST**

### **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 nearly 1,300 state-paid judges, 2,300 town and village justices and approximately 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. The jurisdiction of the Court is established in section 3 of Article VI of the Constitution. 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 from judgements or orders in 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 contested amounts of 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 \$5,000.

The Criminal Court of the City of New York has jurisdiction over all violations, infractions and misdemeanor offenses committed within the City of New York, as well as pre-indictment processing in felony matters. 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.

To address significant delays in the processing and resolution of criminal cases, the Unified Court System has undertaken an experimental reorganization of the courts of criminal jurisdiction within Bronx County. This initiative, commenced during 2004, consolidated the judicial and nonjudicial personnel resources of both the Criminal Court and the Supreme Court, Criminal Term to address both felony and misdemeanor caseloads. This reorganization has significantly reduced the backlog of misdemeanor matters in the Bronx and has shortened the time required to resolve cases. This consolidation of court parts has also resulted in various operating efficiencies with corresponding financial savings.

## **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 the First Deputy Chief Administrative Judge; 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 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 operational divisions, with overall policy guidance and management directed by the Chief Administrative Judge, assisted by the Chief of Operations and the Administrative Director of the Courts. 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 Court Operations provides centralized support for day-to-day court operations through its oversight of streamlining initiatives, procedural manual development and training programs, alternative dispute resolution programs and oversight of legal and records management services. The Division of Administrative Services 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.

## **JUDICIARY**

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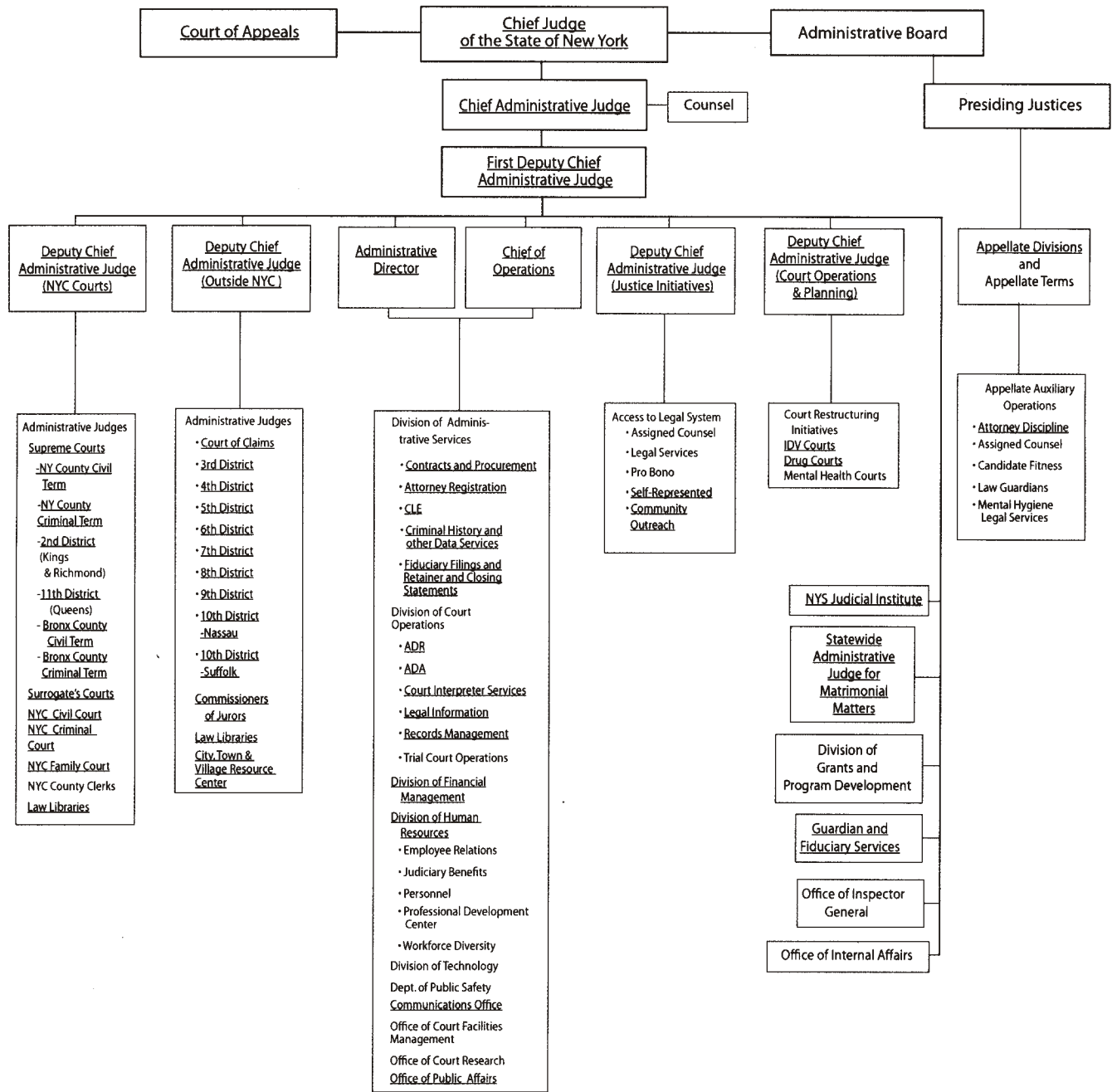
The services provided by these operational divisions are further supplemented by a Public Affairs Office which coordinates communications with other governmental entities, the press, public and bar. The Office of Court Research compiles UCS workload statistics for the courts, management and the public and conducts operational improvement studies. The 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. The Inspector General's Office is responsible for the investigation and elimination of infractions of discipline standards, conflicts of interest, and criminal activities on the part of nonjudicial employees and persons or corporations doing business with the court system. 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.

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 the courts and agencies operating within their respective districts except in the Tenth Judicial District, where a separate Administrative Judge is appointed for Nassau and Suffolk Counties. 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.

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**



### **EXECUTIVE SUMMARY**

The mission of the New York State Judiciary is to resolve all disputes that are brought before it in a fair and timely manner. The challenge is to achieve this mission in the face of a vast and ever-growing caseload – in 2004, 4.1 million new cases were filed in the State’s trial courts, an increase of over one-half million filings since 1993.

The budget request seeks the funds necessary to fulfill the Judiciary’s constitutional mandate in a fiscally prudent manner. Even as caseloads rise to record levels, the court system will continue to limit spending through a variety of measures, including continuation of a vacancy control program, purchasing and travel restrictions, and the use of enhanced technology to make operations more efficient and cost effective.

The request for the Judiciary General Fund Court and Agency Operations for fiscal year 2006-2007 is \$1.54 billion, a 6.95% increase over the current year. The vast majority of the increase requested for 2006-2007 covers costs over which the Judiciary has little or no control. Over \$53 million is needed just to fund salary and related increases for nonjudicial employees provided for in collective bargaining contracts. Fixed expenses, including these collective bargaining increases, as well as costs associated with new judgeships created in the 2005 legislative session, and resources needed to fulfill new legislative mandates, constitute more than 99% of the total General Fund Operating request.

The proposed budget strikes the right balance: it calls for the Judiciary, as a full partner with the Executive and Legislative Branches, to carefully manage scarce public funds at the same time that it requests the resources necessary to meet the justice needs of New Yorkers.

### **JUDICIAL SALARY REFORM**

No state in the nation has gone longer than New York without a pay increase for Judges. As of January 2006, it will be seven years since the last increase. The prior salary adjustment was five years before that one – with the result that New York State Judges have received only one pay raise in 12 years. A judge serving since 1988 would have received only two pay increases in 18 years of service.

In 2005, the Chief Judge proposed comprehensive reform of New York’s system for the compensation of its Judges, including: (i) pay parity between Justices of the Supreme Court and Federal District Court Judges, along with proportionate adjustment in the rates of pay for appellate-level Judges, (ii) corresponding pay adjustment for Judges of trial courts of limited jurisdiction, marked by significant reduction of salary disparities both within the same level of court and between court levels, and (iii) provision for continuing adjustment of judicial pay to maintain pay relationships between New York State Judges and their Federal counterparts.

Enactment of this reform remains the court system’s highest priority. In anticipation of legislative action on judicial compensation, the Judiciary’s proposed budget includes \$69.5 million to fund the salary increase, including \$32.6 million to fund the increase retroactive to April 1, 2005.

### **NEW JUDGESHIP LEGISLATION**

Chapter 240 of the Laws of 2005, established 21 new Judgeships effective August 1, 2005. This legislation created five Part A Court of Claims Judgeships, nine Part D Court of Claims Judgeships, two Ninth District Supreme Court Judgeships, one new Supreme Court Judgeship for Queens County, one new Supreme Court Judgeship for Bronx County, a new Family Court Judgeship for Orange County, a new Surrogate for Kings County and a new County Court Judgeship in Rensselaer County. The elected Judgeships created are to be filled in the November 2005 general election, and the individuals elected to those positions will take office on January 1, 2006. The 14 Court of Claims Judgeships will be appointed by the Governor.



The 2006-2007 Judiciary Budget includes funding for these Judgeships and for the associated nonjudicial positions to be created pursuant to this legislation, with the appointed Court of Claims Judgeships and staff to be phased-in on a half-year basis. In addition to these personal service costs, significant start-up, fringe benefit and ongoing nonpersonal service overhead costs will be incurred and are included in this budget. When fully annualized in fiscal 2007-2008, these additional Judgeships will add more than \$16 million per annum to the Judiciary budget.

### **PERMANENCY PLANNING LEGISLATION**

The 2006-2007 budget seeks funding necessary for the Judiciary to implement the Permanency Planning legislation enacted in the last legislative session (chapter 3 of the Laws of 2005). This comprehensive legislation substantially changes Family Court processes for children in out-of-home care, both in foster care and direct placements. The legislation provides courts with continuing jurisdiction over children in foster care, reforms the laws that govern permanency planning, and establishes court scheduling, rather than agency petitioning, as the mechanism for ensuring that all children have on-time permanency hearings.

This legislation is expected to improve outcomes for children in foster care. However, it also imposes significant additional burdens on the already greatly-burdened Family Courts across the State, primarily as a result of additional monitoring and the increased number and frequency of permanency hearings. Accordingly, the 2006-2007 budget seeks legislative approval for a modest number of new positions and funding to fill several vacant positions in the Family Courts to address the operational impact of this legislation. This legislation will also have a significant impact on agencies such as the Juvenile Rights Division of the New York Legal Aid Society which contract with the UCS for Family Court representation. This legislation will require additional hearings as well as longer and more comprehensive interaction between the Family Courts and their clients. Accordingly, this budget includes partial year funding for additional contractual law guardian staff to address these new legislative mandates.

### **LOCAL COURTS WORKLOAD**

The budget also seeks funding to fill vacant lines to address the impact of significant workload growth in the local City and District Courts and in the New York City Civil Court. Local court operations have been impacted by the requirements of chapter 452 of the Laws of 2005. This legislation, which took effect on September 8, 2005, requires that all civil cases be commenced in the NYC Civil Court, the District Courts and the upstate City Courts by filing with the court the summons and complaint/notice of petition and petition/order to show cause and petition together with payment of the associated filing fee. These procedural changes will further challenge local courts, which already operate with the highest caseload to staffing ratios in the state. Relief is especially important in the New York City Civil Court, where new filings, primarily no-fault insurance filings, exceeded 400,000 cases in 2004, an increase of more than 40 percent in the past five years. To address these needs, this budget includes partial year funding to permit the filling of several existing vacancies in the most burdened City and District Courts and in the New York City Civil Court.

### **PROBLEM-SOLVING JUSTICE**

The 2006-07 budget request also continues funding to integrate problem-solving justice principles, practices and innovations within the court system. Problem-solving courts feature the active involvement of Judges, and collaboration with criminal justice, treatment and social service agencies, to address the underlying issues that bring many people into court over and over again. These problem-solving case management techniques, and the use of treatment diversion as an alternative to incarceration, have proven a highly effective means

## **JUDICIARY**

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of providing justice. By addressing, and seeking to solve the underlying problems that bring people into the justice system, the problem-solving courts have also demonstrated that they can provide significant savings to state and local governments with regard to incarceration, public assistance, and other costs.

The court system has begun incorporating problem-solving strategies into the mainstream of court operations in the areas of Drug Treatment Courts, Integrated Domestic Violence Courts and Community Courts. It also is expanding the problem-solving approach to address the underlying problems of individuals whose court cases arise due to mental health disorders and for specialized court parts that deal with sex offender matters.

### **DRUG TREATMENT COURTS**

In the more than ten years since the first drug treatment courts were established in Brooklyn, Buffalo and Rochester, more than 200 drug treatment court parts have opened or are in the planning stages throughout New York State. These court parts are in place in both felony and local criminal courts, and in Family Courts. They provide non-violent criminal offenders and parents charged with child neglect due to their substance abuse problems with the opportunity to participate in treatment and social service programs. Referrals to treatment and intensive judicial monitoring of compliance with court mandates is used as an alternative to incarceration for criminal defendants with the goal of breaking the recurring cycle of arrest and incarceration.

As of September 2005, the number of offenders and family court litigants diverted to drug treatment court programs across the state reached 25,722. An evaluative study of six of the longest running programs in New York State Courts found evidence supporting the effectiveness of drug treatment courts as an alternative sentencing option. That research study, conducted by the Center for Court Innovation, found an average 29 percent reduction in re-arrests for participants over a three-year period as compared to offenders who did not participate in the drug court program. This evaluation also found that drug court participants in each of the six programs had lower rates of recidivism as compared to offenders subject to conventional case processing.

Numerous studies of drug treatment courts in other states have reached the same conclusion, demonstrating that judicially-mandated and court-supervised treatment reduces both levels of substance abuse and rates of recidivism for participants as compared to control groups. Drug court programs will soon be readily accessible in every county of the state, in both criminal and family courts, to address offenders and litigants with underlying substance abuse and addiction problems. This statewide expansion meets a key goal set by Chief Judge Kaye's blue-ribbon *Commission on Drugs and the Courts*, which urged that drug courts be institutionalized as a standard method for case processing throughout the State.

### **INTEGRATED DOMESTIC VIOLENCE (IDV) COURTS**

The court system is also applying the problem-solving strategy to matters involving domestic violence. Integrated Domestic Violence (IDV) courts follow the "One Family, One Judge" model, in which a single judge presides over all Criminal, Family and Supreme Court matters involving the same parties where domestic violence is present. This approach to case management overcomes the artificial jurisdictional barriers of New York's complex trial court structure, thereby simplifying the process for litigants. It also improves judicial decision-making, by ensuring that a single Judge is familiar with all aspects of a family's problems. The IDV courts use intensive judicial monitoring of offenders and coordination of community services for victims in order to enhance victim safety and assure offender accountability.

Statewide, there are 18 IDV courts currently in operation, with 20 more in the planning stage. By early 2007, we will have at least one IDV court in each judicial district of the State, realizing the goal set forth in 2003 by Chief Judge Kaye in her Comprehensive Plan for expansion of IDV Courts.

**MENTAL HEALTH COURTS**

The problem-solving approach to justice is also being used in cases that involve persons suffering from mental illness and dual substance abuse and mental health disorders. As an alternative to incarceration, Mental Health Courts divert criminal defendants with a diagnosis of mental illness into supervised treatment and service programs. Like other problem solving courts, specialized court parts and trained Judges provide intensive court monitoring of defendants. The focus in these parts is on ensuring participant adherence to medical treatment plans and other program mandates. The goal is to provide participants with the structure and support needed to minimize the potential for future criminal behavior, and to help them improve their ability to function in the community. There currently are five mental health courts in operation, and six additional specialized mental health court parts are now in the planning stage.

**COMMUNITY COURTS**

Community Courts focus on quality of life issues and work closely with communities affected by crime. These courts feature restitution and treatment programs that seek to address the needs of victims, offenders and the community. Community Courts use a variety of mechanisms to involve the community in the criminal justice process, including public restitution projects, community mediation, victim-offender panels, and treatment and social service interventions. They also seek input from neighborhood leaders through advisory panels and other participatory processes. Key elements of the community court model are the use of community service sanctions to make justice more visible in neighborhoods, and the referral of offenders to services that will address the underlying problems that gave rise to the criminal conduct.

Currently, four community courts have been established in New York City. Outside of New York City, community court programs operate in the Nassau District Court and Syracuse City Court. The court system's latest problem solving court initiative is Bronx Community Solutions (BCS), which began taking case referrals in January 2005. BCS is a community court project that provides community service sentencing options and referral to social services to those who plead guilty to non-violent lesser criminal offenses. The project's design and operation has been a collaborative effort of the Center for Court Innovation, the Bronx Criminal Court and the Office of the Bronx District Attorney. When fully implemented, BCS will be a resource that will provide sentencing options for the majority of people arrested in Bronx County for non-violent misdemeanor offenses.

As a community court, BCS has similar goals to those of the Midtown Community Court, Red Hook Community Justice Center and Harlem Community Justice Center which operate within New York City. The program seeks to improve public safety by promoting accountability and addressing underlying offender problems. These projects also seek to engage community stakeholder agencies and concerned citizens in the justice process. What is different about BCS, as compared to other community courts in New York City, is that it is not a neighborhood court with a limited geographic coverage area, but rather serves as a major resource to address the underlying problems of all people charged with minor offenses in Bronx County. As of the fall of 2005, BCS program staff were supporting two high-volume arraignment parts and the conference part of the Bronx Criminal Court. By 2006, BCS will expand its services to support all criminal court Judges in Bronx County. The BCS project recently was awarded \$200,000 by the U.S. Justice Department as one of ten sites selected to receive a "Community-Based Problem-Solving Justice Initiatives" grant to test ways to bring the successful elements of the approach to all offenders.

## **JUDICIARY**

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### **CRIMINAL DIVISION BRONX COUNTY**

To address significant delays in the processing and resolution of criminal cases in Bronx County, the court system has undertaken an experimental reorganization of the courts of criminal jurisdiction in the Bronx. For many years and for various reasons, there have been significant backlogs in the processing of both felonies and misdemeanors in this jurisdiction.

In this new program, the resources of both the Criminal Court and the Supreme Court, Criminal Term, including the Judges and the nonjudicial staff, have been merged and are available to handle both felony and misdemeanor caseloads. This reorganization has allowed the Criminal Courts in Bronx County to greatly reduce persistent misdemeanor backlogs and to shorten the time to case resolution, as well as reduce costs by allowing for a more flexible, efficient, and effective deployment of resources. In its first year of operation, this reorganization has produced significant savings through the consolidation of court parts, and these savings are expected to be ongoing.

### **SAFETY AND SECURITY**

Recognizing the critical importance of meeting the public's safety and security needs, the court system's Task Force on Court Security was convened in March 2005. The Task Force was composed of uniformed security personnel, court system operational personnel and senior managers, in collaboration with administrative Judges, judicial and nonjudicial associations, State and local bar associations, police organizations, the New York State and New York City emergency management officials, and the National Center for State Courts, among others. The Task Force's mandate was to examine the operational, administrative and legal aspects of properly protecting the New York Courts and the public. The Task Force recently issued its report and made 47 specific recommendations for enhancing the security of the New York Courts. The recommendations are intended to ensure that security personnel are effectively and efficiently trained, equipped and deployed throughout the State, that appropriate and standardized public safety procedures are implemented, that courthouses and other justice system facilities are designed and maintained to protect against foreseeable risk, and to improve the court system's capabilities to quickly and flexibly respond to emergencies.

The court system continues to ensure public safety at court facilities by providing well-trained professional security officers in sufficient numbers throughout the state. Efforts continue to systematically improve court security through the use of enhanced equipment and technology. This budget seeks funds for replacement and upgrading of magnetometer and x-ray scanning systems and other electronic security systems at many court sites. Staffing and equipment improvements are also funded for new and expanded court facilities.

