

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

OVERVIEW AND PERFORMANCE MEASURES

ENVIRONMENT AND RECREATION

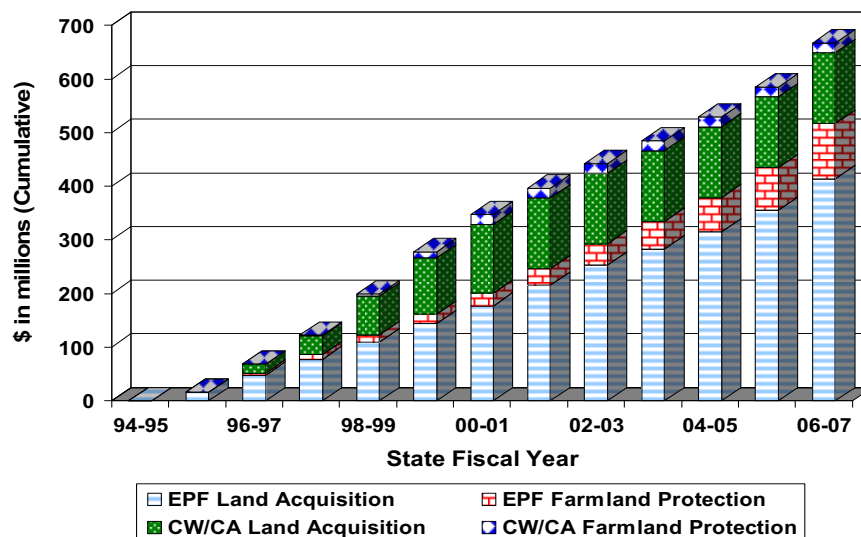
The following charts provide information on performance and fiscal measures related to New York's environmental protection and recreation programs. Annual environmental spending will exceed \$1.6 billion in the proposed budget.

The information below is based on the most recent data available from the departments of Environmental Conservation 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. (see charts 1 and 2)
- State investments in water quality including improvements to Onondaga Lake, the Hudson River and Long Island Sound. (see charts 3 and 4)
- Acid rain improvements and other air quality improvements that directly impact public health and safety. (see chart 5)
- Superfund and Brownfield program accomplishments including increased program participation. (see chart 6)

The State has preserved valuable open space for recreational, habitat protection and water quality purposes. The two primary funding sources were the 1996 Clean Water/Clean Air Bond Act (CW/CA) and Environmental Protection Fund (EPF) which the budget increases to \$250 million.

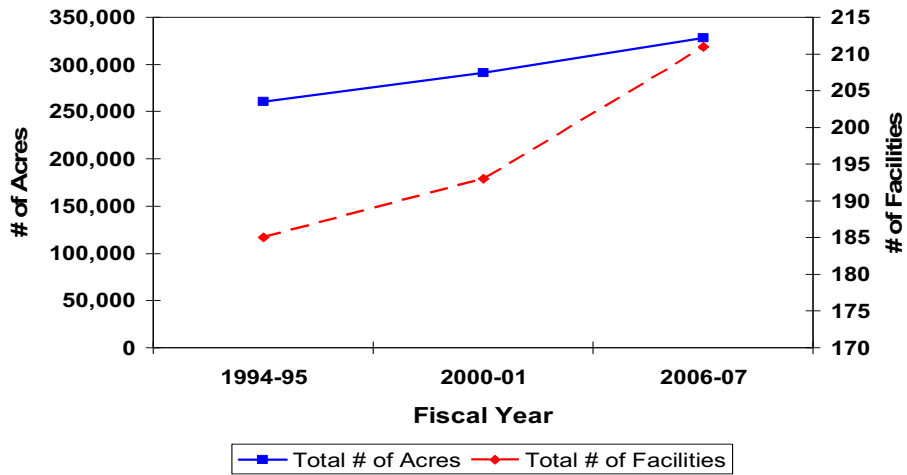
Open Space Investment



In addition to the thousands of acres of open space that have been preserved, this level of funding has also spurred the acquisition and creation of new State parks. Currently, the State park system has 176 parks and 35 State historic sites. 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.