Additionally, each court has developed a comprehensive emergency preparedness and recovery plan that is essential for the protection of the public and the courts and assures continuation of crucial functions in times of crisis. Foremost among these initiatives is funding for additional improvements necessary to ensure that court system facilities are safe and secure for Judges, lawyers, litigants, court personnel and the general public. New security officer positions are being sought to provide adequate coverage for new court facilities such as the Bronx Criminal Court Complex. This budget includes new security lines (mostly associated with new facilities), additional security vacancy fills and enhancement of local government security contracts, all of which are proposed to address deficiencies in coverage in courtrooms and court facilities identified via local analysis and a statewide review of existing security staffing.

### **ACCESS TO JUSTICE INITIATIVES**

The right of access to the courts is fundamental. The Office of the Deputy Chief Administrative Judge for Justice Initiatives oversees various initiatives designed to improve access to justice for all New Yorkers.

Offices for the Self-Represented have been opened to provide legal and procedural information to self-represented litigants. These offices currently exist in New York City and Westchester County, with additional offices to be created during the current year in the Fifth, Seventh, and Eighth Judicial Districts, in Bronx and Nassau Counties and at the Red Hook Community Court. The fiscal 2006-2007 budget continues funding for this initiative.

This budget also seeks funding for continued development of the court system's statewide pro bono program. This initiative is intended to encourage attorneys and bar associations to volunteer their services to litigants who are the most needy financially. Funding is included in this budget for a number of local pro bono action committees and for increased operational support for volunteer activities provided through service contracts with local legal service providers.

## **COURT TECHNOLOGY**

Technology plays a central and expanding role in allowing the Judiciary to effectively manage and process its high-volume caseloads and provide public access to court information. The Statewide intranet (CourtNet) is now used throughout the court system for internal communications through e-mail and video-conferencing and for document distribution. Over 15,000 users in all court locations are part of the UCS statewide e-mail system. This system has become the court system's primary method of communication, carrying an average of 70,000 messages daily.

A major effort is currently underway to implement an Internet-based phone service (Voice over IP) in all of the major courthouses of the State with CourtNet serving as the backbone. This would provide the UCS with a more dependable and adaptable communications system, which merges computer and telephone technologies, provide benefits such as free long distance calls within the CourtNet network, and transmit phone messages via e-mail. By the end of 2006, the UCS hopes to have over 11,000 voice-over IP phone lines in service.

CourtNet also serves as the backbone for a video-conferencing system which connects all UCS administrative offices, fourteen courtrooms within New York City and one or more locations in each county of the State outside New York City. Video conferencing, which is being used for inmate appearances and for administration and training throughout the State, has been integral to our efforts to control employee travel expenses.

This budget supports the ongoing development of a statewide case management system - the Universal Case Management System (UCMS). The system has already been completed for the Family Courts and a version for Surrogate's Courts is currently being implemented. UCMS versions for courts of criminal jurisdiction, for supreme civil and for local civil will start being implemented during 2006. A statewide cashiering component is also under development. The UCS Division of Technology has created an Internet-based system which allows courts to electronically transmit court decisions and is in the process of implementing a system to make court records available to the public via the Internet. Ultimately, it will be possible for litigants and the public to do business with the courts remotely via the Internet. All these systems leverage the statewide CourtNet network and will help make UCS operations more efficient.

The technology budget also funds implementation of systems to streamline and enhance access to automated human resource information. Funds will support the human resource and timekeeping applications recommended as part of the comprehensive human resource business process analysis. The uniform automated timekeeping system, to be completed during the current fiscal year, has substantially streamlined time and leave record keeping and control. 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.

This budget request provides annual funding for these ongoing operations and projects and seeks State-supported bond funding authorization to finance essential hardware replacements and upgrades. The court system's automation budget also continues

## JUDICIARY

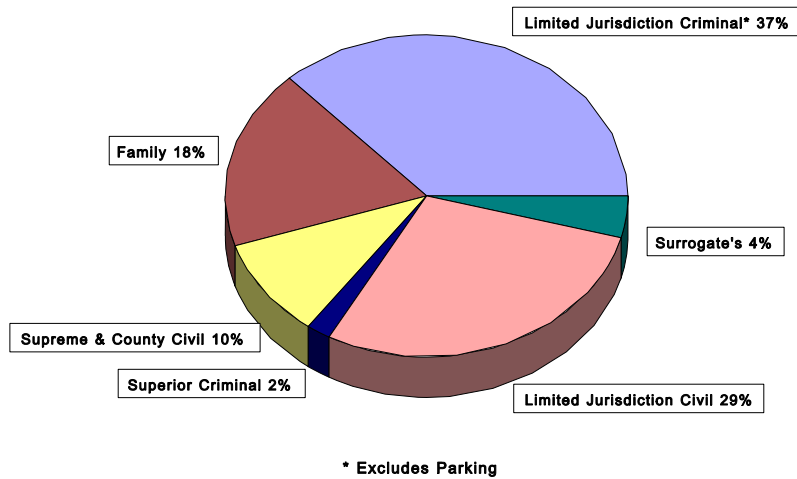
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investments in a number of ongoing projects and will support replacement and upgrading of mainframe, office and courtroom technology such as servers, desktop computers, network devices, storage systems and printers on a scheduled basis.

### COURT SYSTEM WORKLOAD

The court system is handling record level caseloads. In 2004, there were 4.1 million new cases filed in the trial courts of the Unified Court System, excluding parking cases, an increase of one-half million cases or 13.5% since 1993. Filings and dispositions in 2004, by case type, were as follows:

**Trial Court Filings by Case Type - 2004**

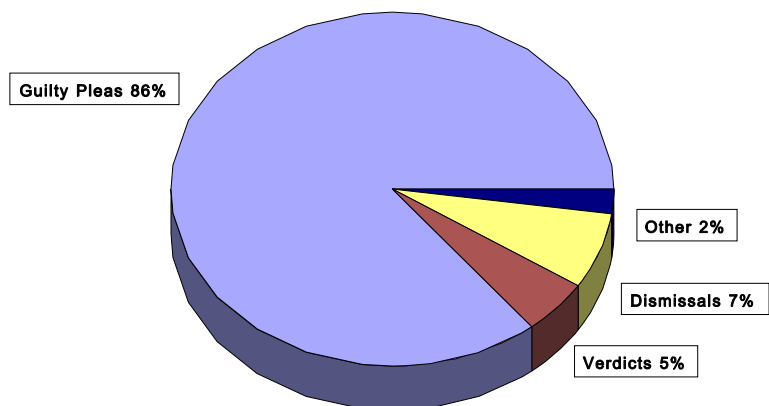


### CRIMINAL CASES

#### Criminal Term of Supreme and County Courts

- Felony Filings – 51,983
- Felony Dispositions – 53,819

**Felony Dispositions by Type of Disposition - 2004**



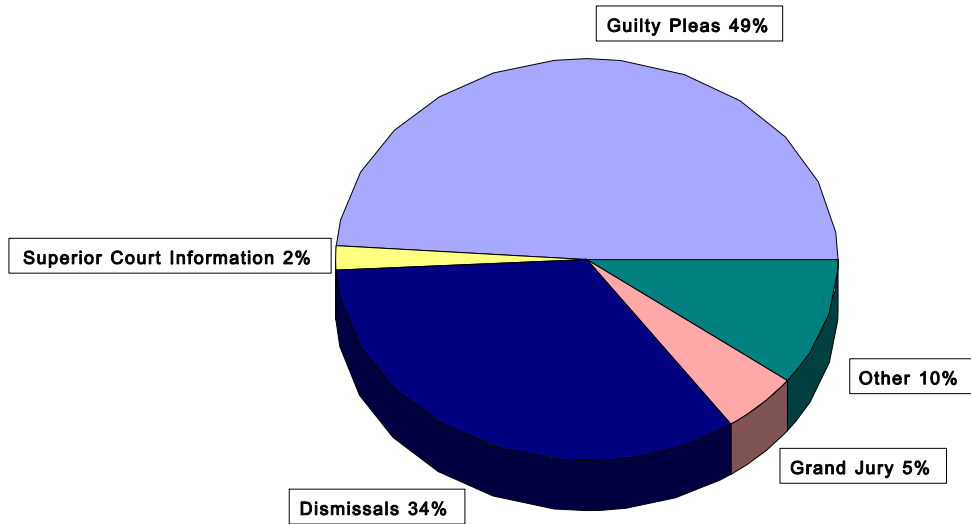
**Criminal Court of the City of New York**

- Filings (arrest cases) - 318,248
- Dispositions (arrest cases) - 330,521
- Filings (summons cases) - 468,292
- Dispositions (summons cases) - 356,029

**City and District Courts Outside New York City (Arrest, Traffic)**

- Filings - 702,079
- Dispositions - 606,921

**NYC Criminal Court Dispositions by Case Type - 2004**



\* Only 0.2% of dispositions were by verdict

# JUDICIARY

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## CIVIL CASES

### Civil Term of Supreme Court

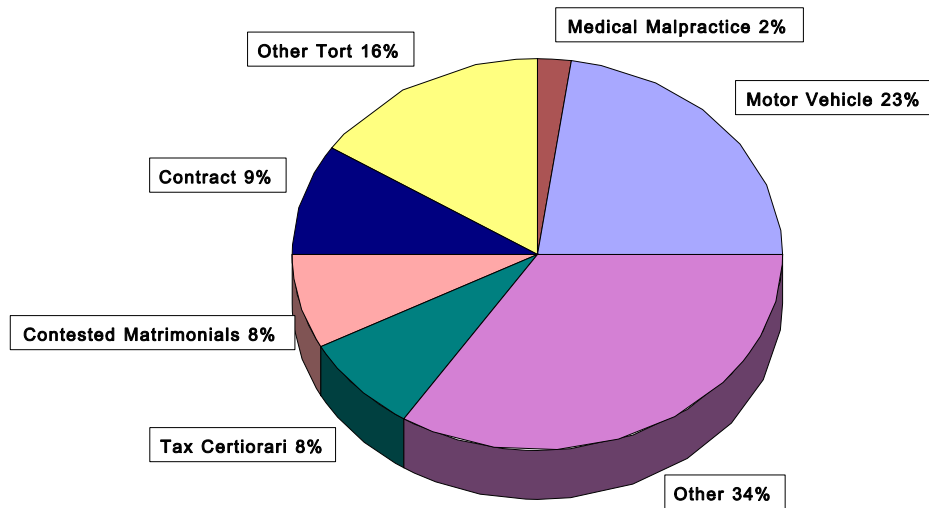
#### Civil Actions

- Filings - 415,132
- Dispositions - 434,675

#### Small Claims Assessment Review Program (SCAR)

- Filings - 85,324
- Dispositions - 42,933

### Supreme Civil New Case Filings by Case Type - 2004





**Civil Court of the City of New York**

Civil Actions

- Filings - 400,931
- Dispositions - 245,822

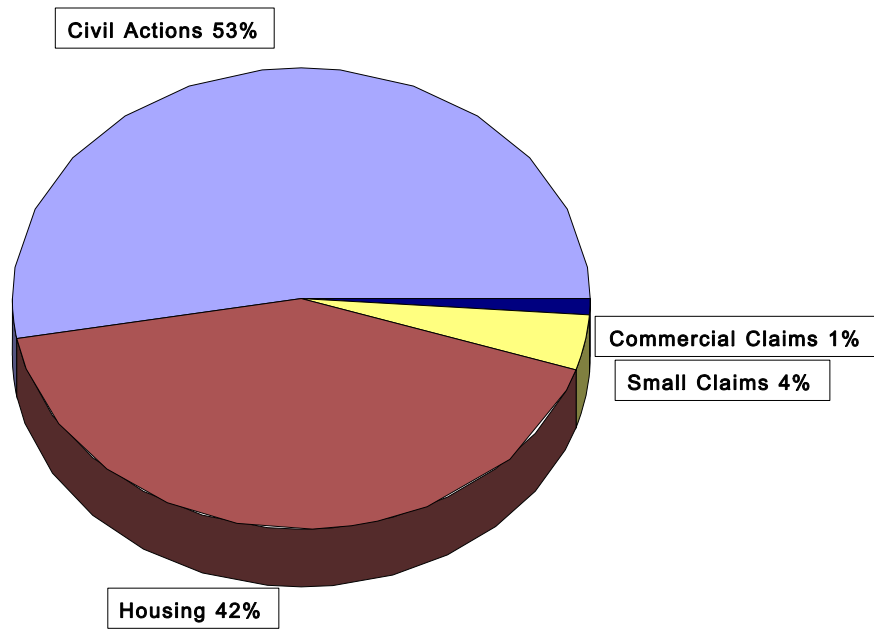
Small Claims/Commercial Claims

- Filings - 41,554
- Dispositions - 47,081

Housing Court

- Filings - 314,367
- Dispositions - 268,812

**NYC Civil Court Filings by Case Type - 2004**



**CITY AND DISTRICT COURTS OUTSIDE NEW YORK CITY**

Civil Actions

- Filings - 171,140
- Dispositions - 156,927

Small Claims/Commercial Claims

- Filings - 46,788
- Dispositions - 46,671

# JUDICIARY

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## Landlord/Tenant

- Filings - 74,997
- Dispositions - 75,887

## County Courts

- Filings - 30,333
- Dispositions - 30,416

## Court of Claims

- Filings - 1,694
- Dispositions - 1,729

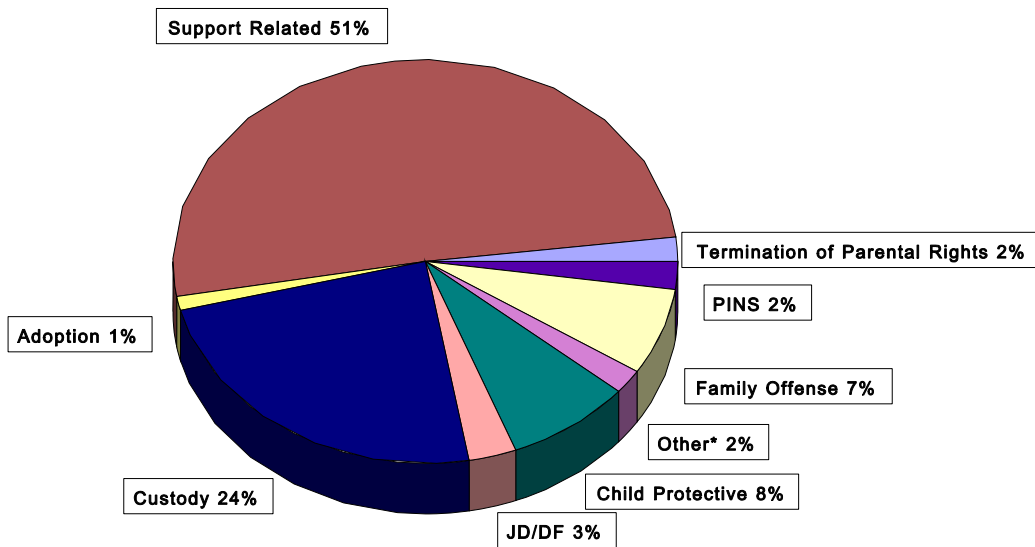
## Arbitration Program

- Filings - 21,387
- Dispositions - 17,499

## Family Courts

- Filings - 695,842
- Dispositions - 704,348

Family Court Filings by Case Type - 2004

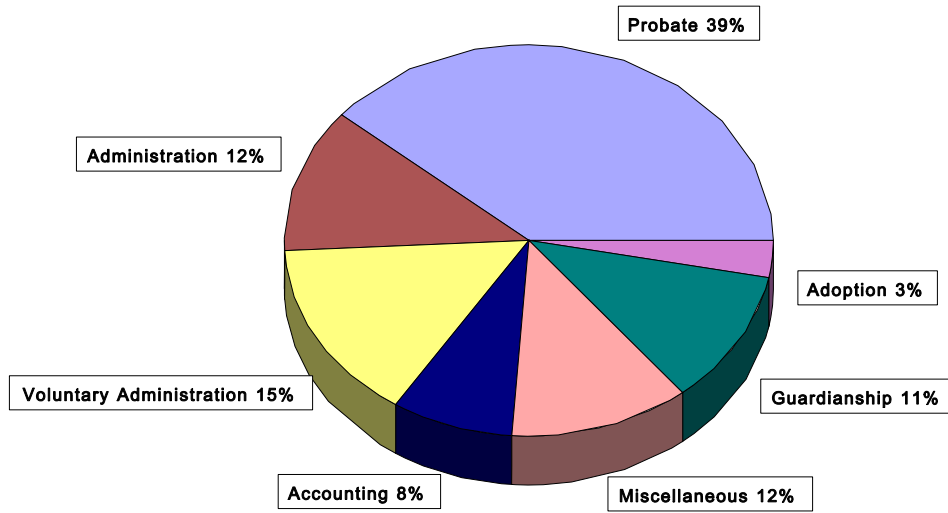


\* Includes guardianship, foster care, physically handicapped, consent to marry and other.

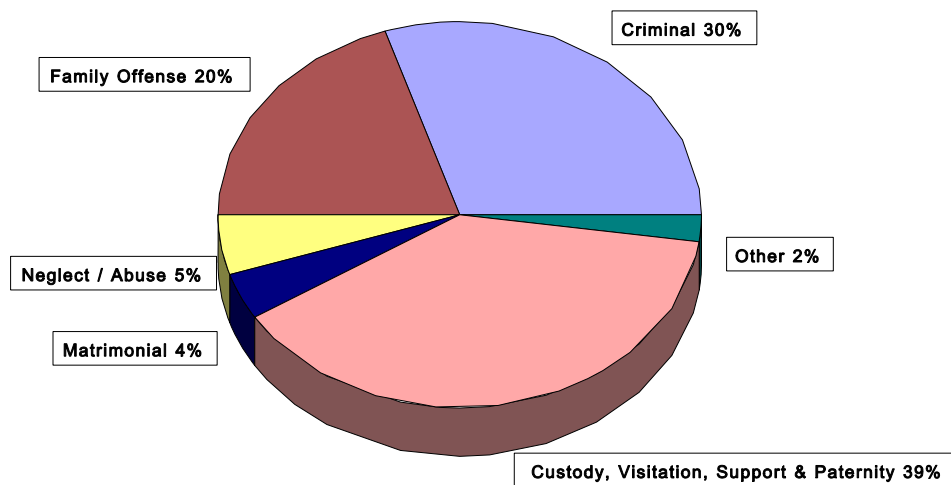
**Surrogate's Courts**

- Filings - 145,749
- Dispositions - 119,702

**Surrogate's Court Dispositions by Case Type - 2004**



**Integrated Domestic Violence Filings by Case Type - 2004**



### **THE 2006-07 JUDICIARY BUDGET REQUEST**

The budget request for the Judiciary General Fund Court and Agency Operations for fiscal year 2006-2007 is \$1.54 billion, a 6.4% base and 6.9% overall 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 \$1.63 billion, a 6.8% increase over the current year fiscal appropriation of \$1.53 billion.

#### **ANALYSIS OF CHANGE**

The Judiciary's 2006-07 Court and Agency Operations - General Fund budget totals \$1.54 billion, an increase of \$99.7 million. The major components of the General Fund Court & Agency Operations change include:

- \$53.4 million for salary and related increases for eligible nonjudicial employees in accordance with collective bargaining contracts and administrative provision.
- \$13.2 million for security-related expenses including funding to annualize security positions created in the current year; to annualize current year local government contract security costs; for necessary security enhancements to these same agreements for next year; for security cameras, scanners and other equipment for the new Bronx Courthouse; for security improvements recommended by the Task Force on Court Security; for court officer medical screening expenses; for security-related overtime expenses; and, partial year funding for 100 new security positions and targeted security position fills.
- \$10.9 million for 21 new Judgeships created pursuant to the provisions of chapter 240 of the Laws of 2005, including related nonjudicial positions and nonpersonal service support.
- \$4.8 million for inflation-driven baseline nonpersonal service costs, including expenses for business-related travel, records management projects, print and computer-aided legal reference materials, Small Claims Assessment Review hearing officers, Alternative Dispute Resolution services and information technology consulting services.
- \$3.6 million for equipment and furnishings for new courthouse facilities.
- \$5.4 million to annualize the cost of essential employment target increases and other minor adjustments made in the current year.
- \$2.6 million for Law Guardian voucher and contract increases.
- \$2.2 million for Family Court permanency planning initiatives required pursuant to chapter 3 of the Laws of 2005, including partial-year funding for 25 new positions, vacancy fills and additional Law Guardian positions for the legal aid agencies with which the UCS contracts for Family Court representation.
- \$1.9 million for employment target increases in fiscal 2006-2007 for City & District Courts, Supreme Court Civil Justice initiatives and other specific workload issues.
- \$1.5 million for progress payments on equipment financed via State-supported bonds.
- \$.2 million in miscellaneous adjustments.

***THE JUDICIARY BUDGET - 2006-2007***

The following is a Summary of the 2006-2007 fiscal requirements of the Judiciary including the legislative appropriation bill and financial plan in support of the budget proposals.

# JUDICIARY

Unified Court System  
2006-2007 Budget Request  
All Funds Appropriation Requirements  
Major Purpose/Fund Summary

<u>Category / Fund / Major Purpose</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>Change</u>
<b><u>Court &amp; Agency Operations:</u></b>			
<i>Courts of Original Jurisdiction</i>	1,245,264,814	1,336,431,881	91,167,067
<i>Court of Appeals</i>	14,184,554	14,681,024	496,470
<i>Appellate Court Operations</i>	64,159,899	65,944,946	1,785,047
<i>Appellate Auxiliary Operations</i>	87,504,726	92,997,612	5,492,886
<i>Administration &amp; General Support</i>	20,830,012	22,143,618	1,313,606
<i>Judiciary Wide Maintenance Undistributed</i>	3,828,018	3,307,228	(520,790)
<b><u>Court &amp; Agency Operations - General Fund Total</u></b>	<b><u>1,435,772,023</u></b>	<b><u>1,535,506,309</u></b>	<b><u>99,734,286</u></b>
<b><u>Special Revenue Fund - Federal</u></b>			
	7,500,000	7,500,000	0
<b><u>Special Revenue Fund - Other</u></b>			
<i>NYC County Clerks Operations Offset Fund</i>	19,796,687	22,061,575	2,264,888
<i>Judiciary Data Processing Offset Fund</i>	14,062,512	15,394,089	1,331,577
<i>Miscellaneous Special Revenue</i>	2,500,000	1,500,000	(1,000,000)
<i>Attorney Licensing Fund</i>	21,095,853	22,455,420	1,359,567
<i>Indigent Legal Services Fund</i>	25,000,000	25,000,000	0
<i>Court Facilities Incentive Aid Fund</i>	2,072,925	2,178,490	105,565
<b><u>Court &amp; Agency Operations - All Funds Total</u></b>	<b><u>1,527,800,000</u></b>	<b><u>1,631,595,883</u></b>	<b><u>103,795,883</u></b>
<b><u>General State Charges</u></b>			
<i>General Fund</i>	395,969,672	426,411,511	30,441,839
<i>Lawyers' Fund for Client Protection</i>	98,000	98,000	0
<i>Attorney Licensing Fund</i>	3,779,780	4,070,823	291,043
<i>Court Facilities Incentive Aid Fund</i>	388,578	418,499	29,921
<i>Data Processing Offset Fund</i>	3,249,904	3,500,147	250,243
<i>New York City County Clerks' Offset Fund</i>	4,627,579	4,983,903	356,324
<b><u>General State Charges - All Funds Total</u></b>	<b><u>408,113,513</u></b>	<b><u>439,482,883</u></b>	<b><u>31,369,370</u></b>
<b><u>Lawyers' Fund for Client Protection</u></b>			
<i>Lawyers' Fund for Client Protection</i>	9,840,258	10,868,729	1,028,471
<b><u>Lawyers' Fund for Client Protection - Total</u></b>	<b><u>9,840,258</u></b>	<b><u>10,868,729</u></b>	<b><u>1,028,471</u></b>
<b><u>Aid to Localities</u></b>			
<i>General Fund - Courts of Original Jurisdiction</i>	500,000	1,000,000	500,000
<i>Court Facilities Incentive Aid</i>	104,542,662	123,553,284	19,010,622
<b><u>Aid to Localities - All Funds Total</u></b>	<b><u>105,042,662</u></b>	<b><u>124,553,284</u></b>	<b><u>19,510,622</u></b>
<b><u>Capital Projects</u></b>			
<i>General Fund</i>	0	3,000,000	3,000,000
<i>Special Revenue Funds</i>	0	0	0
<b><u>Capital Construction - All Funds Total</u></b>	<b><u>0</u></b>	<b><u>3,000,000</u></b>	<b><u>3,000,000</u></b>
<b><u>Judicial Salary Reform</u></b>			
<i>General Fund</i>	0	69,500,000	69,500,000
<i>Special Revenue Funds</i>	0	0	0
<b><u>Judicial Salary Reform - All Funds</u></b>	<b><u>0</u></b>	<b><u>69,500,000</u></b>	<b><u>69,500,000</u></b>

**Unified Court System  
2006-2007 Budget Request  
All Funds Appropriation Requirements  
Major Purpose/Fund Summary  
(Fund Detail)**

<b><u>Category/Fund/Major Purpose</u></b>	<b><u>2005-2006 Available</u></b>	<b><u>2006-2007 Requested</u></b>	<b><u>Change</u></b>
<b><u>Court &amp; Agency Operations:</u></b>			
Courts of Original Jurisdiction			
<i>General Fund</i>	1,245,264,814	1,336,431,881	91,167,067
<i>Special Revenue Funds</i>	44,451,380	47,117,724	2,666,344
<i>Total - All Funds</i>	1,289,716,194	1,383,549,605	93,833,411
Court of Appeals			
<i>General Fund</i>	14,184,554	14,681,024	496,470
<i>Special Revenue Funds</i>	0	0	0
<i>Total - All Funds</i>	14,184,554	14,681,024	496,470
Appellate Court Operations			
<i>General Fund</i>	64,159,899	65,944,946	1,785,047
<i>Special Revenue Funds</i>	0	0	0
<i>Total - All Funds</i>	64,159,899	65,944,946	1,785,047
Appellate Auxiliary Operations			
<i>General Fund</i>	87,504,726	92,997,612	5,492,886
<i>Special Revenue Funds</i>	43,304,689	44,320,681	1,015,992
<i>Total - All Funds</i>	130,809,415	137,318,293	6,508,878
Administration & General Support			
<i>General Fund</i>	20,830,012	22,143,618	1,313,606
<i>Special Revenue Funds</i>	2,640,338	2,812,111	171,773
<i>Total - All Funds</i>	23,470,350	24,955,729	1,485,379
Judiciary Wide Maintenance Undistributed			
<i>General Fund</i>	3,828,018	3,307,228	(520,790)
<i>Special Revenue Funds</i>	1,631,570	1,839,058	207,488
<i>Total - All Funds</i>	5,459,588	5,146,286	(313,302)
<b><u>Court &amp; Agency Operations - Total</u></b>			
<i>General Fund</i>	1,435,772,023	1,535,506,309	99,734,286
<i>Special Revenue</i>	92,027,977	96,089,574	4,061,597
<i>Total - All Funds</i>	1,527,800,000	1,631,595,883	103,795,883
<b><u>General State Charges</u></b>			
<i>General Fund</i>	395,969,672	426,411,511	30,441,839
<i>Special Revenue</i>	12,143,841	13,071,372	927,531
<i>Total - All Funds</i>	408,113,513	439,482,883	31,369,370
<b><u>Lawyers' Fund for Client Protection</u></b>			
<i>General Fund</i>	0	0	0
<i>Special Revenue Funds</i>	9,840,258	10,868,729	1,028,471
<i>Total - All Funds</i>	408,113,513	439,482,883	1,028,471
<b><u>Aid to Localities</u></b>			
<i>General Fund</i>	500,000	1,000,000	500,000
<i>Special Revenue Funds</i>	104,542,662	123,553,284	19,010,622
<i>Total - All Funds</i>	9,840,258	10,868,729	19,510,622
<b><u>Capital Projects</u></b>			
<i>General Fund</i>	0	3,000,000	3,000,000
<i>Special Revenue Fund</i>	0	0	0
<i>Total - All Funds</i>	0	3,000,000	3,000,000
<b><u>Judicial Salary Reform</u></b>			
<i>General Fund</i>	0	69,500,000	69,500,000
<i>Special Revenue Fund</i>	0	0	0
<i>Total - All Funds</i>	0	69,500,000	69,500,000

# JUDICIARY

Unified Court System  
2006-2007 Budget Request  
All Funds Disbursement Requirements  
(Millions \$)

<u>Category/Fund</u>	<u>2005-2006 Projected</u>	<u>2006-2007 Projected</u>	<u>Change</u>
<b><u>Court &amp; Agency Operations:</u></b>			
General Fund	1,437.6	1,528.0	90.4
Special Revenue Federal	4.4	5.4	1.0
<b>Special Revenue Funds - Other</b>			
NYC County Clerks Operations Offset Fund	19.8	20.8	1.0
Judiciary Data Processing Offset Fund	14.0	15.0	1.0
Indigent Legal Services Fund	22.1	23.5	1.4
Miscellaneous Special Revenue	1.8	1.9	0.1
Court Facilities Incentive Aid Fund	25.0	25.0	0.0
<b><i>Court &amp; Agency Operations - All Funds Total</i></b>	<b>1,524.7</b>	<b>1,619.6</b>	<b>94.9</b>
<b><u>General State Charges</u></b>			
General Fund	392.1	426.0	33.9
Miscellaneous Special Revenue	3.3	3.8	0.5
Court Facilities Incentive Aid	0.4	0.4	0.0
Judiciary Data Processing	0.0	4.5	4.5
NYC County Clerks' Offset Fund	0.0	3.2	3.2
<b><i>General State Charges - All Funds Total</i></b>	<b>395.8</b>	<b>437.9</b>	<b>42.1</b>
<b><u>Lawyers' Fund for Client Protection</u></b>			
Lawyers' Fund for Client Protection	7.4	8.9	1.5
<b><i>Lawyers' Fund for Client Protection - Total</i></b>	<b>7.4</b>	<b>8.9</b>	<b>1.5</b>
<b><u>Aid to Localities</u></b>			
General Fund - Courts of Original Jurisdiction	0.6	0.8	0.2
Court Facilities Incentive Aid	113.2	120.0	6.8
<b><i>Aid to Localities - All Funds Total</i></b>	<b>113.8</b>	<b>120.8</b>	<b>7.0</b>
<b><u>Capital Projects</u></b>			
Courthouse Improvements	0.5	1.0	0.5
<b><i>Capital Construction - All Funds Total</i></b>	<b>0.5</b>	<b>1.0</b>	<b>0.5</b>
<b><u>Judicial Salary Reform</u></b>			
General Fund	0	69.5	69.5
Special Revenue Funds	0	0	0
<b><i>Judicial Salary Reform - All Funds Total</i></b>	<b>0</b>	<b>69.5</b>	<b>69.5</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 \$212,912,661 for fiscal year 2006-07 for the Legislature represents an increase of \$6,240,466 (3.0%) above the amount appropriated for FY 2005-2006, and follows an overall decrease of \$62,964 over the prior four fiscal years. The Legislature's budget request for FY 2006-07 represents an overall increase of 7.2 percent over the past six years. Over this same period, the Consumer Price Index will have increased by 21.2 percent. Over the past sixteen years, the Legislative Budget has grown at less than one-third of the rate of inflation.

# LEGISLATURE

## Legislative Budget Summary General Fund Appropriations

<u>Entity</u>	<u>Available FY 05-06</u>	<u>Recommended FY 06-07</u>	<u>Change</u>
Lt. Governor	\$277,409	\$277,409	\$0
Senate	\$82,025,584	\$84,486,352	2,460,768
Assembly	\$97,485,974	\$100,410,553	2,924,579
Fiscal Committees	\$10,779,178	\$11,102,554	323,376
Joint Legislative Entities	\$16,164,050	\$16,635,793	531,743
<b>LEGISLATURE TOTAL</b>	<b>\$206,672,195</b>	<b>\$212,912,661</b>	<b>\$6,240,466</b>

## Legislative Budget History Fiscal Year 2000-01 to 2006-07 General Fund Appropriations

<u>FY 2000-01 Approp.</u>	<u>FY 05-06 Approp.</u>	<u>FY 06-07 Recommended</u>	<u>Change from FY 05-06 Approp. (%)</u>	<u>Change from FY2000-01 Approp. (%)</u>
\$198,669,846	\$206,672,195	\$212,912,661	\$6,240,466 (+3.0%)	+\$14,242,815 (+7.2%)

## Legislative Budget General Fund Appropriations Comparison to Consumer Price Index Fiscal Year 2000-01 through Fiscal Year 2006-2007

	<u>FY 2000-01</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>% Change 00-01 to 06-07</u>
Legislative Budget	\$198,664,846	\$206,672,195	\$212,912,661	+7.2%
Consumer Price Index	182.5	213.3*	221.1*	+21.2%

\* estimated

The recommended Special Revenue Fund-Other appropriation of \$1,600,000 for FY 2006-07 represents no change from the amount appropriated for FY 2005-06. No tax revenues are required for Special Revenue Funds.

The recommended Grants and Bequests Fund appropriation of \$500,000 for FY 2006-07 represents no change from the amount appropriated for FY 2005-06. 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 2006-07 for the Lieutenant Governor represents no change from the amount appropriated for FY 2005-06.

## 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 31 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 \$84,486,352 for FY 2006-07 represents an increase of \$2,460,768 (3.0%) above the amount appropriated for FY 2005-06. This modest budget increase follows an overall increase of \$212,423 (0.3%) over the prior four fiscal years.

As detailed in the Table below, the Senate has seen its budget increase by \$5,819,851 or 7.4 percent from the \$78,666,501 appropriated in FY 2000-01. Over the same six year period, the consumer price index has increased by 21.2 percent. This is consistent with a sixteen year trend that has seen the Senate's budget grow at less than one-third of the overall rate of inflation.

In the past ten years, the Senate has reduced its staff by 424 employees or 23.2 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 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.

Senate Budget History  
Fiscal Year 2000-01 to 2006-07  
General Fund Appropriations

	FY 00-01 <u>Approp.</u>	FY 05-06 <u>Available</u>	FY 06-07 <u>Recommended</u>	Change from FY 05-06 <u>(%)</u>	Change from FY 00-01 <u>(%)</u>
Senate Budget	78,666,501	82,025,584	84,486,352	2,460,768 (+3.0%)	5,819,851 (+7.4%)

**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 38 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 2006-07 of \$100,410,553 represents an increase of \$2,924,579 (3.0%) above the amount appropriated for FY 2005-06. This modest budget increase follows an overall increase of \$253,337 (0.3%) over the previous four fiscal years.

Over the past six years, as detailed below, the Assembly's budget has increased by 7.4 percent while over the same period; the Consumer Price Index has increased by 21.2 percent. Over the past sixteen years, the growth of the Assembly's budget has been less than one-third of the overall rate of inflation. During this period, the Assembly has controlled its spending by reducing the payroll for Assembly controlled entities by over 450 positions and implementing other operational savings.

**Assembly Budget History  
Fiscal Year 2000-01 to 2006-2007  
General Fund Appropriations**

	<u>FY 00-01 Approp.</u>	<u>FY 05-06 Available</u>	<u>FY 06-07 Recommended</u>	<u>Change from FY 05-06 (%)</u>	<u>Change from FY 00-01 (%)</u>
Assembly Budget	\$93,492,920	\$97,485,974	\$100,410,553	2,924,579 (+3.0%)	6,917,633 (+7.4%)

## **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 \$5,551,277 for fiscal year 2006-07 for both the Senate Finance Committee and the Assembly Ways and Means Committee represents an increase of \$161,688 above the amount appropriated for FY 2005-2006.

## **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.

### **BUDGET HIGHLIGHTS**

The recommended appropriation of \$358,900 for FY 2006-07 for the Legislative Ethics Committee represents no increase from the amount appropriated for FY 2005-06.

### **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.

## ***LEGISLATURE***

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### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$189,729 for FY 2006-07 for the Legislative Health Service represents an increase of \$5,526 above the amount appropriated for FY 2005-06.

### ***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 \$760,000 for FY 2006-07 for the Legislative Library represents an increase of \$76,724 above the amount appropriated for FY 2005-06.

### ***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 \$841,850 for FY 2006-07 represents an increase of \$24,520 above the amount appropriated for FY 2005-2006.

### ***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 \$12,386,550 for fiscal year 2006-07 for the Legislative Bill Drafting Commission represents an increase of \$360,773 above the amount appropriated for FY 2005-06.

An appropriation of \$1,500,000 for FY 2006-07 is recommended for the Legislative Computer Services Fund. This recommended appropriation represents no change from the amount appropriated for FY 2005-06. 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 \$1,769,756 for fiscal year 2006-07 for the Legislative Task Force on Demographic Research and Reapportionment represents an increase of \$51,546 above the amount available for FY 2005-06.

### **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.

## ***LEGISLATURE***

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### ***BUDGET HIGHLIGHTS***

The recommended appropriation of \$329,008 for fiscal year 2006-07 for the National Conference of State Legislatures dues represents an increase of \$12,654 above the amount appropriated for FY 2005-06.