ENVIRONMENT AND RECREATION

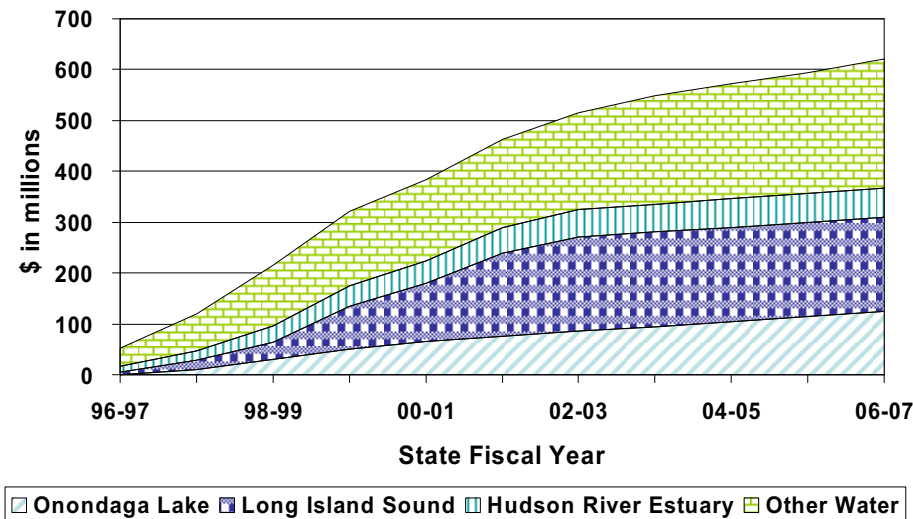
State Park System Expansion



Significant investments have been made in improving the quality of the State's water bodies. Over \$600 million has been invested in improving Onondaga Lake, Long Island Sound and the Hudson River. Achievements include significant reductions in ammonia levels, reduction in phosphorous discharges into Onondaga Lake, and nitrogen loadings to the Long Island Sound have been reduced.

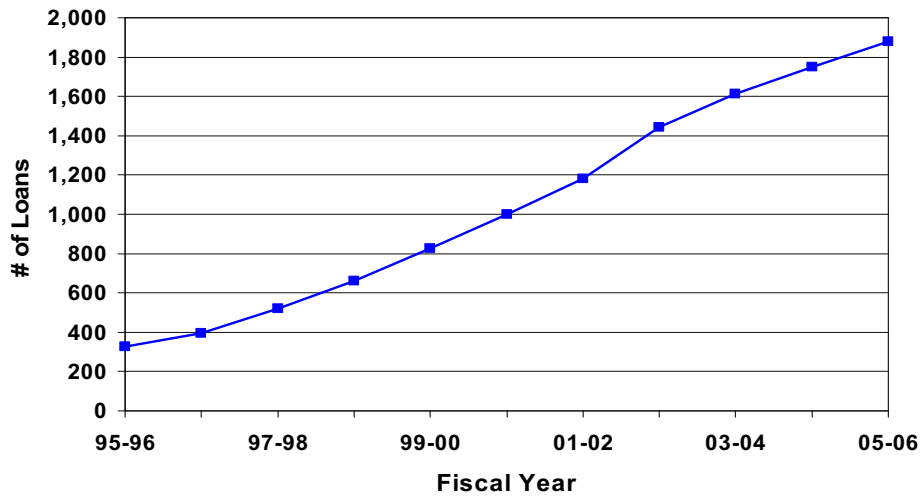
A Decade of Investment in Water Quality

Department of Environmental Conservation



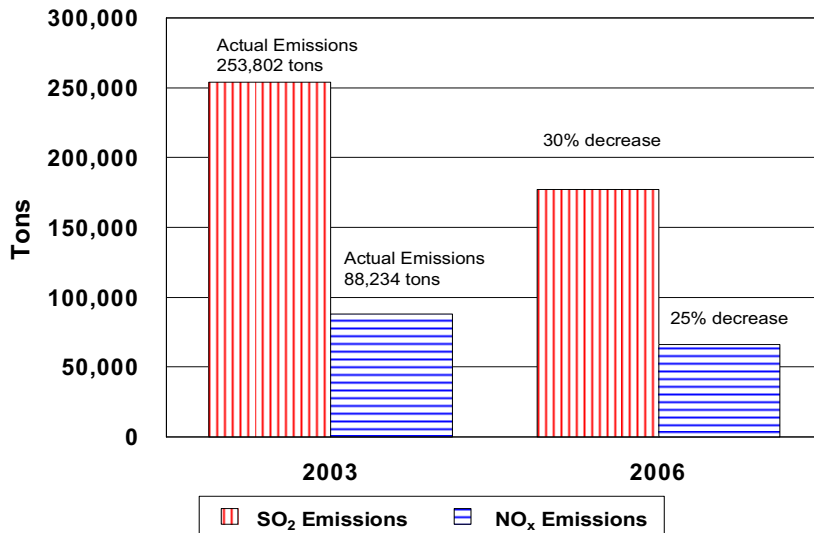
Additionally, the chart below shows the commitment to local communities and their water quality infrastructure needs. The Environmental Facilities Corporation has provided municipalities across the State with over 1,800 low interest and no interest loans from the Clean Water and Safe Drinking Water State Revolving Loan Funds (SRF). Loans from these sources have totaled over \$13.7 billion.