# LEGISLATURE

## ALL FUNDS REQUIREMENTS FOR THE LEGISLATURE

<u>FUND/ENTITY/MAJOR PURPOSE</u>	<u>AVAILABLE</u> <u>2005-2006</u>	<u>REQUESTED</u> <u>2006-2007</u>	<u>CHANGE FROM</u> <u>2005-2006</u>
General Fund:			
Lt. Governor	\$277,409	\$277,409	\$0
Senate	82,025,584	84,486,352	2,460,768
Assembly	97,485,974	100,410,553	2,924,579
Senate Finance Committee	5,389,589	5,551,277	161,688
Assembly Ways and Means Committee	5,389,589	5,551,277	161,688
Joint Entities:			
Legislative Ethics Commission	358,900	358,900	0
National Conference of State Legislatures Dues	316,354	329,008	12,654
Legislative Health Service	184,203	189,729	5,526
Legislative Library	683,276	760,000	76,724
Legislative Messenger Service	817,330	841,850	24,520
Legislative Bill Drafting Commission	12,025,777	12,386,550	360,773
Legislative Task Force on Demographic Research and Reapportionment	<u>1,718,210</u>	<u>1,769,756</u>	<u>51,546</u>
<b>Joint Entities Total</b>	<b><u>\$16,104,050</u></b>	<b><u>\$16,635,793</u></b>	<b><u>\$531,743</u></b>
<b>GENERAL FUND TOTAL</b>	<b>\$206,672,195</b>	<b>\$212,912,661</b>	<b>\$6,240,466</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	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<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	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<b>GRANTS AND BEQUESTS FUND TOTAL</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>

# LEGISLATURE

## SCHEDULE OF APPROPRIATIONS

<u>Title of Appropriation</u>	<u>Appropriated for 2005-06</u>	<u>Requested for 2006-07</u>	<u>Change</u>
<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 other expenses of maintenance and operation (including liabilities incurred prior to April 1, 2006)	<u>\$14,909</u>	<u>\$14,909</u>	<u>\$0</u>
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	\$9,469,621	\$9,755,645	\$286,024
For personal service of employees and for temporary and expert services of members' offices and of standing committees	\$28,744,340	\$29,610,670	\$866,330
For personal service of employees and for temporary and expert services for administrative support operations	\$14,034,579	\$14,458,616	\$424,037
For personal service of employees and for temporary and expert services for the senate student program office	\$479,225	\$493,602	\$14,377
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	<u>\$114,117</u>	<u>\$114,117</u>	<u>\$0</u>
Total Personal Service	\$59,215,584	\$60,806,352	\$1,590,768
<b>Nonpersonal Service</b>			
For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2006)			
Non-employee services	\$300,000	\$300,000	\$0
Supplies and materials	\$2,200,000	\$2,250,000	\$50,000
Travel	\$1,400,000	\$1,500,000	\$100,000

# LEGISLATURE

<u>Title of Appropriation</u>	<u>Appropriated for 2005-06</u>	<u>Requested for 2006-07</u>	<u>Change</u>
Rentals	\$1,400,000	\$1,400,000	\$0
Equipment maintenance and repairs	\$1,400,000	\$1,400,000	\$0
Office and space leases	\$3,600,000	\$3,700,000	\$100,000
Utilities	\$1,000,000	\$1,200,000	\$200,000
Postage and shipping	\$4,800,000	\$5,100,000	\$300,000
Printing	\$200,000	\$200,000	\$0
Telephone and telegraph	\$2,310,000	\$2,330,000	\$20,000
Miscellaneous contractual services	\$300,000	\$300,000	\$0
Equipment	<u>\$2,900,000</u>	<u>\$3,000,000</u>	<u>\$100,000</u>
Total Nonpersonal Service	\$21,810,000	\$22,680,000	\$870,000
<b>Maintenance Undistributed</b>			
For services and expenses, including travel outside the state	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$0</u>
Grand Total--The Senate	\$82,025,584	\$84,486,352	\$2,460,768

## THE ASSEMBLY

### Personal Service

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	\$28,100,316	\$28,943,325	\$843,009
For personal service of employees and for temporary and expert services for administrative and program support operations	\$31,942,350	\$32,900,621	\$958,271
For the Assembly Intern and Youth Participation Program for personal service of employees and for temporary and expert services	<u>\$880,000</u>	<u>\$920,000</u>	<u>\$40,000</u>
Total Personal Service	\$74,440,166	\$76,281,446	\$1,841,280

### Nonpersonal Service

For services and expenses of maintenance and operations (including liabilities incurred prior to April 1, 2006)			
Non-employee services	\$65,000	\$65,000	\$0
Supplies and materials	\$2,300,000	\$2,300,000	\$0
Travel	\$2,550,000	\$2,700,000	\$150,000
Rentals	\$1,050,000	\$1,050,000	\$0
Equipment maintenance and repairs	\$1,200,000	\$1,200,000	\$0
Office and space leases	\$5,450,000	\$5,800,000	\$350,000
Utilities	\$700,000	\$700,000	\$0

# LEGISLATURE

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<u>Title of Appropriation</u>	<u>Appropriated for 2005-06</u>	<u>Requested for 2006-07</u>	<u>Change</u>
Postage and shipping	\$4,300,000	\$4,600,000	\$300,000
Printing	\$65,000	\$65,000	\$0
Telephone and telegraph	\$2,270,000	\$2,270,000	\$0
Miscellaneous contractual services	\$550,000	\$600,000	\$50,000
Equipment	<u>\$1,100,000</u>	<u>\$1,200,000</u>	<u>\$100,000</u>
Total Nonpersonal Service	\$21,600,000	\$22,550,000	\$950,000
<b>Maintenance Undistributed</b>			
For services and expenses, including travel outside the state	<u>\$1,445,808</u>	<u>\$1,579,107</u>	<u>\$133,299</u>
Grand Total--The Assembly	\$97,485,974	\$100,410,553	\$2,924,579
<b>SENATE FINANCE COMMITTEE</b>			
For personal service, temporary and special services (including liabilities incurred prior to April 1, 2006)	\$5,389,589	\$5,551,277	\$161,688
<b>ASSEMBLY WAYS &amp; MEANS COMMITTEE</b>			
For personal service, temporary and special services (including liabilities incurred prior to April 1, 2006)	\$5,389,589	\$5,551,277	\$161,688
<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 LEGISLATORS</b>			
For a contribution to the National Conference of State Legislatures	\$316,354	\$329,008	\$12,654
<b>LEGISLATIVE HEALTH SERVICE</b>			
For services and expenses for the operation of the legislative health service	\$184,203	\$189,729	\$5,526
<b>LEGISLATIVE LIBRARY</b>			
For services and expenses and for temporary and special services for the operation of the legislative library	\$683,276	\$760,000	\$76,724
<b>LEGISLATIVE MESSENGER SERVICE</b>			
For services and expenses for the operation of the legislative messenger service	\$817,330	\$841,850	\$24,520
<b>LEGISLATIVE BILL DRAFTING COMMISSION</b>			
For services and expenses, temporary and special services, and for expenses of maintenance and operation			

# LEGISLATURE

<u>Title of Appropriation</u>	<u>Appropriated for 2005-06</u>	<u>Requested for 2006-07</u>	<u>Change</u>
<b>Schedule</b>			
Personal Service--Regular & Temporary	\$8,040,695	\$8,282,916	\$242,221
Nonpersonal Service	\$3,928,440	\$4,046,492	\$118,052
Legislative Digest Contract Administration	\$261,251	\$269,089	\$7,838
Legislative Printing Contract Administration	<u>\$755,391</u>	<u>\$778,053</u>	<u>\$22,662</u>
Total	\$12,985,777	\$13,376,550	\$390,773
Less Transfer from Leg. Computer Services Fund	<u>-\$960,000</u>	<u>-\$990,000</u>	<u>-\$30,000</u>
Total available	\$12,025,777	\$12,386,550	\$360,773

## **LEG. TASK FORCE ON DEMOGRAPHIC RESEARCH AND REAPPORTIONMENT**

### **Maintenance Undistributed**

For services and expenses (including liabilities incurred prior to April 1, 2006) of the task force for senate purposes	\$331,230	\$341,167	\$9,937
For services and expenses (including liabilities incurred prior to April 1, 2006) of the task force for assembly purposes	\$331,230	\$341,167	\$9,937
For services and expenses (including liabilities incurred prior to April 1, 2006) of the task force for joint operations	<u>\$1,055,750</u>	<u>\$1,087,422</u>	<u>\$31,672</u>
Total available	<u>\$1,718,210</u>	<u>\$1,769,756</u>	<u>\$51,546</u>
Grand Total--Senate and Assembly Joint Entities	\$16,104,050	\$16,635,793	\$531,743

### **SPECIAL REVENUE FUND - OTHER**

#### **LEGISLATIVE COMPUTER SERVICES FUND**

For services and expenses of the legislative computer services fund	\$1,500,000	\$1,500,000	\$0
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#### **SENATE RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND**

For services and expenses of the senate recyclable materials, information services and conference fund	\$50,000	\$50,000	\$0
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#### **ASSEMBLY RECYCLABLE MATERIALS, INFORMATION SERVICES AND CONFERENCE FUND**

For services and expenses of the assembly recyclable materials, information services and conference fund	\$50,000	\$50,000	\$0
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### **GRANTS AND BEQUESTS FUND - LEGISLATURE**

#### **SENATE**

##### **Maintenance Undistributed**

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
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# **LEGISLATURE**

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<u>Title of Appropriation</u>	<u>Appropriated for 2005-06</u>	<u>Requested for 2006-07</u>	<u>Change</u>
<b>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 2006-07 COMPARED TO 2005-06 AVAILABLE (dollars)

	Available 2005-06	State Operations Recommended 2006-07	Aid to Localities Recommended 2006-07	Capital Projects Recommended 2006-07	Total Recommended 2006-07	Change From 2005-06
State, Department of	148,618,911	68,130,000	73,850,000	1,000,000	142,980,000	(5,638,911)
State Police, Division of	645,361,000	632,574,000	0	20,100,000	652,674,000	7,313,000
State University of New York	6,956,093,850	6,204,831,000	411,436,000	440,000,000	7,056,267,000	100,173,150
State University Construction Fund	14,533,000	16,077,000	0	0	16,077,000	1,544,000
Taxation and Finance, Department of	418,202,000	433,136,000	0	0	433,136,000	14,934,000
Tax Appeals, Division of	3,330,000	3,423,000	0	0	3,423,000	93,000
Temporary and Disability Assistance, Office of	5,268,981,000	453,168,000	4,682,181,000	30,000,000	5,165,349,000	(103,632,000)
Technology, Office for	270,953,000	279,595,000	0	75,000,000	354,595,000	83,642,000
Thruway Authority, New York State	4,000,000	0	0	4,000,000	4,000,000	0
Transportation, Department of	9,341,585,000	46,417,000	2,534,232,000	4,155,560,000	6,736,209,000	(2,605,376,000)
Veterans Affairs, Division of	14,617,000	8,530,000	6,330,000	0	14,860,000	243,000
Welfare Inspector General, Office of	1,130,000	1,234,000	0	0	1,234,000	104,000
Workers Compensation Board	184,196,600	190,046,000	0	0	190,046,000	5,849,400
Subtotal	124,685,658,413	28,742,595,600	88,018,914,500	8,270,540,000	125,032,050,100	346,391,687
Miscellaneous--All State Departments and Agencies						
All State Agencies - Community Projects	200,000,000	0	0	0	0	(200,000,000)
Automated External Defibrillators	45,000,000	0	0	0	0	(45,000,000)
Deferred Compensation Board	806,000	871,000	0	0	871,000	65,000
Economic Development Program, New York State	75,000,000	0	0	0	0	(75,000,000)
Energy Costs Program	0	58,600,000	0	0	58,600,000	58,600,000
General State Charges	2,779,769,225	3,010,409,000	0	0	3,010,409,000	230,639,775
Green Thumb	2,772,000	3,194,000	0	0	3,194,000	422,000
Greenway Heritage Conservancy for the Hudson River Valley	256,000	256,000	0	0	256,000	0
Health Insurance Contingency Reserve	474,305,000	522,977,000	0	0	522,977,000	48,672,000
Health Insurance Reserve Receipts Fund	192,400,000	192,400,000	0	0	192,400,000	0
High Technology and Development Program	250,000,000	0	0	0	0	(250,000,000)
Higher Education - Miscellaneous	734,000	780,000	0	0	780,000	46,000
Higher Education Facilities Capital Matching Grants Program	150,000,000	0	0	0	0	(150,000,000)
Homeland Security - Miscellaneous	190,199,000	135,685,000	50,000,000	0	185,685,000	(4,514,000)
Hudson River Valley Greenway Communities Council	595,000	404,000	204,000	0	608,000	13,000
Insurance and Securities Funds Reserve Guarantee	1,605,000,000	1,605,000,000	0	0	1,605,000,000	0
Javits Convention Center Program, New York State	350,000,000	0	0	0	0	(350,000,000)
Labor Management Committees	40,059,580	39,178,760	0	0	39,178,760	(880,820)
Local Government Assistance	29,912,626,000	3,243,000	32,569,632,600	0	32,572,875,600	2,660,249,600
Medicaid Fraud Detection and Prevention	1,000,000	0	0	0	0	(1,000,000)
National and Community Service	30,332,000	30,344,000	0	0	30,344,000	12,000
Northeastern Queens Nature and Historical Preserve Commission	120,000	120,000	0	0	120,000	0
Payments to STARC / NYC	170,000,000	0	170,000,000	0	170,000,000	0
Public Authority Reform, Commission on	1,000,000	150,000	0	0	150,000	(850,000)
Racing Oversight Board	20,000,000	0	0	0	0	(20,000,000)
Racing Reform Program	0	2,000,000	0	0	2,000,000	2,000,000
Regional Economic Development Program	100,000,000	0	0	0	0	(100,000,000)
Reserve for Federal Audit Disallowances	50,000,000	100,000,000	0	0	100,000,000	50,000,000
Review of State Testing Administration	0	500,000	0	0	500,000	500,000
State Equipment Finance Program	0	0	0	117,000,000	117,000,000	117,000,000
Statewide Wireless Network	27,800,000	25,549,000	0	0	25,549,000	(2,251,000)
Transition of Government	0	500,000	0	0	500,000	500,000
Tribal State Compact Revenue	29,368,000	0	14,600,000	0	14,600,000	(14,768,000)
Workers Compensation Reserve	29,048,000	25,126,000	0	0	25,126,000	(3,922,000)
World Trade Center	0	0	0	265,000,000	265,000,000	265,000,000
Subtotal	36,728,189,805	5,757,286,760	32,804,436,600	382,000,000	38,943,723,360	2,215,533,555
Judiciary	2,050,796,433	2,151,447,495	124,553,284	3,000,000	2,279,000,779	228,204,346
Legislature	208,830,291	215,012,661	0	0	215,012,661	6,182,370
Total	163,673,474,942	36,866,342,516	120,947,904,384	8,655,540,000	166,469,786,900	2,796,311,958
Debt Service	7,643,300,000	0	0	0	7,861,580,000	218,280,000
Grand Total	171,316,774,942	36,866,342,516	120,947,904,384	8,655,540,000	174,331,366,900	3,014,591,958
Special Emergency Appropriation	50,000,000				50,000,000	
Special Federal Emergency Appropriation	1,000,000,000				1,000,000,000	

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS RECAPITULATION OF 2006-07 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Enterprise	Internal Service	Fiduciary	Total
Adirondack Park Agency	4,407,000	700,000	0	0	0	0	5,107,000
Aging, Office for the	2,359,000	10,250,000	300,000	100,000	0	0	13,009,000
Agriculture and Markets, Department of	31,593,900	28,544,000	39,920,600	22,387,700	0	1,681,200	124,127,400
Alcoholic Beverage Control, Division of	0	0	19,782,000	0	0	0	19,782,000
Arts, Council on the	5,656,000	993,000	3,132,000	0	0	0	9,781,000
Audit and Control, Department of	130,042,000	0	5,838,000	0	3,487,000	83,085,000	222,452,000
Banking Department	0	0	92,019,000	0	0	0	92,019,000
Budget, Division of the	33,470,000	0	27,204,000	0	111,650,000	0	172,324,000
Capital Defender Office	6,100,000	0	0	0	0	0	6,100,000
Children and Family Services Office of	233,479,000	81,829,000	120,232,000	475,000	100,000	0	436,115,000
City University of New York	0	0	235,000,000	0	0	1,415,873,000	1,650,873,000
Civil Service, Department of	23,836,000	0	2,300,000	0	39,460,000	0	65,596,000
Consumer Protection Board, State	0	0	4,357,000	0	0	0	4,357,000
Correction, Commission of	2,607,000	0	0	0	0	0	2,607,000
Correctional Services, Department of	2,179,398,000	35,700,000	850,000	59,046,000	71,245,000	0	2,346,239,000
Crime Victims Board	4,282,000	1,925,000	927,000	0	0	0	7,134,000
Criminal Justice Services, Division of	55,907,000	50,010,000	22,650,000	0	0	0	128,567,000
Developmental Disabilities Planning Council	0	4,550,000	0	10,000	0	0	4,560,000
Economic Development, Department of	31,138,000	1,000,000	5,414,900	0	0	0	37,552,900
Education Department, State	40,963,000	286,495,500	167,647,400	0	24,244,000	0	519,349,900
Elections, State Board of	4,688,000	10,000,000	200,000	0	0	0	14,888,000
Employee Relations, Office of	4,020,000	0	479,000	0	2,470,000	0	6,969,000
Energy Research and Development Authority, New York State	0	700,000	14,656,000	0	0	0	15,356,000
Environmental Conservation, Department of	109,370,000	80,218,000	265,477,000	0	60,000	0	455,125,000
Environmental Facilities Corporation	0	0	12,774,500	0	0	0	12,774,500
Executive Chamber	15,116,000	0	100,000	0	0	0	15,216,000
General Services, Office of	158,127,000	7,730,000	16,246,000	2,121,000	267,274,000	250,000	451,748,000
Health, Department of	162,242,000	3,979,144,000	504,210,000	10,000	0	0	4,645,606,000
Higher Education Services Corporation, New York State	0	5,000,000	105,455,000	0	0	0	110,455,000
Homeland Security, Office of	8,849,000	0	7,418,000	0	1,500,000	0	17,767,000
Housing and Community Renewal, Division of	31,544,000	9,698,000	56,993,000	0	0	0	98,235,000
Mortgage Agency, State of New York	76,800,000	0	0	0	0	0	76,800,000
Human Rights, Division of	14,492,000	4,704,000	65,000	0	0	0	19,261,000
Inspector General, Office of the	4,779,000	0	2,236,000	0	0	0	7,015,000
Insurance Department	0	0	194,148,000	0	0	0	194,148,000
Interest on Lawyer Account	0	0	1,747,000	0	0	0	1,747,000
Investigation, Temporary State Commission of	3,498,000	0	287,000	0	0	0	3,785,000
Judicial Commissions	2,933,000	0	0	0	0	0	2,933,000
Labor, Department of	1,720,000	466,509,000	102,451,000	3,800,000,000	0	0	4,370,680,000
Law, Department of	124,678,000	32,716,000	65,756,000	0	0	0	223,150,000
Lieutenant Governor, Office of the	509,000	0	0	0	0	0	509,000
Lobbying, Temporary State Commission on	2,348,000	0	668,000	0	0	0	3,016,000
Lottery, Division of the	0	0	128,235,000	0	0	0	128,235,000
Medicaid Inspector General, Office of the	35,023,000	55,073,000	4,500,000	0	0	0	94,596,000
Mental Hygiene, Department of	(150,000,000)	0	150,000,000	0	0	0	0
Mental Health, Office of	771,407,000	1,358,000	518,476,000	8,349,000	2,509,000	0	1,302,099,000
Mental Retardation and Developmental Disabilities, Office of	537,123,000	230,000	914,319,000	2,374,000	150,000	0	1,454,196,000
Alcoholism and Substance Abuse Services, Office of	52,721,000	6,359,000	22,832,000	0	0	0	81,912,000
Military and Naval Affairs, Division of	22,269,000	45,688,000	10,947,000	0	0	0	78,904,000
Motor Vehicles, Department of	0	14,400,000	92,401,000	0	10,500,000	0	117,301,000
Olympic Regional Development Authority	7,986,000	0	400,000	0	0	0	8,386,000
Parks, Recreation and Historic Preservation, Office of	116,593,100	4,700,900	70,704,900	2,500,000	0	0	194,498,900
Parole, Division of	157,023,000	500,000	825,000	0	0	0	158,348,000
Prevention of Domestic Violence, Office for	1,586,000	100,000	70,000	0	0	0	1,756,000
Probation and Correctional Alternatives, Division of	1,954,000	0	0	0	0	0	1,954,000
Public Employment Relations Board	3,665,000	0	482,000	0	0	0	4,147,000
Public Service Department	0	1,691,000	72,344,000	0	0	0	74,035,000
Quality of Care and Advocacy for Persons With Disabilities, Commission on	4,156,000	7,625,000	3,859,000	45,000	0	0	15,685,000
Racing and Wagering Board, State	0	0	24,768,000	0	0	0	24,768,000
Real Property Services, Office of	0	0	42,609,000	0	0	0	42,609,000
Regulatory Reform, Governor's Office of	3,744,000	0	0	0	0	0	3,744,000

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS RECAPITULATION OF 2006-07 RECOMMENDATIONS BY FUND TYPE (dollars)

	General	Special Revenue Federal	Special Revenue Other	Enterprise	Internal Service	Fiduciary	Total
Science, Technology and Academic Research, Office of	2,925,000	0	500,000	0	0	0	3,425,000
State, Department of	17,030,000	11,402,000	39,698,000	0	0	0	68,130,000
State Police, Division of	449,527,000	4,621,000	178,426,000	0	0	0	632,574,000
State University of New York	1,956,475,000	200,500,000	4,035,856,000	0	12,000,000	0	6,204,831,000
State University Construction Fund	0	0	16,077,000	0	0	0	16,077,000
Taxation and Finance, Department of	333,452,000	582,000	46,000,000	0	53,102,000	0	433,136,000
Tax Appeals, Division of	3,423,000	0	0	0	0	0	3,423,000
Temporary and Disability Assistance, Office of	57,001,000	227,300,000	167,667,000	0	1,200,000	0	453,168,000
Technology, Office for	23,095,000	0	0	0	256,500,000	0	279,595,000
Transportation, Department of	0	14,177,000	32,240,000	0	0	0	46,417,000
Veterans Affairs, Division of	6,230,000	2,300,000	0	0	0	0	8,530,000
Welfare Inspector General, Office of	794,000	0	440,000	0	0	0	1,234,000
Workers Compensation Board	0	0	190,046,000	0	0	0	190,046,000
Subtotal	<u>7,926,153,000</u>	<u>5,697,022,400</u>	<u>8,863,662,300</u>	<u>3,897,417,700</u>	<u>857,451,000</u>	<u>1,500,889,200</u>	<u>28,742,595,600</u>
Miscellaneous--All State Departments and Agencies							
Deferred Compensation Board	170,000	0	701,000	0	0	0	871,000
Energy Costs Program	58,600,000	0	0	0	0	0	58,600,000
General State Charges	3,010,409,000	0	0	0	0	0	3,010,409,000
Green Thumb	3,194,000	0	0	0	0	0	3,194,000
Greenway Heritage Conservancy for the Hudson River Valley	256,000	0	0	0	0	0	256,000
Health Insurance Contingency Reserve	522,977,000	0	0	0	0	0	522,977,000
Health Insurance Reserve Receipts Fund	0	0	0	0	0	192,400,000	192,400,000
Higher Education - Miscellaneous	0	0	780,000	0	0	0	780,000
Homeland Security - Miscellaneous	0	0	3,000,000	0	0	0	3,000,000
Hudson River Valley Greenway Communities Council	404,000	0	0	0	0	0	404,000
Insurance and Securities Funds Reserve Guarantee	1,605,000,000	0	0	0	0	0	1,605,000,000
Labor Management Committees	38,928,760	0	250,000	0	0	0	39,178,760
Local Government Assistance	0	0	3,243,000	0	0	0	3,243,000
National and Community Service	344,000	30,000,000	0	0	0	0	30,344,000
Northeastern Queens Nature and Historical Preserve Commission	120,000	0	0	0	0	0	120,000
Public Authority Reform, Commission on	0	0	150,000	0	0	0	150,000
Racing Reform Program	2,000,000	0	0	0	0	0	2,000,000
Reserve for Federal Audit Disallowances	100,000,000	0	0	0	0	0	100,000,000
Review of State Testing Administration	500,000	0	0	0	0	0	500,000
Statewide Wireless Network	0	0	25,549,000	0	0	0	25,549,000
Transition of Government	500,000	0	0	0	0	0	500,000
Workers Compensation Reserve	25,126,000	0	0	0	0	0	25,126,000
Subtotal	<u>5,368,528,760</u>	<u>30,000,000</u>	<u>33,673,000</u>	<u>0</u>	<u>0</u>	<u>192,400,000</u>	<u>5,624,601,760</u>
Homeland Security - Miscellaneous							<u>132,685,000</u>
Subtotal-Miscellaneous							<u>5,757,286,760</u>
Judiciary	2,031,417,820	7,500,000	112,529,675	0	0	0	2,151,447,495
Legislature	212,912,661	0	2,100,000	0	0	0	215,012,661
Subtotal	<u>2,244,330,481</u>	<u>7,500,000</u>	<u>114,629,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,366,460,156</u>
Total	<u>15,539,012,241</u>	<u>5,734,522,400</u>	<u>9,011,964,975</u>	<u>3,897,417,700</u>	<u>857,451,000</u>	<u>1,693,289,200</u>	<u>36,866,342,516</u>

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS GENERAL FUND (dollars)

	Available 2005-06	Recommended 2006-07	Change
Adirondack Park Agency	4,318,000	4,407,000	89,000
Aging, Office for the	2,539,000	2,359,000	(180,000)
Agriculture and Markets, Department of	30,794,000	31,593,900	799,900
Arts, Council on the	5,300,000	5,656,000	356,000
Audit and Control, Department of	130,042,000	130,042,000	0
Budget, Division of the	33,470,000	33,470,000	0
Capital Defender Office	12,277,000	6,100,000	(6,177,000)
Children and Family Services Office of	218,647,000	233,479,000	14,832,000
Civil Service, Department of	26,555,000	23,836,000	(2,719,000)
Correction, Commission of	2,577,000	2,607,000	30,000
Correctional Services, Department of	2,091,745,000	2,179,398,000	87,653,000
Crime Victims Board	3,332,000	4,282,000	950,000
Criminal Justice Services, Division of	42,499,000	55,907,000	13,408,000
Economic Development, Department of	29,487,000	31,138,000	1,651,000
Education Department, State	42,424,000	40,963,000	(1,461,000)
Elections, State Board of	4,109,000	4,688,000	579,000
Employee Relations, Office of	3,559,000	4,020,000	461,000
Environmental Conservation, Department of	104,687,000	109,370,000	4,683,000
Executive Chamber	15,116,000	15,116,000	0
General Services, Office of	148,003,000	158,127,000	10,124,000
Health, Department of	153,812,000	162,242,000	8,430,000
Homeland Security, Office of	8,590,000	8,849,000	259,000
Housing and Community Renewal, Division of	29,701,100	31,544,000	1,842,900
Mortgage Agency, State of New York	76,800,000	76,800,000	0
Human Rights, Division of	14,110,000	14,492,000	382,000
Inspector General, Office of the	4,606,000	4,779,000	173,000
Investigation, Temporary State Commission of	3,486,000	3,498,000	12,000
Judicial Commissions	2,769,000	2,933,000	164,000
Labor, Department of	3,137,000	1,720,000	(1,417,000)
Law, Department of	124,678,000	124,678,000	0
Lieutenant Governor, Office of the	508,500	509,000	500
Lobbying, Temporary State Commission on	1,474,000	2,348,000	874,000
Medicaid Inspector General, Office of the	21,653,000	35,023,000	13,370,000
Mental Hygiene, Department of	(150,000,000)	(150,000,000)	0
Mental Health, Office of	589,210,000	771,407,000	182,197,000
Mental Retardation and Developmental Disabilities, Office of	502,371,000	537,123,000	34,752,000
Alcoholism and Substance Abuse Services, Office of	46,581,000	52,721,000	6,140,000
Military and Naval Affairs, Division of	22,230,000	22,269,000	39,000
Olympic Regional Development Authority	8,350,000	7,986,000	(364,000)
Parks, Recreation and Historic Preservation, Office of	104,927,100	116,593,100	11,666,000
Parole, Division of	150,601,000	157,023,000	6,422,000
Prevention of Domestic Violence, Office for	1,513,000	1,586,000	73,000
Probation and Correctional Alternatives, Division of	1,888,000	1,954,000	66,000
Public Employment Relations Board	3,694,000	3,665,000	(29,000)
Quality of Care and Advocacy for Persons With Disabilities, Commission on	4,012,000	4,156,000	144,000
Regulatory Reform, Governor's Office of	3,554,000	3,744,000	190,000
Science, Technology and Academic Research, Office of	2,825,000	2,925,000	100,000
State, Department of	14,078,000	17,030,000	2,952,000
State Police, Division of	442,387,200	449,527,000	7,139,800
State University of New York	1,922,129,000	1,956,475,000	34,346,000
Taxation and Finance, Department of	311,584,000	333,452,000	21,868,000
Tax Appeals, Division of	3,330,000	3,423,000	93,000
Temporary and Disability Assistance, Office of	50,282,000	57,001,000	6,719,000
Technology, Office for	21,953,000	23,095,000	1,142,000
Transportation, Department of	5,000,000	0	(5,000,000)
Veterans Affairs, Division of	6,212,000	6,230,000	18,000
Welfare Inspector General, Office of	730,000	794,000	64,000
Subtotal	<u>7,466,245,900</u>	<u>7,926,153,000</u>	<u>459,907,100</u>
<b>Miscellaneous--All State Departments and Agencies</b>			
Deferred Compensation Board	157,000	170,000	13,000
Energy Costs Program	0	58,600,000	58,600,000
General State Charges	2,779,769,225	3,010,409,000	230,639,775
Green Thumb	2,772,000	3,194,000	422,000
Greenway Heritage Conservancy for the Hudson River Valley	256,000	256,000	0
Health Insurance Contingency Reserve	474,305,000	522,977,000	48,672,000
Hudson River Valley Greenway Communities Council	391,000	404,000	13,000
Insurance and Securities Funds Reserve Guarantee	1,605,000,000	1,605,000,000	0
Labor Management Committees	39,809,580	38,928,760	(880,820)
National and Community Service	332,000	344,000	12,000
Northeastern Queens Nature and Historical Preserve Commission	120,000	120,000	0
Racing Reform Program	0	2,000,000	2,000,000
Reserve for Federal Audit Disallowances	50,000,000	100,000,000	50,000,000
Review of State Testing Administration	0	500,000	500,000

# **SUMMARY OF APPROPRIATIONS**

## **STATE OPERATIONS GENERAL FUND (dollars)**

	<b>Available 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>
Transition of Government	0	500,000	500,000
Workers Compensation Reserve	29,048,000	25,126,000	(3,922,000)
Subtotal	<u>4,981,959,805</u>	<u>5,368,528,760</u>	<u>386,568,955</u>
Judiciary	1,831,741,695	2,031,417,820	199,676,125
Legislature	206,730,291	212,912,661	6,182,370
Total	<u>14,486,677,691</u>	<u>15,539,012,241</u>	<u>1,052,334,550</u>
Adjustments			
Prior Year Deficiencies	147,043,000		
Recommended Deficiencies	(57,665,000)		
Transfer From:			
General Fund (Aid To Localities)	(8,150,000)		
Special Revenue Funds - Other	(180,000)		
Unspecified Funds	(7,954,000)		
Appropriated 2005-06	<u>14,559,771,691</u>		

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS SPECIAL REVENUE FUNDS - FEDERAL (dollars)

	Available 2005-06	Recommended 2006-07	Change
Adirondack Park Agency	200,000	700,000	500,000
Aging, Office for the	10,250,000	10,250,000	0
Agriculture and Markets, Department of	27,194,000	28,544,000	1,350,000
Arts, Council on the	993,000	993,000	0
Children and Family Services Office of	81,478,000	81,829,000	351,000
Correctional Services, Department of	36,600,000	35,700,000	(900,000)
Crime Victims Board	1,925,000	1,925,000	0
Criminal Justice Services, Division of	90,310,000	50,010,000	(40,300,000)
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	269,698,300	286,495,500	16,797,200
Elections, State Board of	20,000,000	10,000,000	(10,000,000)
Energy Research and Development Authority, New York State	0	700,000	700,000
Environmental Conservation, Department of	85,211,000	80,218,000	(4,993,000)
General Services, Office of	7,700,000	7,730,000	30,000
Health, Department of	4,004,825,000	3,979,144,000	(25,681,000)
Higher Education Services Corporation, New York State	5,000,000	5,000,000	0
Housing and Community Renewal, Division of	9,018,050	9,698,000	679,950
Human Rights, Division of	4,704,000	4,704,000	0
Labor, Department of	487,844,000	466,509,000	(21,335,000)
Law, Department of	32,738,000	32,716,000	(22,000)
Medicaid Inspector General, Office of the	50,073,000	55,073,000	5,000,000
Mental Health, Office of	1,272,000	1,358,000	86,000
Mental Retardation and Developmental Disabilities, Office of	230,000	230,000	0
Alcoholism and Substance Abuse Services, Office of	6,221,000	6,359,000	138,000
Military and Naval Affairs, Division of	33,127,000	45,688,000	12,561,000
Motor Vehicles, Department of	14,000,000	14,400,000	400,000
Parks, Recreation and Historic Preservation, Office of	4,700,900	4,700,900	0
Parole, Division of	500,000	500,000	0
Prevention of Domestic Violence, Office for	100,000	100,000	0
Public Service Department	1,691,000	1,691,000	0
Quality of Care and Advocacy for Persons With Disabilities, Commission on	7,249,000	7,625,000	376,000
State, Department of	11,436,000	11,402,000	(34,000)
State Police, Division of	4,709,000	4,621,000	(88,000)
State University of New York	200,500,000	200,500,000	0
Taxation and Finance, Department of	500,000	582,000	82,000
Temporary and Disability Assistance, Office of	217,000,000	227,300,000	10,300,000
Transportation, Department of	10,167,000	14,177,000	4,010,000
Veterans Affairs, Division of	2,275,000	2,300,000	25,000
National and Community Service	30,000,000	30,000,000	0
Judiciary	7,500,000	7,500,000	0
<b>Total</b>	<b>5,784,489,250</b>	<b>5,734,522,400</b>	<b>(49,966,850)</b>
Appropriated 2005-06	<u>5,784,489,250</u>		

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS SPECIAL REVENUE FUNDS - OTHER (dollars)

	Available 2005-06	Recommended 2006-07	Change
Aging, Office for the	300,000	300,000	0
Agriculture and Markets, Department of	38,429,000	39,920,600	1,491,600
Alcoholic Beverage Control, Division of	14,929,000	19,782,000	4,853,000
Arts, Council on the	3,033,000	3,132,000	99,000
Audit and Control, Department of	5,838,000	5,838,000	0
Banking Department	97,238,817	92,019,000	(5,219,817)
Budget, Division of the	25,704,000	27,204,000	1,500,000
Children and Family Services Office of	119,021,000	120,232,000	1,211,000
City University of New York	145,000,000	235,000,000	90,000,000
Civil Service, Department of	1,400,000	2,300,000	900,000
Consumer Protection Board, State	3,792,000	4,357,000	565,000
Correctional Services, Department of	1,000,000	850,000	(150,000)
Crime Victims Board	927,000	927,000	0
Criminal Justice Services, Division of	10,650,000	22,650,000	12,000,000
Economic Development, Department of	5,414,900	5,414,900	0
Education Department, State	143,394,200	167,647,400	24,253,200
Elections, State Board of	7,820,000	200,000	(7,620,000)
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	241,308,000	265,477,000	24,169,000
Environmental Facilities Corporation	11,570,500	12,774,500	1,204,000
Executive Chamber	100,000	100,000	0
General Services, Office of	18,910,000	16,246,000	(2,664,000)
Health, Department of	489,905,000	504,210,000	14,305,000
Higher Education Services Corporation, New York State	103,307,000	105,455,000	2,148,000
Homeland Security, Office of	7,418,000	7,418,000	0
Housing and Community Renewal, Division of	56,003,350	56,993,000	989,650
Human Rights, Division of	140,000	65,000	(75,000)
Inspector General, Office of the	1,934,000	2,236,000	302,000
Insurance Department	177,819,000	194,148,000	16,329,000
Interest on Lawyer Account	1,661,000	1,747,000	86,000
Investigation, Temporary State Commission of	192,000	287,000	95,000
Labor, Department of	128,416,000	102,451,000	(25,965,000)
Law, Department of	65,756,000	65,756,000	0
Lobbying, Temporary State Commission on	540,000	668,000	128,000
Lottery, Division of the	124,235,000	128,235,000	4,000,000
Medicaid Inspector General, Office of the	4,500,000	4,500,000	0
Mental Hygiene, Department of	150,000,000	150,000,000	0
Mental Health, Office of	604,196,000	518,476,000	(85,720,000)
Mental Retardation and Developmental Disabilities, Office of	850,649,000	914,319,000	63,670,000
Alcoholism and Substance Abuse Services, Office of	24,832,000	22,832,000	(2,000,000)
Military and Naval Affairs, Division of	10,070,000	10,947,000	877,000
Motor Vehicles, Department of	78,025,000	92,401,000	14,376,000
Olympic Regional Development Authority	400,000	400,000	0
Parks, Recreation and Historic Preservation, Office of	67,228,900	70,704,900	3,476,000
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	482,000	225,000
Public Service Department	71,082,000	72,344,000	1,262,000
Quality of Care and Advocacy for Persons With Disabilities, Commission on	3,851,000	3,859,000	8,000
Racing and Wagering Board, State	24,135,000	24,768,000	633,000
Real Property Services, Office of	44,750,700	42,609,000	(2,141,700)
Science, Technology and Academic Research, Office of	500,000	500,000	0
State, Department of	38,554,000	39,698,000	1,144,000
State Police, Division of	179,064,800	178,426,000	(638,800)
State University of New York	3,648,106,600	4,035,856,000	387,749,400
State University Construction Fund	14,533,000	16,077,000	1,544,000
Taxation and Finance, Department of	44,591,000	46,000,000	1,409,000
Temporary and Disability Assistance, Office of	156,757,000	167,667,000	10,910,000
Transportation, Department of	28,334,000	32,240,000	3,906,000
Welfare Inspector General, Office of	400,000	440,000	40,000
Workers Compensation Board	184,196,600	190,046,000	5,849,400
Deferred Compensation Board	649,000	701,000	52,000
Higher Education - Miscellaneous	734,000	780,000	46,000
Homeland Security - Miscellaneous	3,000,000	3,000,000	0
Labor Management Committees	250,000	250,000	0
Local Government Assistance	3,243,000	3,243,000	0
Public Authority Reform, Commission on	1,000,000	150,000	(850,000)
Racing Oversight Board	20,000,000	0	(20,000,000)



# **SUMMARY OF APPROPRIATIONS**

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**STATE OPERATIONS  
SPECIAL REVENUE FUNDS - OTHER  
(dollars)**

	<u>Available 2005-06</u>	<u>Recommended 2006-07</u>	<u>Change</u>
Statewide Wireless Network	27,800,000	25,549,000	(2,251,000)
Judiciary	106,512,076	112,529,675	6,017,599
Legislature	2,100,000	2,100,000	0
Total	<u>8,463,437,443</u>	<u>9,011,964,975</u>	<u>548,527,532</u>
Adjustments			
Prior Year Deficiencies	50,000		
Recommended Deficiencies	(20,000,000)		
Transfer To:			
General Fund	180,000		
Appropriated 2005-06	<u>8,443,667,443</u>		

# SUMMARY OF APPROPRIATIONS

## STATE OPERATIONS FIDUCIARY FUNDS (dollars)

	Available 2005-06	Recommended 2006-07	Change
Agriculture and Markets, Department of	1,693,000	1,681,200	(11,800)
Audit and Control, Department of	83,085,000	83,085,000	0
City University of New York	1,363,234,000	1,415,873,000	52,639,000
General Services, Office of	250,000	250,000	0
Health Insurance Reserve Receipts Fund	192,400,000	192,400,000	0
Total	<u>1,640,662,000</u>	<u>1,693,289,200</u>	<u>52,627,200</u>
Adjustments			
Recommended Deficiencies	(13,900,000)		
Appropriated 2005-06	<u>1,626,762,000</u>		

## STATE OPERATIONS INTERNAL SERVICE FUNDS (dollars)

	Available 2005-06	Recommended 2006-07	Change
Audit and Control, Department of	3,487,000	3,487,000	0
Budget, Division of the	1,650,000	111,650,000	110,000,000
Children and Family Services Office of	100,000	100,000	0
Civil Service, Department of	35,206,000	39,460,000	4,254,000
Correctional Services, Department of	75,011,000	71,245,000	(3,766,000)
Education Department, State	22,947,000	24,244,000	1,297,000
Employee Relations, Office of	2,470,000	2,470,000	0
Environmental Conservation, Department of	45,000	60,000	15,000
General Services, Office of	225,413,000	267,274,000	41,861,000
Homeland Security, Office of	1,500,000	1,500,000	0
Mental Health, Office of	2,509,000	2,509,000	0
Mental Retardation and Developmental Disabilities, Office of	150,000	150,000	0
Motor Vehicles, Department of	8,500,000	10,500,000	2,000,000
State University of New York	12,000,000	12,000,000	0
Taxation and Finance, Department of	61,527,000	53,102,000	(8,425,000)
Temporary and Disability Assistance, Office of	1,200,000	1,200,000	0
Technology, Office for	249,000,000	256,500,000	7,500,000
Total	<u>702,715,000</u>	<u>857,451,000</u>	<u>154,736,000</u>
Appropriated 2005-06	<u>702,715,000</u>		