Cumulative SRF Loans Issued



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 (SO₂) and nitrogen oxides (NO_x), pollutants directly linked to human health as well as severe negative environmental effects, have been dramatically reduced.

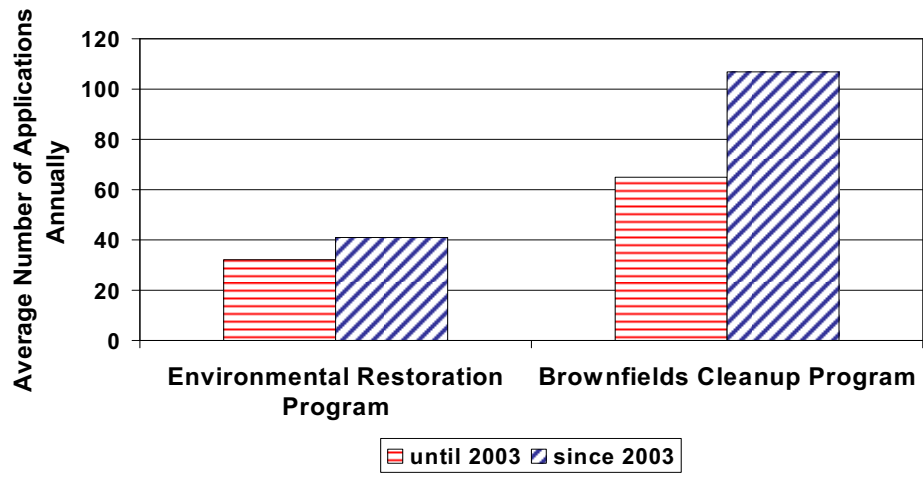
**SO₂ and NO_x Emissions
2003 to 2006**



The State Superfund and Brownfield programs provide \$135 million in annual funding, tax credits of \$135 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.

ENVIRONMENT AND RECREATION

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

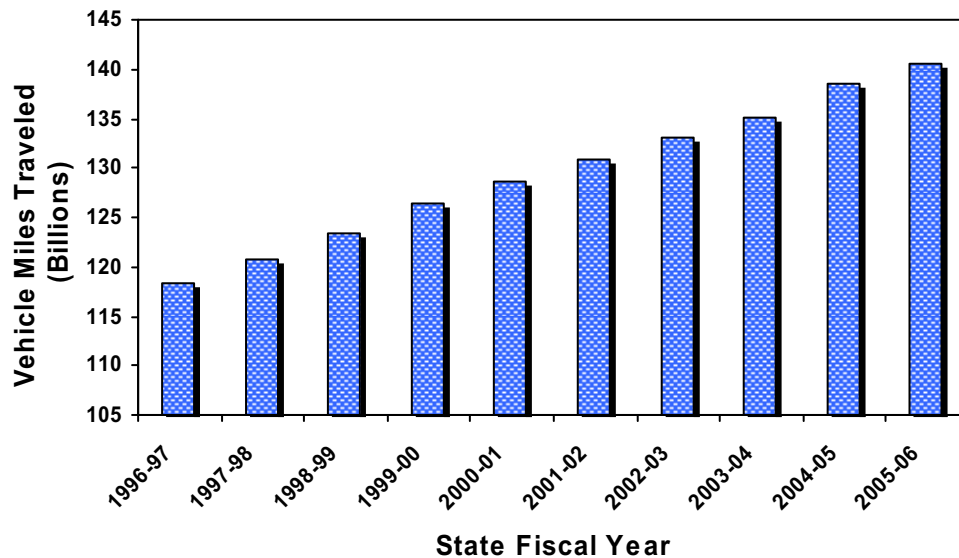


TRANSPORTATION

The following charts provide information on performance and fiscal measures related to New York's highway and bridge, and transit programs. 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:

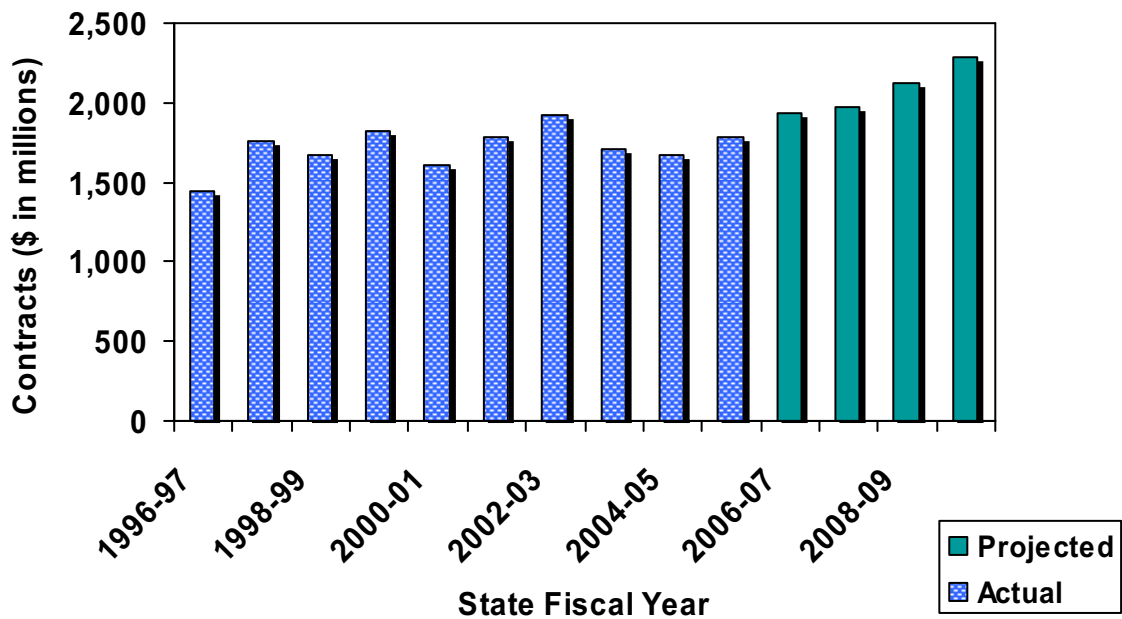
- Annual vehicle miles traveled on the State's highway and bridge system since 1996-97;
- Annual construction contract value on State and local highways and bridges since 1996-97 and throughout the current DOT five-year capital plan;
- Annual dedication of transportation revenues since 1996-97;
- State highway pavement condition ratings since 1997;
- State bridge condition ratings since 1997;
- Motor vehicle fatalities on State highways and bridges since 1996;
- Annual passenger trips on mass transit systems since 1996-97; and
- Annual State transit aid since 1996-97.

State Highway and Bridge Utilization



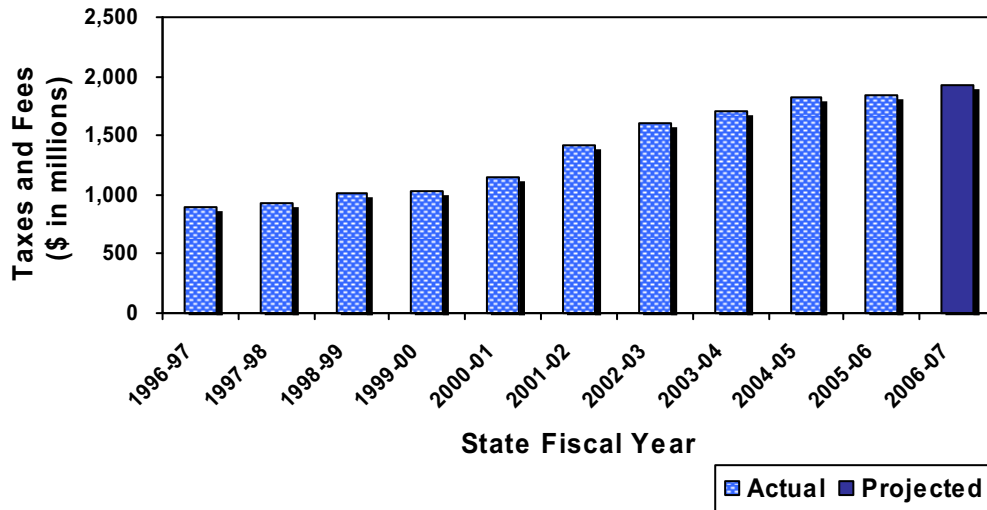
Utilization of New York's highway and bridge system has increased significantly, with the number of vehicle miles traveled on State highways and bridges up by more than 18 percent over the past ten years. Increased utilization, along with the regular freeze and thaw cycles experienced by northern states, increases wear and tear on roads and bridges leading to the need for increased capital investment.

Highway & Bridge Construction Projects



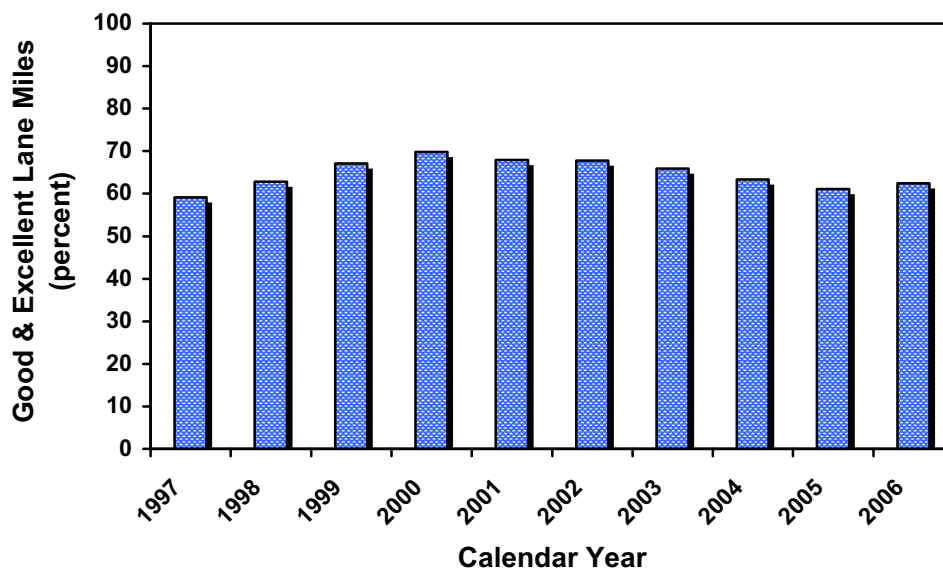
In order to maintain New York's transportation system in the face of increased utilization, the level of annual investment has also increased. Capital investment in highway and bridges authorized since 1996-97, through the end of 2005-06 has increased \$336 million, or 23 percent. By the end of the most recently authorized transportation capital plan in 2009-10, the annual investment will have increased by an additional \$505 million or 28 percent, including \$133 million in new capital investments proposed for 2009-10, in the 2007-08 Executive Budget.

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 115 percent over the past 11 years.