## STATE OPERATIONS ENTERPRISE FUNDS (dollars)

	Available 2005-06	Recommended 2006-07	Change
Aging, Office for the	100,000	100,000	0
Agriculture and Markets, Department of	20,343,000	22,387,700	2,044,700
Children and Family Services Office of	500,000	475,000	(25,000)
Correctional Services, Department of	58,957,000	59,046,000	89,000
Developmental Disabilities Planning Council	10,000	10,000	0
General Services, Office of	1,371,000	2,121,000	750,000
Health, Department of	10,000	10,000	0
Labor, Department of	3,800,000,000	3,800,000,000	0
Mental Health, Office of	8,349,000	8,349,000	0
Mental Retardation and Developmental Disabilities, Office of	2,374,000	2,374,000	0
Parks, Recreation and Historic Preservation, Office of	2,500,000	2,500,000	0
Quality of Care and Advocacy for Persons With Disabilities, Commission on	45,000	45,000	0
Total	<u>3,894,559,000</u>	<u>3,897,417,700</u>	<u>2,858,700</u>
Appropriated 2005-06	<u>3,894,559,000</u>		

# SUMMARY OF APPROPRIATIONS

## AID TO LOCALITIES RECAPITULATION OF 2006-07 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	94,135,300	107,600,000	4,000,000	0	0	205,735,300
Agriculture and Markets, Department of	15,620,000	20,000,000	0	0	0	35,620,000
Arts, Council on the	40,000,000	520,000	200,000	0	0	40,720,000
Audit and Control, Department of	40,000,000	0	80,000,000	0	0	120,000,000
Banking Department	0	0	1,500,000	0	0	1,500,000
Children and Family Services Office of	1,380,834,000	1,398,119,000	15,780,000	0	0	2,794,733,000
City University of New York	929,281,000	0	0	0	0	929,281,000
Correctional Services, Department of	6,000,000	0	0	0	0	6,000,000
Crime Victims Board	0	36,523,000	31,091,000	0	0	67,614,000
Criminal Justice Services, Division of	27,135,000	33,050,000	71,406,000	0	0	131,591,000
Economic Development, Department of	5,777,000	0	0	0	0	5,777,000
Education Department, State	16,148,074,200	3,739,060,000	6,060,462,000	0	0	25,947,596,200
Empire State Development Corporation	93,858,000	0	0	0	0	93,858,000
Environmental Conservation, Department of	1,645,700	0	850,000	0	0	2,495,700
Health, Department of	9,538,589,300	25,800,206,000	6,769,961,000	0	1,771,200,000	43,879,956,300
Higher Education Services Corporation, New York State	800,503,000	7,000,000	24,000,000	0	0	831,503,000
Homeland Security, Office of	0	350,000,000	0	0	0	350,000,000
Housing and Community Renewal, Division of	43,644,000	92,450,000	10,000,000	0	0	146,094,000
Mortgage Agency, State of New York	304,414,000	0	0	0	0	304,414,000
Interest on Lawyer Account	0	0	13,000,000	0	0	13,000,000
Labor, Department of	0	299,241,000	430,000	0	0	299,671,000
Mental Health, Office of	847,953,000	40,498,000	80,285,000	0	0	968,736,000
Mental Retardation and Developmental Disabilities, Office of	529,509,000	0	1,289,410,000	0	0	1,818,919,000
Alcoholism and Substance Abuse Services, Office of	286,595,000	138,314,000	8,040,000	0	0	432,949,000
Metropolitan Transportation Authority	0	0	644,700,000	0	0	644,700,000
Military and Naval Affairs, Division of	0	11,300,000	1,650,000	0	0	12,950,000
Motor Vehicles, Department of	0	14,400,000	0	0	0	14,400,000
Parks, Recreation and Historic Preservation, Office of	3,500,000	5,620,000	5,750,000	0	0	14,870,000
Parole, Division of	43,896,000	0	0	9,250,000	0	53,146,000
Prevention of Domestic Violence, Office for	927,000	0	0	0	0	927,000
Probation and Correctional Alternatives, Division of	69,603,000	0	0	0	0	69,603,000
Public Service Department	0	0	400,000	0	0	400,000
Quality of Care and Advocacy for Persons With Disabilities, Commission on	293,000	0	418,000	0	0	711,000
Real Property Services, Office of	20,800,000	0	0	0	0	20,800,000
Science, Technology and Academic Research, Office of	44,065,000	6,500,000	0	0	0	50,565,000
State, Department of	0	59,200,000	14,650,000	0	0	73,850,000
State University of New York	411,436,000	0	0	0	0	411,436,000
Temporary and Disability Assistance, Office of	1,310,059,000	3,335,737,000	16,385,000	0	20,000,000	4,682,181,000
Transportation, Department of	103,016,000	42,244,000	2,388,972,000	0	0	2,534,232,000
Veterans Affairs, Division of	6,330,000	0	0	0	0	6,330,000
Subtotal	<u>33,147,542,500</u>	<u>35,537,582,000</u>	<u>17,533,340,000</u>	<u>9,250,000</u>	<u>1,791,200,000</u>	<u>88,018,914,500</u>
Miscellaneous--All State Departments and Agencies						
Homeland Security - Miscellaneous	0	50,000,000	0	0	0	50,000,000
Hudson River Valley Greenway Communities Council	204,000	0	0	0	0	204,000
Local Government Assistance	1,190,832,600	0	0	0	31,378,800,000	32,569,632,600
Payments to STARC / NYC	170,000,000	0	0	0	0	170,000,000
Tribal State Compact Revenue	0	0	14,600,000	0	0	14,600,000
Subtotal	<u>1,361,036,600</u>	<u>50,000,000</u>	<u>14,600,000</u>	<u>0</u>	<u>31,378,800,000</u>	<u>32,804,436,600</u>
Judiciary	1,000,000	0	123,553,284	0	0	124,553,284
Subtotal	<u>1,000,000</u>	<u>0</u>	<u>123,553,284</u>	<u>0</u>	<u>0</u>	<u>124,553,284</u>
Special Federal Emergency Appropriation	0	1,000,000,000	0	0	0	1,000,000,000
Total	<u><u>34,509,579,100</u></u>	<u><u>36,587,582,000</u></u>	<u><u>17,671,493,284</u></u>	<u><u>9,250,000</u></u>	<u><u>33,170,000,000</u></u>	<u><u>121,947,904,384</u></u>

# SUMMARY OF APPROPRIATIONS

## AID TO LOCALITIES GENERAL FUND (dollars)

	Available 2005-06	Recommended 2006-07	Change
Adirondack Park Agency	50,000	50,000	0
Aging, Office for the	76,624,300	94,135,300	17,511,000
Agriculture and Markets, Department of	19,086,000	15,620,000	(3,466,000)
Arts, Council on the	37,400,000	40,000,000	2,600,000
Audit and Control, Department of	37,925,000	40,000,000	2,075,000
Banking Department	250,000	0	(250,000)
Children and Family Services Office of	1,319,982,000	1,380,834,000	60,852,000
City University of New York	865,087,250	929,281,000	64,193,750
Correctional Services, Department of	8,000,000	6,000,000	(2,000,000)
Criminal Justice Services, Division of	63,435,000	27,135,000	(36,300,000)
Economic Development, Department of	8,527,000	5,777,000	(2,750,000)
Education Department, State	14,947,855,600	16,148,074,200	1,200,218,600
Empire State Development Corporation	85,125,100	93,858,000	8,732,900
Environmental Conservation, Department of	8,570,800	1,645,700	(6,925,100)
Health, Department of	9,103,817,600	9,538,589,300	434,771,700
Higher Education Services Corporation, New York State	882,946,000	800,503,000	(82,443,000)
Housing and Community Renewal, Division of	51,055,500	43,644,000	(7,411,500)
Mortgage Agency, State of New York	289,229,000	304,414,000	15,185,000
Labor, Department of	10,442,000	0	(10,442,000)
Mental Health, Office of	777,064,000	847,953,000	70,889,000
Mental Retardation and Developmental Disabilities, Office of	410,374,000	529,509,000	119,135,000
Alcoholism and Substance Abuse Services, Office of	261,475,000	286,595,000	25,120,000
Military and Naval Affairs, Division of	46,000,000	0	(46,000,000)
Parks, Recreation and Historic Preservation, Office of	4,950,000	3,500,000	(1,450,000)
Parole, Division of	35,189,000	43,896,000	8,707,000
Prevention of Domestic Violence, Office for	927,000	927,000	0
Probation and Correctional Alternatives, Division of	68,549,000	69,603,000	1,054,000
Quality of Care and Advocacy for Persons With Disabilities, Commission on	293,000	293,000	0
Real Property Services, Office of	21,197,000	20,800,000	(397,000)
Science, Technology and Academic Research, Office of	49,035,000	44,065,000	(4,970,000)
State, Department of	4,600,911	0	(4,600,911)
State University of New York	388,913,250	411,436,000	22,522,750
Temporary and Disability Assistance, Office of	1,472,953,000	1,310,059,000	(162,894,000)
Transportation, Department of	148,016,000	103,016,000	(45,000,000)
Veterans Affairs, Division of	6,130,000	6,330,000	200,000
Subtotal	<u>31,511,074,311</u>	<u>33,147,542,500</u>	<u>1,636,468,189</u>
<b>Miscellaneous--All State Departments and Agencies</b>			
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	1,131,083,000	1,190,832,600	59,749,600
Payments to STARC / NYC	170,000,000	170,000,000	0
Regional Economic Development Program	10,000,000	0	(10,000,000)
Subtotal	<u>1,511,287,000</u>	<u>1,361,036,600</u>	<u>(150,250,400)</u>
Judiciary	500,000	1,000,000	500,000
Total	<u>33,022,861,311</u>	<u>34,509,579,100</u>	<u>1,486,717,789</u>
<b>Adjustments</b>			
Prior Year Deficiencies	227,230,000		
Recommended Deficiencies	(746,600,000)		
<b>Transfer To:</b>			
General Fund (State Operations)	8,150,000		
Appropriated 2005-06	<u>32,511,641,311</u>		

## SUMMARY OF APPROPRIATIONS

### AID TO LOCALITIES SPECIAL REVENUE FUNDS - FEDERAL (dollars)

	Available 2005-06	Recommended 2006-07	Change
Aging, Office for the	107,600,000	107,600,000	0
Agriculture and Markets, Department of	20,000,000	20,000,000	0
Arts, Council on the	520,000	520,000	0
Children and Family Services Office of	1,398,119,000	1,398,119,000	0
Crime Victims Board	36,523,000	36,523,000	0
Criminal Justice Services, Division of	58,050,000	33,050,000	(25,000,000)
Education Department, State	3,662,753,000	3,739,060,000	76,307,000
Elections, State Board of	200,000,000	0	(200,000,000)
Health, Department of	25,688,743,585	25,800,206,000	111,462,415
Higher Education Services Corporation, New York State	7,000,000	7,000,000	0
Homeland Security, Office of	350,000,000	350,000,000	0
Housing and Community Renewal, Division of	92,450,000	92,450,000	0
Labor, Department of	304,457,000	299,241,000	(5,216,000)
Mental Health, Office of	40,584,000	40,498,000	(86,000)
Alcoholism and Substance Abuse Services, Office of	145,311,000	138,314,000	(6,997,000)
Military and Naval Affairs, Division of	11,145,000	11,300,000	155,000
Motor Vehicles, Department of	14,000,000	14,400,000	400,000
Parks, Recreation and Historic Preservation, Office of	6,620,000	5,620,000	(1,000,000)
Science, Technology and Academic Research, Office of	6,500,000	6,500,000	0
State, Department of	63,700,000	59,200,000	(4,500,000)
Temporary and Disability Assistance, Office of	3,294,428,000	3,335,737,000	41,309,000
Transportation, Department of	35,414,000	42,244,000	6,830,000
Homeland Security - Miscellaneous	50,000,000	50,000,000	0
Special Federal Emergency Appropriation	1,000,000,000	1,000,000,000	0
Total	36,593,917,585	36,587,582,000	(6,335,585)
Appropriated 2005-06	36,593,917,585		

# SUMMARY OF APPROPRIATIONS

## AID TO LOCALITIES SPECIAL REVENUE FUNDS - OTHER (dollars)

	Available 2005-06	Recommended 2006-07	Change
Aging, Office for the	4,000,000	4,000,000	0
Agriculture and Markets, Department of	3,500,000	0	(3,500,000)
Arts, Council on the	200,000	200,000	0
Audit and Control, Department of	60,000,000	80,000,000	20,000,000
Banking Department	0	1,500,000	1,500,000
Children and Family Services Office of	15,780,000	15,780,000	0
Crime Victims Board	31,091,000	31,091,000	0
Criminal Justice Services, Division of	25,700,000	71,406,000	45,706,000
Education Department, State	5,631,150,000	6,060,462,000	429,312,000
Environmental Conservation, Department of	850,000	850,000	0
Health, Department of	7,801,664,000	6,769,961,000	(1,031,703,000)
Higher Education Services Corporation, New York State	69,930,000	24,000,000	(45,930,000)
Housing and Community Renewal, Division of	10,000,000	10,000,000	0
Interest on Lawyer Account	11,000,000	13,000,000	2,000,000
Labor, Department of	430,000	430,000	0
Mental Health, Office of	80,285,000	80,285,000	0
Mental Retardation and Developmental Disabilities, Office of	1,212,695,000	1,289,410,000	76,715,000
Alcoholism and Substance Abuse Services, Office of	6,540,000	8,040,000	1,500,000
Metropolitan Transportation Authority	646,000,000	644,700,000	(1,300,000)
Military and Naval Affairs, Division of	1,650,000	1,650,000	0
Parks, Recreation and Historic Preservation, Office of	5,750,000	5,750,000	0
Public Service Department	400,000	400,000	0
Quality of Care and Advocacy for Persons With Disabilities, Commission on	418,000	418,000	0
State, Department of	14,650,000	14,650,000	0
Temporary and Disability Assistance, Office of	26,361,000	16,385,000	(9,976,000)
Transportation, Department of	2,210,189,000	2,388,972,000	178,783,000
Tribal State Compact Revenue	29,368,000	14,600,000	(14,768,000)
Judiciary	104,542,662	123,553,284	19,010,622
Total	<u>18,004,143,662</u>	<u>17,671,493,284</u>	<u>(332,650,378)</u>
Adjustments			
Prior Year Deficiencies	142,000,000		
Recommended Deficiencies	<u>(320,000,000)</u>		
Appropriated 2005-06	<u>17,826,143,662</u>		

## SUMMARY OF APPROPRIATIONS

### AID TO LOCALITIES FIDUCIARY FUNDS (dollars)

	Available 2005-06	Recommended 2006-07	Change
Health, Department of	1,771,200,000	1,771,200,000	0
Temporary and Disability Assistance, Office of	20,000,000	20,000,000	0
Local Government Assistance	28,778,300,000	31,378,800,000	2,600,500,000
Total	30,569,500,000	33,170,000,000	2,600,500,000
Appropriated 2005-06	30,569,500,000		

### AID TO LOCALITIES INTERNAL SERVICE FUNDS (dollars)

	Available 2005-06	Recommended 2006-07	Change
Parole, Division of	9,250,000	9,250,000	0
Total	9,250,000	9,250,000	0
Appropriated 2005-06	9,250,000		

# SUMMARY OF APPROPRIATIONS

**CAPITAL PROJECTS APPROPRIATIONS  
ALL FUNDS  
APPROPRIATED 2005-06  
(dollars)**

	<b>Capital Projects Funds</b>	<b>Special Revenue Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Agriculture and Markets, Department of	3,000,000	0	0	3,000,000
Children and Family Services Office of	23,927,000	0	0	23,927,000
City University of New York	347,946,000	0	0	347,946,000
Correctional Services, Department of	205,000,000	0	0	205,000,000
Education Department, State	19,000,000	0	0	19,000,000
Energy Research and Development Authority, New York State	11,350,000	0	0	11,350,000
Environmental Conservation, Department of	530,468,000	0	0	530,468,000
Environmental Facilities Corporation	6,542,000	0	0	6,542,000
General Services, Office of	100,250,000	0	0	100,250,000
Health, Department of	326,600,000	0	0	326,600,000
Housing and Community Renewal, Division of	99,200,000	0	0	99,200,000
Hudson River Park Trust	5,000,000	0	0	5,000,000
Mental Health, Office of	263,814,000	0	0	263,814,000
Mental Retardation and Developmental Disabilities, Office of	136,280,000	0	0	136,280,000
Alcoholism and Substance Abuse Services, Office of	38,650,000	0	0	38,650,000
Metropolitan Transportation Authority	232,000,000	0	0	232,000,000
Military and Naval Affairs, Division of	48,800,000	0	0	48,800,000
Motor Vehicles, Department of	188,701,000	0	0	188,701,000
Parks, Recreation and Historic Preservation, Office of	47,825,000	25,000,000	0	72,825,000
State, Department of	1,600,000	0	0	1,600,000
State Police, Division of	19,200,000	0	0	19,200,000
State University of New York	784,445,000	0	0	784,445,000
Temporary and Disability Assistance, Office of	30,000,000	0	0	30,000,000
Thruway Authority, New York State	4,000,000	0	0	4,000,000
Transportation, Department of	6,761,763,000	92,702,000	50,000,000	6,904,465,000
Economic Development Program, New York State	75,000,000	0	0	75,000,000
High Technology and Development Program	250,000,000	0	0	250,000,000
Higher Education Facilities Capital Matching Grants Program	150,000,000	0	0	150,000,000
Javits Convention Center Program, New York State	350,000,000	0	0	350,000,000
Regional Economic Development Program	90,000,000	0	0	90,000,000
Total	<u>11,150,361,000</u>	<u>117,702,000</u>	<u>50,000,000</u>	<u>11,318,063,000</u>



## SUMMARY OF APPROPRIATIONS

**CAPITAL PROJECTS NEW APPROPRIATIONS AND REAPPROPRIATIONS  
ALL FUNDS  
RECOMMENDED 2006-07  
(dollars)**

	Total Recommended Appropriations 2006-07	Total Reappropriations 2006-07	Capital Projects Fund	Capital Projects Fund Advances	Federal Capital Projects Fund	All Other Fund Types (a)	Total Capital Projects 2006-07
Agriculture and Markets, Department of	43,750,000	5,865,000	0	0	0	49,615,000	49,615,000
Children and Family Services Office of	32,510,000	93,134,000	0	0	0	125,644,000	125,644,000
City University of New York	35,000,000	2,032,994,000	0	0	0	2,067,994,000	2,067,994,000
Correctional Services, Department of	248,000,000	820,865,000	0	0	0	1,068,865,000	1,068,865,000
Education Department, State	33,200,000	38,391,000	0	0	0	71,591,000	71,591,000
Empire State Development Corporation	624,400,000	469,000,000	0	0	0	1,093,400,000	1,093,400,000
Energy Research and Development Authority, New York State	14,000,000	0	0	0	0	14,000,000	14,000,000
Environmental Conservation, Department of	569,120,000	3,102,434,000	1,481,000	5,369,000	0	3,664,704,000	3,671,554,000
Environmental Facilities Corporation	343,000	6,305,000	0	0	0	6,648,000	6,648,000
General Services, Office of	122,800,000	244,356,000	0	0	0	367,156,000	367,156,000
Health, Department of	300,537,000	450,603,000	0	0	0	751,140,000	751,140,000
Housing and Community Renewal, Division of	74,200,000	387,847,000	0	0	0	462,047,000	462,047,000
Hudson River Park Trust	26,000,000	51,254,000	0	0	0	77,254,000	77,254,000
Mental Health, Office of	610,285,000	615,127,000	0	0	0	1,225,412,000	1,225,412,000
Mental Retardation and Developmental Disabilities, Office of	147,600,000	273,675,000	0	0	0	421,275,000	421,275,000
Alcoholism and Substance Abuse Services, Office of	77,416,000	163,608,000	0	0	0	241,024,000	241,024,000
Metropolitan Transportation Authority	297,000,000	268,000,000	0	0	0	565,000,000	565,000,000
Military and Naval Affairs, Division of	47,500,000	104,000,000	0	0	0	151,500,000	151,500,000
Motor Vehicles, Department of	191,419,000	0	0	0	0	191,419,000	191,419,000
Parks, Recreation and Historic Preservation, Office of	49,800,000	147,767,000	0	0	0	197,567,000	197,567,000
Science, Technology and Academic Research, Office of	0	25,831,000	0	0	0	25,831,000	25,831,000
State, Department of	1,000,000	88,171,000	0	0	0	89,171,000	89,171,000
State Police, Division of	20,100,000	21,470,000	0	0	0	41,570,000	41,570,000
State University of New York	440,000,000	4,023,715,000	0	0	0	4,463,715,000	4,463,715,000
Temporary and Disability Assistance, Office of	30,000,000	140,086,000	0	0	0	170,086,000	170,086,000
Technology, Office for	75,000,000	0	0	0	0	75,000,000	75,000,000
Thruway Authority, New York State	4,000,000	6,501,000	0	0	0	10,501,000	10,501,000
Transportation, Department of	4,155,560,000	12,943,791,000	0	0	0	17,099,351,000	17,099,351,000
Economic Development Capital	0	1,450,000,000	0	0	0	1,450,000,000	1,450,000,000
Economic Development and Natural Resource Preservation	0	750,000	0	0	0	750,000	750,000
Economic Development Program, New York State	0	425,000,000	0	0	0	425,000,000	425,000,000
High Technology and Development Program	0	250,000,000	0	0	0	250,000,000	250,000,000
Higher Education Facilities Capital Matching Grants Program	0	150,000,000	0	0	0	150,000,000	150,000,000
Homeland Security - Miscellaneous	0	30,961,000	0	0	0	30,961,000	30,961,000
Javits Convention Center Program, New York State	0	350,000,000	0	0	0	350,000,000	350,000,000
Regional Economic Development Program	0	90,000,000	0	0	0	90,000,000	90,000,000
State Equipment Finance Program	117,000,000	0	0	0	0	117,000,000	117,000,000
Strategic Investment Program	0	225,000,000	0	0	0	225,000,000	225,000,000
World Trade Center	265,000,000	257,648,000	0	0	0	522,648,000	522,648,000
Judiciary	3,000,000	61,000	0	0	0	3,061,000	3,061,000
<b>Total</b>	<b>8,655,540,000</b>	<b>29,754,210,000</b>	<b>1,481,000</b>	<b>5,369,000</b>	<b>0</b>	<b>38,402,900,000</b>	<b>38,409,750,000</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 2006-07  
(dollars)**

	Total Appropriated 2005-06	Capital Projects Funds	Special Revenue Funds	Fiduciary Funds	Total Recommended 2006-07	Change From 2005-06
Agriculture and Markets, Department of	3,000,000	43,750,000	0	0	43,750,000	40,750,000
Children and Family Services Office of	23,927,000	32,510,000	0	0	32,510,000	8,583,000
City University of New York	347,946,000	35,000,000	0	0	35,000,000	(312,946,000)
Correctional Services, Department of	205,000,000	245,000,000	3,000,000	0	248,000,000	43,000,000
Education Department, State	19,000,000	33,200,000	0	0	33,200,000	14,200,000
Empire State Development Corporation	0	624,400,000	0	0	624,400,000	624,400,000
Energy Research and Development Authority, New York State	11,350,000	14,000,000	0	0	14,000,000	2,650,000
Environmental Conservation, Department of	530,468,000	569,120,000	0	0	569,120,000	38,652,000
Environmental Facilities Corporation	6,542,000	343,000	0	0	343,000	(6,199,000)
General Services, Office of	100,250,000	122,800,000	0	0	122,800,000	22,550,000
Health, Department of	326,600,000	300,537,000	0	0	300,537,000	(26,063,000)
Housing and Community Renewal, Division of	99,200,000	74,200,000	0	0	74,200,000	(25,000,000)
Hudson River Park Trust	5,000,000	26,000,000	0	0	26,000,000	21,000,000
Mental Health, Office of	263,814,000	610,285,000	0	0	610,285,000	346,471,000
Mental Retardation and Developmental Disabilities, Office of	136,280,000	147,600,000	0	0	147,600,000	11,320,000
Alcoholism and Substance Abuse Services, Office of	38,650,000	77,416,000	0	0	77,416,000	38,766,000
Metropolitan Transportation Authority	232,000,000	297,000,000	0	0	297,000,000	65,000,000
Military and Naval Affairs, Division of	48,800,000	47,500,000	0	0	47,500,000	(1,300,000)
Motor Vehicles, Department of	188,701,000	191,419,000	0	0	191,419,000	2,718,000
Parks, Recreation and Historic Preservation, Office of	72,825,000	39,800,000	10,000,000	0	49,800,000	(23,025,000)
State, Department of	1,600,000	1,000,000	0	0	1,000,000	(600,000)
State Police, Division of	19,200,000	20,100,000	0	0	20,100,000	900,000
State University of New York	784,445,000	440,000,000	0	0	440,000,000	(344,445,000)
Temporary and Disability Assistance, Office of	30,000,000	30,000,000	0	0	30,000,000	0
Technology, Office for	0	75,000,000	0	0	75,000,000	75,000,000
Thruway Authority, New York State	4,000,000	4,000,000	0	0	4,000,000	0
Transportation, Department of	6,904,465,000	4,031,566,000	73,994,000	50,000,000	4,155,560,000	(2,748,905,000)
Economic Development Program, New York State	75,000,000	0	0	0	0	(75,000,000)
High Technology and Development Program	250,000,000	0	0	0	0	(250,000,000)
Higher Education Facilities Capital Matching Grants Program	150,000,000	0	0	0	0	(150,000,000)
Javits Convention Center Program, New York State	350,000,000	0	0	0	0	(350,000,000)
Regional Economic Development Program	90,000,000	0	0	0	0	(90,000,000)
State Equipment Finance Program	0	117,000,000	0	0	117,000,000	117,000,000
World Trade Center	0	265,000,000	0	0	265,000,000	265,000,000
Judiciary	0	3,000,000	0	0	3,000,000	3,000,000
<b>Total</b>	<b>11,318,063,000</b>	<b>8,518,546,000</b>	<b>86,994,000</b>	<b>50,000,000</b>	<b>8,655,540,000</b>	<b>(2,662,523,000)</b>

# ***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 “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 2006-07 Executive Budget is presented in five volumes. The first volume, *Executive Budget Overview*, contains the Budget Director's Message which presents the Governor's fiscal blueprint for 2006-07. It also includes highlights of major initiatives and a list of legislative proposals needed to implement the proposed Budget. This document also presents tables summarizing significant changes in agency spending.

The *Four-Year Financial Plan* summarizes the Governor's Executive Budget and describes the "complete plan" of spending and revenues required by the Constitution.

The *Economic and Revenue Outlook: Analysis and Methodology* explains the specific sources of State revenues (including the economic outlook for the nation and the State) and the estimating methodology behind the forecast.

The fourth book presents the *Five-Year Capital Program and Financing Plan*, which highlights major capital initiatives and objectives, and describes the approach to financing.

Finally, the *Agency Presentations* volume describes the functions of each State agency and presents tables that summarize the agency's spending by program and category. A "User's Guide" provides background information on State government and the budget process, and explains how to interpret the agency "story" tables. This book also includes the budget requests of the Legislature and Judiciary, which are submitted without revision as required by the Constitution.

A statutorily-required *Tax Expenditure Report* is published separately, shortly after the 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.

## **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 553 villages. In addition, the State is divided into 704 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 on 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 limit established by the Constitution, additional 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.

## ***USER'S GUIDE***

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The exceptions include the Commissioner of the State Education Department, who is appointed by, and serves at the pleasure of, the State Board of Regents. The State University of New York (SUNY) Chancellor and the City University of New York (CUNY) Chancellor are appointed by the Board of Trustees of each system.

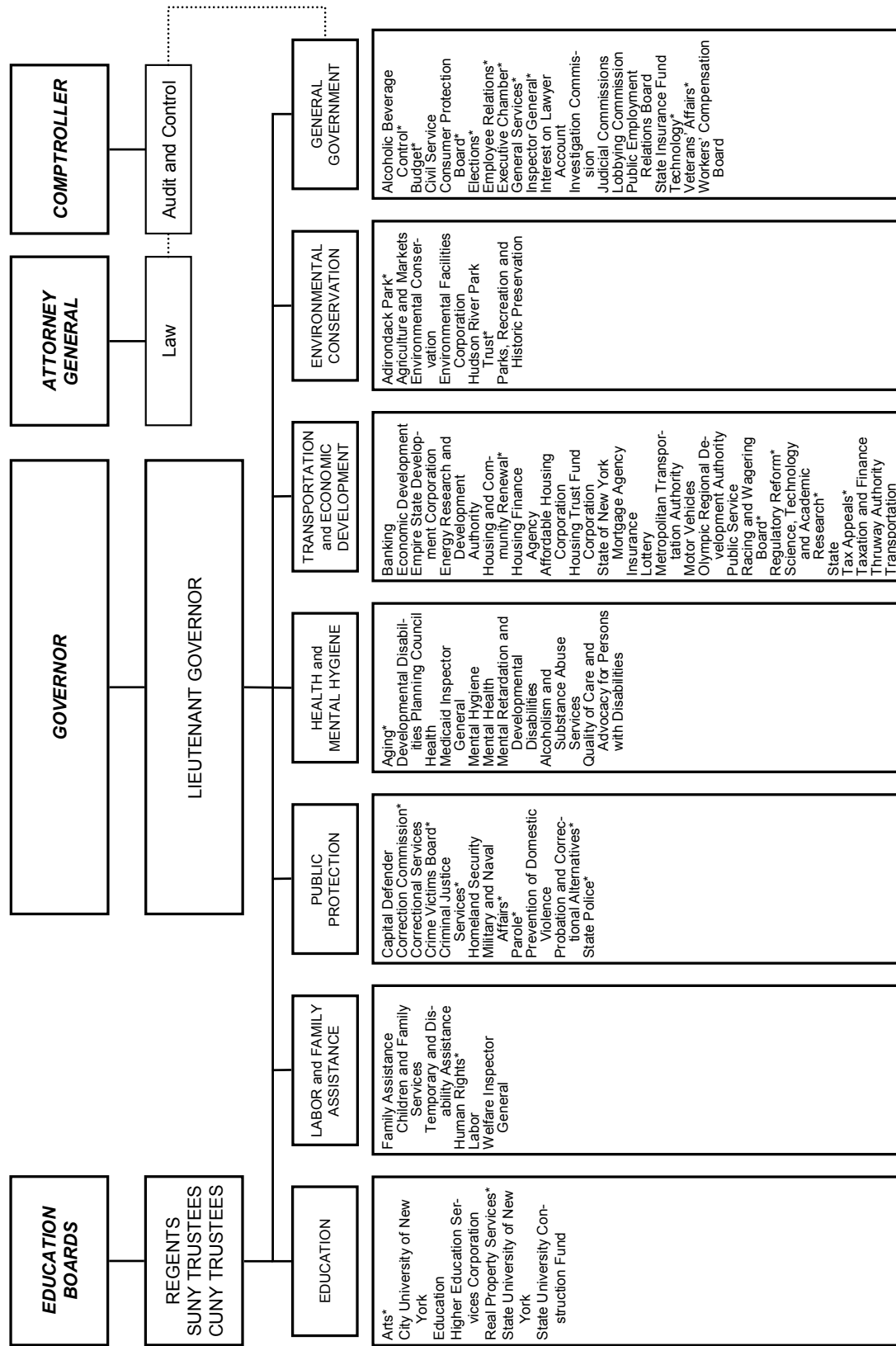
The departments and agencies whose heads report to the Governor are separate and distinct from one another. Conceptually, however, one may think of each department, board, commission, office or other entity as operating within the context of one of seven major functional areas.

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.



**FUNCTIONAL DISTRIBUTION OF STATE AGENCIES IN THE EXECUTIVE BRANCH**

January 1, 2006



\* Indicates agencies within the Executive Department

## **THE BUDGET PROCESS**

New York State's budget process uses an executive budget model. Under this system, the Executive is responsible for developing and preparing a comprehensive, balanced budget proposal, which the Legislature modifies and enacts into law. 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 the 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 the 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 also 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 "State of the State" Message to the Legislature (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 four-year 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. 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 before March 10.

Regardless of the specific process, the two houses reach agreement on spending and revenue recommendations which are reflected in amended versions of the Governor's proposed appropriation bills and related legislation, and 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 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.

## ***USER'S GUIDE***

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Prior to or upon passage of the appropriation bills, the Division of the Budget prepares a report that summarizes the impact of the Legislature's actions on the State's multi-year Financial Plan. Once the Governor completes his review of the Legislature's actions, the Division then issues a comprehensive *Enacted Budget Report* that contains the State's official Financial Plan projections for the current and two successive fiscal years. At some point following enactment of a budget for the fiscal year, the Legislature issues a summary of changes to the budget. 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 most 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.

Shortly after the end of the fiscal year, the Division of the Budget issues a comprehensive report that (1) compares unaudited year-end results to the projections set forth in the enacted budget and in the final update to the Financial Plan and (2) summarizes the reasons for the annual change in receipts and disbursements.

## **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 — 2006-07 RECOMMENDED**
- VI. STATE OPERATIONS - GENERAL FUND — SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES — 2006-07 RECOMMENDED**
- VII. STATE OPERATIONS - OTHER THAN GENERAL FUND — SUMMARY OF APPROPRIATIONS AND CHANGES — 2006-07 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**

# USER'S GUIDE

## 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.

<b>ALL FUNDS <sup>1</sup></b>				
<b>APPROPRIATIONS</b>				
(dollars)				
<sup>2</sup> <b>Category</b>	<sup>3</sup> <b>Available 2005-06</b>	<sup>4</sup> <b>Appropriations Recommended 2006-07</b>	<sup>5</sup> <b>Change</b>	<sup>6</sup> <b>Reappropriations Recommended 2006-07</b>
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	<u>74,081,450</u>	<u>75,408,100</u>	<u>1,326,650</u>	<u>233,259,500</u>

- <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 classified as Debt Service may be included, any appropriations made specifically in the Debt Service category of spending are not included in 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 FTEs 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] 2005-06 Estimated FTEs 03/31/06</b>	<b>[3] 2006-07 Estimated FTEs 03/31/07</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 FTEs may have appropriations from one or more fund types.
- [2] This column displays an estimate of FTEs on March 31, 2006 (i.e., the last day of the current fiscal year).
- [3] This column displays an estimate of FTEs on March 31, 2007 (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 FTEs recommended for the next fiscal year, with negative amounts displayed in parentheses.

## USER'S GUIDE

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

<b>[1]</b> Fund Type	<b>[2]</b> Available 2005-06	<b>[3]</b> Recommended 2006-07	<b>[4]</b> Change
General Fund	13,488,050	14,429,400	941,350
Special Revenue Funds - Federal <b>[5]</b>	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: <b>[6]</b>			
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 2005-06	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.

## USER'S GUIDE

### 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 2005-06	3 Recommended 2006-07	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 — 2006-07 RECOMMENDED**

Personal service is one of the “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 major objects are discussed in the tables that follow.

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2006-07 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

## ***USER'S GUIDE***

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bargaining with 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 — 2006-07 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  
2006-07 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

<b>4</b> 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

<b>6</b> 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.

## **USER'S GUIDE**

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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 — 2006-07 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  
2006-07 RECOMMENDED**

<b>1</b> Program	<b>2</b> Total		<b>3</b> 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	<b>3</b> Nonpersonal Service		<b>3</b> 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.

## USER'S GUIDE

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 2005-06	Recommended 2006-07	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 2005-06	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</b> Program	<b>2</b> Available 2005-06	<b>3</b> Recommended 2006-07	<b>4</b> Change
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.

## USER'S GUIDE

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 2005-06</b>	<b>Recommended 2006-07</b>	<b>Change</b>	<b>Reappropriations 2006-07</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 CCPs 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 the following 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 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**

The State's Financial Plan is a comprehensive estimate of the government's projected financial resources and spending requirements for the current and three subsequent fiscal years.

State laws and appropriation bills together authorize the State to collect money and use it to pay for the operations of State agencies, aid to local governments and school districts, and for capital projects and debt service.

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 Executive Budget reflects the receipts and disbursements that would result from legislative adoption of the Executive Budget recommendations. The Division prepares a revised Financial Plan shortly after the Legislature has acted on the Executive Budget. 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, the State's "rainy day" reserve, 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 is capped at 2 percent of General Fund disbursements for the fiscal year. Any General Fund surplus after the reserve contribution may be used to reduce taxes or may be carried over into the succeeding fiscal year. At the close of the fiscal year money may be loaned from the TSRF to avoid a deficit. Such loans must be repaid in three equal annual installments within a period of six years from the date of the loan. Cash assets of the TSRF are routinely loaned to the Local Assistance Account or the State Purposes Account during the fiscal year, but repaid in cash by March 31 of any fiscal year.
- **Contingency Reserve Fund**: Created by legislation accompanying the 1993-94 budget, this fund provides a reserve to fund extraordinary needs arising from litigation against the State. Its use is generally restricted to litigation cases of \$25 million or more, and requires an appropriation to authorize spending.
- **Community Projects Fund**: This fund was created by legislation accompanying the 1996-97 Budget to finance discretionary, usually local projects ("member items") sponsored by individual legislators and the Governor.
- **Fringe Benefit Escrow Fund**: This fund contains payments by State agencies of certain fringe benefit costs chargeable to other entities. It was reclassified by the State Comptroller in April 2001 from the Agency Fund group to the General Fund.

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 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, Capital Projects funds 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.

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 and construction). As contracts within each phase are established, portions of the capital construction appropriation are allocated; and disbursements are made 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, against which liabilities were incurred 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 encumbrances 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. New York State implemented GASB 34 when reporting its GAAP financial results for the

## **USER'S GUIDE**

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2002-03 fiscal year in July 2003. The Division of the Budget has modified its GAAP-basis projections to conform with 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 may sometimes 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 the *Financial Plan* volume 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 Funds 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 and 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, 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 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.

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**GAAP Revenues**

The *Economic and Revenue Outlook* 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 theory, 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.

## **USER'S GUIDE**

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The most significant of these liabilities occur in the categories of local assistance and State operations. The GAAP basis financial plan reflects:

- 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. VAs 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, each agency submits 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 that agency's opinion concerning the likelihood that the principal and interest on State debt will be paid on time. The State's current general obligation and personal income tax revenue bonds are assigned a rating of AA by Standard & Poor's, AA-minus by Fitch, and Aa3 by Moody's Investor's Service.

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 personal income and new debt service 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 bonds or notes 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** accompanies the 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-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.

**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.

**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 *Agency Presentations* 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).

The **line item veto** is a power granted to the Governor of New York State and to certain chief executives of other levels of government (but not to the U.S. President). 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.

A **surplus**, for purposes of the cash-basis Financial Plan, is an excess of receipts over disbursements at the end of a fiscal year. On a GAAP basis, a surplus is an excess of revenues over expenditures or expenses at the end of a fiscal year.





# INDEX

## A

Academic Achievement Awards Program (SED) .....	33
Acute Care (DOH) .....	120
Addiction Treatment Centers (OASAS) .....	141
Adirondack Park Agency .....	187
Adirondack Park Local Government Review Board (APA).....	187
Advantage After-School Program (SED) (OCFS).....	33, 50
Adoption Subsidies (OCFS) .....	50
Advocate for Persons with Disabilities, Office of (CQCAPD) .....	167
Affordable Housing Corporation (DHCR) .....	229
Aging, State Office for the.....	113
Agricultural Business Services (Ag&Mkts) .....	192
Agriculture and Markets, Department of.....	191
Aid for Part Time Study (HESC).....	69
AIDS Institute (DOH).....	123
Albany Port District Commission (Public Authorities).....	270
Alcoholic Beverage Control, Division of .....	335
Alcoholism and Substance Abuse Services, Office of.....	141
All State Departments and Agencies (Miscellaneous).....	461
All State Departments and Agencies Services, Expenses or Grants (Miscellaneous)....	461
Art Park (Parks) .....	261
Arts, Council on the .....	21
Assisted Outpatient Treatment Program (“Kendra’s Law”) (OMH).....	148
Audit and Control, Department of .....	337
Automated External Defibrillators (Miscellaneous) .....	462

## B

Banking Department .....	197
Battery Park City Authority (Public Authorities).....	268
Blind Veteran Annuity Assistance Program (DVA).....	451
Budget, Division of the .....	345
Buffalo and Fort Erie Public Bridge Authority (Public Authorities).....	268
Buffalo Fiscal Stability Authority (Public Authorities).....	270
BUILDNOW-NY (GORR).....	289
Bureau of Criminal Investigation (DSP).....	444
Business and Licensing Services Program (DOS).....	298
Business Permits Assistance (GORR) .....	289

## C

Camp Pharsalia (DOCS) (OMH) .....	363
Capital Defender Office .....	347
Capital Development Projects (CUNY).....	26
Capital District Transportation Authority (Public Authorities) .....	271
Capital Facility Program (NYSTAR) .....	293
Caregiver Resource Centers (SOFA).....	114
Center for Advanced Technology (NYSTAR) .....	294
Central New York Regional Transportation Authority (Public Authorities).....	271
Child Care Block Grant (OCFS).....	51
Child Health Plus (DOH).....	122
Child Support Enforcement (OTDA).....	59

## **INDEX**

---

Child Welfare Services (OCFS).....	51
Children and Family Services, Office of.....	49
City University of New York.....	25
Civil Service, Department of.....	351
Clean Air Fund (DEC).....	213
Clean Water/Clean Air Bond Act (DEC).....	213
Clean Water State Revolving Fund (EFC).....	214
Collective Bargaining Agreements (Miscellaneous).....	462
College Choice Tuition Savings Program (HESC).....	69
College Discovery Program (CUNY).....	26
College Preparatory Initiative (CUNY).....	27
Committee on Open Government (DOS).....	298
Community Colleges (CUNY).....	26
Community Colleges (SUNY).....	91
Community Green House Pilot Program (SOFA).....	114
Community Service Provider Assistance Program (Miscellaneous).....	463
Community Services for the Elderly Program (SOFA).....	113
CONNECTIONS (OCFS).....	51
Consolidated Highway Improvement Program-CHIPS (DOT).....	318
Consumer Food Services Program (Ag&Mkts).....	192
Consumer Protection Board.....	357
Cornell Cooperative Extension (SUNY).....	92
Correction, State Commission of.....	359
Correctional Industries Program (DOCS).....	363
Correctional Services, Department of.....	363
Counter-Terrorism Network (OHS).....	397
Crime Victims Board.....	369
Criminal Justice Overview and Performance Measures.....	327
Criminal Justice Services, Division of.....	373
Cultural Education Programs (SED).....	40
Cyber Security, Office of (OHS).....	398

## **D**

Day Services (OMRDD).....	162
Debt Service & Financing Agreement Payments, State.....	489
Dedicated Highway and Bridge Trust Fund (DOT).....	317
Dedicated Mass Transportation Trust Fund (DOT).....	319
Deferred Compensation Board (Miscellaneous).....	464
Design and Construction (OGS).....	389
Developmental Disabilities Planning Council.....	117
Disability Benefits Program (WCB).....	455
Disability Determinations, Division of (OTDA).....	59
Disaster Preparedness Commission (DMNA).....	422
DNA Databank (DCJS).....	373
Dormitory Authority (Public Authorities).....	269
Drinking Water State Revolving Fund Program (EFC).....	225

## **E**

eJustice NY (DCJS).....	373
eMed NY Medicaid System (DOH).....	122
Economic Development, Department of.....	201
Education Department, State.....	31
Elderly Pharmaceutical Insurance Coverage Program (DOH).....	123

Elections, State Board of.....	379
Electronic Filing Program (Lobbying).....	417
Elementary and Secondary Education Overview and Performance Measures.....	5
Elementary, Middle and Secondary Education Programs (SED).....	39
Empire Innovation Program (SUNY).....	91
Empire State Economic Development Fund (ESDC).....	208
Empire State Development Corporation.....	207
Empire State Games (Parks).....	261
Empire State Plaza Performing Arts Center Corporation (Arts).....	21
Empire Zones (DED).....	201
Employee Relations, Office of.....	383
Energy Research and Development Authority.....	211
Enhance Community-Based Program (OMH).....	150
Environment and Recreation Overview and Performance Measures.....	177
Environmental Conservation, Department of.....	213
Environmental Facilities Corporation.....	225
Environmental Protection Fund (DEC).....	214
Environmental Protection Fund (Parks).....	261
Environmental Quality Bond Act - 1986 (DEC).....	216
Equipment Finance Program (Miscellaneous).....	461
Evidence-Based Community Initiative (OCFS).....	49
Executive Chamber.....	387
Expanded In-Home Services for the Elderly Program (SOFA).....	113
Extraordinary Energy Costs Program (Miscellaneous).....	466

**F**

Faculty Development Program (NYSTAR).....	294
Family Assistance (OTDA).....	59
Family Health Plus (DOH).....	122
Federal Family Education Loan Program (HESC).....	67
Federal Farmers Market Nutrition Program (Ag&Mkts).....	192
Federal Food Stamp Program (OTDA).....	61
Federal National Affordable Housing Act Program (DHCR).....	231
Federal Nutrition Assistance Program for Women, Infants and Children (WIC) (DOH).....	123
Federal Transportation Act (DOT).....	318
Fire Prevention and Control, Office of (DOS).....	297
Flex Aid (SED).....	36
Foster Care Block Grant (OCFS).....	50
Fraud Inspector General, Office of (OFIG) (WCB).....	455

**G**

GEAR-UP (HESC).....	68
General Public Health Works Program (DOH).....	123
General Services, Office of.....	389
General State Charges (Miscellaneous).....	466
Geriatric Mental Health Act (OMH).....	149
Green Thumb Program (Miscellaneous).....	469
Greenway Heritage Conservancy of the Hudson River Valley (Miscellaneous).....	469
“GuardHELP” (DMNA).....	422

**H**

Health, Department of..... 119  
Health Care Overview and Performance Measures ..... 105  
Health Care Reform Act (DOH)..... 120  
Healthcare Efficiency and Affordability Law for New Yorkers (HEAL NY) (DOH) .. 123  
Health Insurance Contingency Reserve (Miscellaneous) ..... 470  
Health Insurance Reserve Receipts Fund (Miscellaneous)..... 470  
Healthy New York Program (Ins)..... 244  
Heavy Duty Inspection and Maintenance Program (DEC)..... 216  
Higher Education (Miscellaneous) ..... 470  
Higher Education and Regulation of the Professions, Office of (SED) ..... 40  
Higher Education Facilities Capital Matching Grants Program (Miscellaneous) ..... 471  
Higher Education Overview and Performance Measures ..... 9  
Higher Education Services Corporation ..... 67  
Holocaust Claims Processing Office (Bank) ..... 197  
Home and Community Based Services Waiver Programs (OMRDD)..... 161  
Home Energy Assistance Program (HEAP) (OTDA) ..... 59  
Homeland Security (Miscellaneous) ..... 472  
Homeland Security, Office of ..... 397  
Homes for Working Families Program (DHCR)..... 234  
Housing and Community Renewal, Division of..... 229  
Housing Finance Agency..... 235  
Housing Project Repair Program (DHCR) ..... 231  
Housing Trust Fund Corporation (DHCR)..... 229  
Hudson River Park Trust ..... 241  
Hudson River Valley Greenway Communities Council (Miscellaneous) ..... 473  
Human Rights, Division of..... 73

**I**

“I ♥ NY” (DED)..... 201  
Indian Gaming (R&W) ..... 286  
Industrial Finance Program (EFC)..... 226  
Inspector General, Office of the State..... 401  
Institute for Basic Research (IBR) (OMRDD) ..... 160  
Insurance and Securities Funds Reserve Guarantee (Miscellaneous)..... 474  
Insurance Department ..... 243  
Integrated Testing System (CS)..... 352  
Interagency Veterans’ Council (DVA)..... 452  
Interest on Lawyer Account..... 405  
International Trade Program (DED) ..... 202  
Investigation, Temporary State Commission of ..... 407

**J**

JOBS NOW Program (ESDC)..... 208  
Judicial Commissions ..... 409  
Judicial Conduct, Commission on (Judicial Commissions) ..... 409  
Judicial Nomination, Commission on (Judicial Commissions) ..... 409  
Judicial Screening Committees, Governor’s (Judicial Commissions) ..... 409  
Judiciary, the..... 499  
Judiciary, Commentary of the Governor on the..... 497

**L**

Labor, Department of.....	77
Lake George Park Commission (DOS).....	298
Language Immersion Program (CUNY).....	27
Law, Department of.....	413
Legislature.....	521
Lieutenant Governor (Legislature).....	521
Linked Deposit Program (DED).....	203
Lobbying, Temporary State Commission on.....	417
Local Government and Community Services Program (DOS).....	297
Local Government Assistance (Miscellaneous).....	475
Long Island Power Authority (Public Authorities).....	269
Long Term Care (DOH).....	121
Long-Term Care Ombudsman Program (SOFA).....	114
Lottery, Division of the.....	247
Low-Income Housing Tax Credit Program (DHCR).....	229

**M**

Managed Care (DOH).....	121
Marchiselli Program (DOT).....	318
Mass Transportation Operating Assistance Fund (DOT).....	319
Medicaid (DOH).....	119
Medicaid Inspector General, Office of.....	135
Mental Health, Office of.....	147
Mental Hygiene, Department of.....	139
Mental Hygiene Overview and Performance Measures.....	109
Mental Retardation and Developmental Disabilities, Office of.....	159
Metropolitan Transportation Authority.....	249
Military and Naval Affairs, Division of.....	421
Military Readiness (DMNA).....	421
Minority- and Women-Owned Business Development and Lending Programs (ESDC).....	208
Mortgage Agency, State of New York.....	237
Motor Fuel Quality and Clean Air (Ag & Mkts.).....	192
Motor Vehicles, Department of.....	253
MTA Bridges and Tunnels (MTA).....	249
MTA New York City Transit (MTA).....	249
Municipal Assistance Corporation for the City of New York (Public Authorities).....	269
Municipal Assistance Corporation for the City of Troy (Public Authorities).....	269
Municipal Bond Bank Agency (Public Authorities).....	270

**N**

Nassau County Interim Finance Authority (Public Authorities).....	269
Nathan S. Kline Institute (OMH).....	147
National and Community Service (Miscellaneous).....	477
Natural Heritage Trust (Parks).....	262
New York Benefits Eligibility and Accounting System (CS).....	351
New York City Alliance for Minority Participation (CUNY).....	27
New York Power Authority (Public Authorities).....	268
New York Psychiatric Institute (OMH).....	147
New York State Bridge Authority (Public Authorities).....	268
New York State Canal Corporation (Thruway).....	315

## **INDEX**

---

Niagara Frontier Transportation Authority (Public Authorities) .....	271
Northeastern Queens Nature (Miscellaneous) .....	478
No Telemarketing Sales Call Law (CPB) .....	357
NYeNet (OFT) .....	447
NYS-Cares (OMRDD) .....	160
NYS-OPTS (OMRDD) .....	160
New York Patriot Plan (VA) .....	451
NYS Theatre Institute (Arts) .....	21

### **O**

Ogdensburg Bridge and Port Authority (Public Authorities) .....	270
Olympic Regional Development Authority .....	257
Online Permit and Licensing System (GORR) .....	289
Open Government, Committee on (DOS) .....	298
Operation IMPACT (DCJS) .....	373
Operation SAFE CHILD (DCJS) .....	373

### **P**

Parks, Recreation and Historic Preservation, Office of .....	261
Parole, Division of .....	427
Parole Operations Program (Parole) .....	428
Payment to the City of New York (Miscellaneous) .....	479
Performing Arts Center Corporation (Arts) .....	21
Permanent Housing for Homeless Families, Program (DHCR) .....	231
Persons in Need of Supervision (PINS) Foster Care Program (OCFS) .....	52
Pipeline for Jobs Program (EFC) .....	227
Port Authority of New York and New Jersey (Public Authorities) .....	270
Port of Oswego Authority (Public Authorities) .....	271
Prevention of Domestic Violence, Office for the .....	435
Probation and Correctional Alternatives, Division of .....	431
Public Assistance and Children Services Overview and Performance Measures .....	15
Public Authority Reform, (Miscellaneous) .....	480
Public Authorities, New York State .....	267
Public Employment Practices and Representation, Office of .....	439
Public Employment Relations Board .....	439
Public Management Institute (PMI) (CS) .....	352
Public Service, Department of .....	281
Public Service Commission (DPS) .....	281

### **Q**

Quality of Care and Advocacy for Persons With Disabilities, Commission on .....	167
---	-----

### **R**

Racing and Wagering Board, State .....	285
Racing Reform Program (Miscellaneous) .....	480
REBUILDNOW - NY (GORR) .....	289
Real Property Management and Development (OGS) .....	389
Real Property Services, Office of .....	83
Recruitment Incentive and Retention Program (DMNA) .....	422
Recycling Market Development Program (DED) .....	203
Regulatory Reform, Governor's Office of .....	289
Rent Administration Program (DHCR) .....	230

Reserve for Federal Audit Disallowances (Miscellaneous).....	481
Residential Services (OMRDD) .....	162
Review of State Testing Administration (Miscellaneous).....	481
Rochester-Genesee Regional Transportation Authority (Public Authorities) .....	271
Roswell Park Cancer Institute Corporation (DOH).....	119

**S**

SAFETEA-LU (DOT) .....	318
Safety Net Assistance Program (OTDA).....	59
School Aid (SED) .....	36
School Choice (SED).....	37
School District Income Verification Program (ORPS).....	85
School Tax Relief (STAR) (ORPS).....	83
School Tax Relief (STAR) (SED) .....	36
Science, Technology, and Academic Research, Office of.....	293
SEMATECH (SUNY) .....	93
SEMI-NY (GORR).....	289
Senior Colleges (CUNY).....	25
Social Security Disability Insurance (OTDA).....	59
Solid Waste Management Act -1988 (DEC) .....	216
Sound Basic Education Aid Program (SED) .....	36
Special Emergency Appropriation (Miscellaneous).....	482
Special Federal Emergency Appropriation (Miscellaneous).....	482
Special Needs Plans (DOH).....	121
Special Pay Bill (Miscellaneous) .....	483
STAR Plus (SED) .....	38
State, Department of .....	297
State Athletic Commission (DOS).....	298
State Central Register Child Abuse Hotline (OCFS).....	52
State Emergency Management Office (SEMO) (DMNA).....	421
State Ethics Commission (DOS).....	298
State Fair (Ag&Mkts).....	192
State Labor Relations Board .....	421
State-Operated Colleges (SUNY).....	89
State Park Infrastructure Fund (Parks).....	262
State Police, Division of .....	443
State Superfund Program (DEC) .....	216
State University Construction Fund.....	97
State University of New York.....	89
Statewide Automated Fingerprint System (DCJS).....	373
Statewide Wireless Network (Miscellaneous).....	483
Summary of Appropriations .....	537
SUNY Hospitals (SUNY).....	91
SUNY Learning Network (SUNY).....	93
Supplemental Nutrition Assistance Program (SOFA).....	113
Supplemental Security Income (SSI) (OTDA).....	59
Support for Consumers Living in Their Own Homes (OMRDD).....	162
Supportive Services Programs (OTDA) .....	61
Surrogate Decision Making Committee Program (CQCAPD).....	168
Systems Modernization, Office for (WCB).....	456

**T**

Tax Appeals, Division of.....	311
-------------------------------	-----

## **INDEX**

---

Taxation and Finance, Department of.....	303
Teacher Mentor Intern Program (SED) .....	33
Teachers of Tomorrow (SED) .....	33
Technology, Office for.....	447
Technology-Related Assistance for Individuals with Disabilities (TRAID) (CQCAPD) .....	168
Technology Transfer Incentive Program (NYSTAR).....	293
Tele-Claims Centers (DOL).....	78
Temporary and Disability Assistance, Office of .....	59
Temporary Assistance for Needy Families (TANF) (OCFS).....	50
Temporary Assistance for Needy Families (TANF) (OTDA).....	60
Thousand Islands Bridge Authority (Public Authorities).....	274
Thruway Authority.....	315
Tobacco Settlement Financing Corporation (Public Authorities) .....	270
Transition of Government (Miscellaneous).....	484
Transportation, Department of.....	317
Transportation Overview and Performance Measures.....	181
Tribal State Compact Revenue (Miscellaneous).....	485
Tug Hill Commission (DOS).....	299
Tuition Assistance Program (HESC).....	67

### **U**

Unemployment Insurance (DOL) .....	78
United Nations Development Corporation (Public Authorities) .....	268
Urban and Community Development Program (ESDC) .....	208
Urban Development Corporation (ESDC).....	207
U.S. Open (Parks).....	262
User's Guide .....	557

### **V**

VESID (SED) .....	41
Veterans' Affairs, Division of.....	451
Veterans' Education Program (DVA).....	451

### **W**

Wadsworth Center for Laboratories and Research (DOH) .....	124
Waste Tire Management and Recycling Act -2003 (DEC) .....	214
Weatherization Assistance Program (DHCR) .....	230
Welfare Inspector General, Office of .....	99
Welfare Management System (OTDA) .....	59
Welfare-to-Work Caseload Management System (OTDA).....	59
Willard Drug Treatment Campus (DOCS).....	363
Worker Protection (DOL).....	78
Workers' Compensation Board .....	455
Workers' Compensation Reserve (Miscellaneous).....	485
Workforce Investment Act (DOL).....	77
World Trade Center Rebuilding and Revitalization (Miscellaneous).....	485

### **Y**

Youth Facilities Program (OCFS) .....	51
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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
Ag&Mkts	Department of Agriculture and Markets
APA	Adirondack Park Agency
Arts	Council on the Arts
Bank	Banking Department
CDO	Capital Defender Office
CPB	Consumer Protection Board
CQCAPD	Commission on Quality of Care and Advocacy for Persons with Disabilities
CS	Department of Civil Service
CUNY	City University of New York
CVB	Crime Victims Board
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
HRPT	Hudson River Park Trust
IG	Inspector General, Office of the State
Ins	Insurance Department
IOLA	Interest on Lawyer Account
Law	Department of Law
Lottery	Division of the Lottery
MTA	Metropolitan Transportation Authority
NYSTAR	Office of Science, Technology and Academic Research

## **KEY TO AGENCY ABBREVIATIONS**

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OASAS	Office of Alcoholism and Substance Abuse Services
OCFS	Office of Children and Family Services
OER	Office of Employee Relations
OHS	Office of Homeland Security
OFT	Office for Technology
OGS	Office of General Services
OMH	Office of Mental Health
OMIG	Office of Medicaid Inspector General
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	Office of Welfare Inspector General
Parks	Office of Parks, Recreation and Historic Preservation
Parole	Division of Parole
PERB	Public Employment Relations Board
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
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