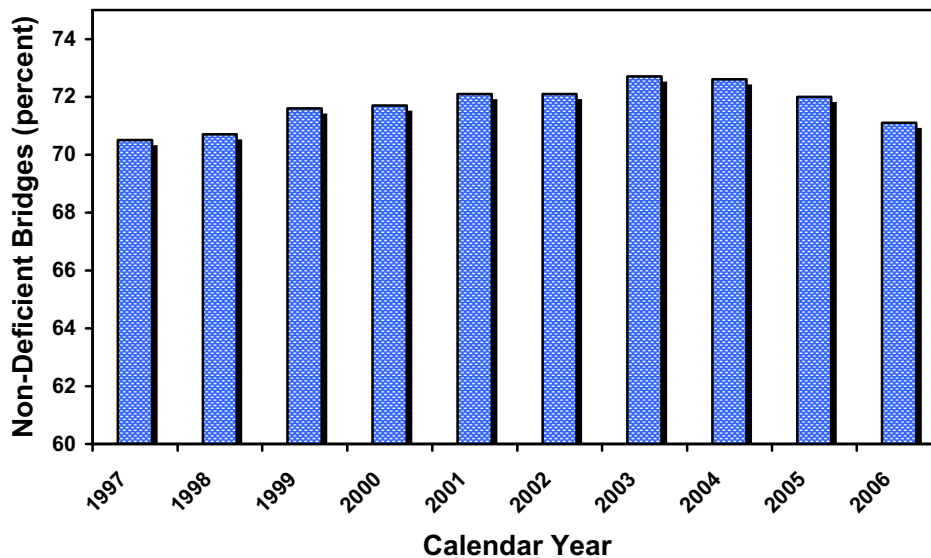
State Pavement Conditions



TRANSPORTATION

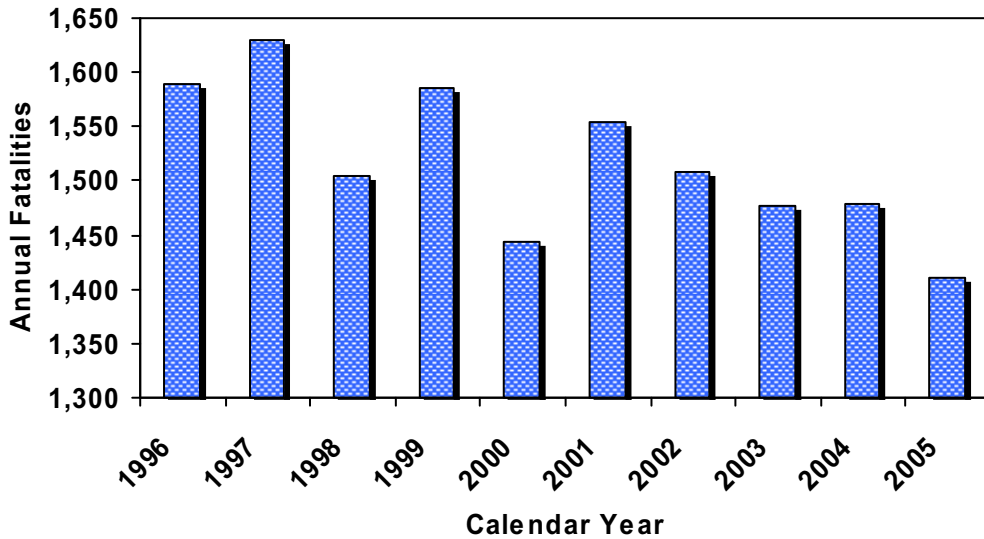
The condition of State pavements has improved over a ten-year period, with the percentage of pavement rated good and excellent increasing from 59 percent in 1997 to 62 percent in 2006. However, since 2000, the percentage of pavements rated good and excellent has decreased. This decline is due primarily to an aging infrastructure that is nearing its useful life, 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). The Executive Budget includes additional resources for DOT's Maintenance First initiative for targeted investments to extend the life-cycle of existing assets and avert further system deterioration.

State Bridge Conditions



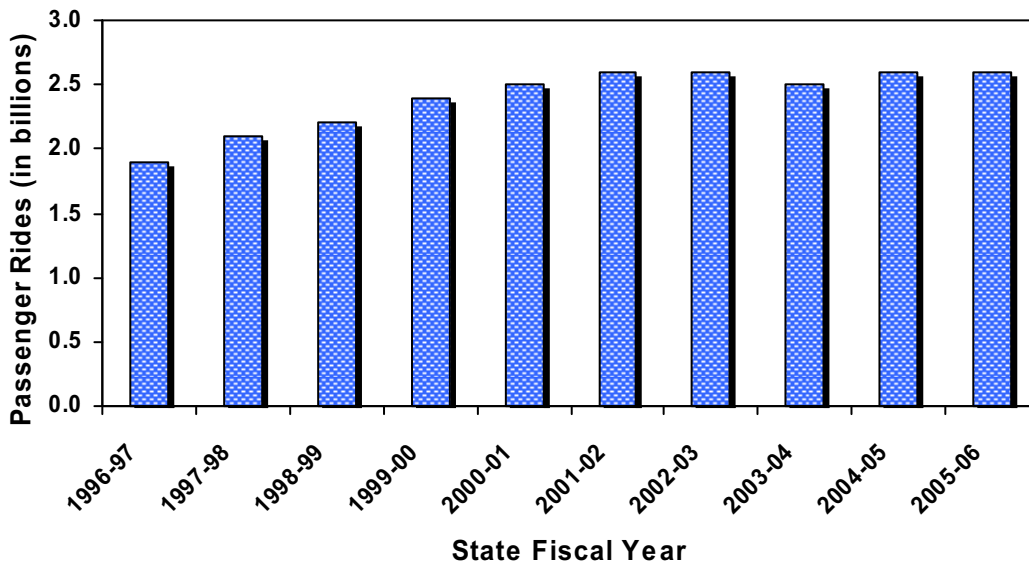
The condition of State bridges has also improved slightly over a ten-year period, with the percentage rated non-deficient increasing from over 70 percent in 1997, to 71 percent in 2006. However, since 2003, the percentage of non-deficient bridges has declined. The Executive Budget includes additional resources that will be available through DOT's Maintenance First initiative for targeted preventive maintenance on State bridges.

Motor Vehicle Fatalities



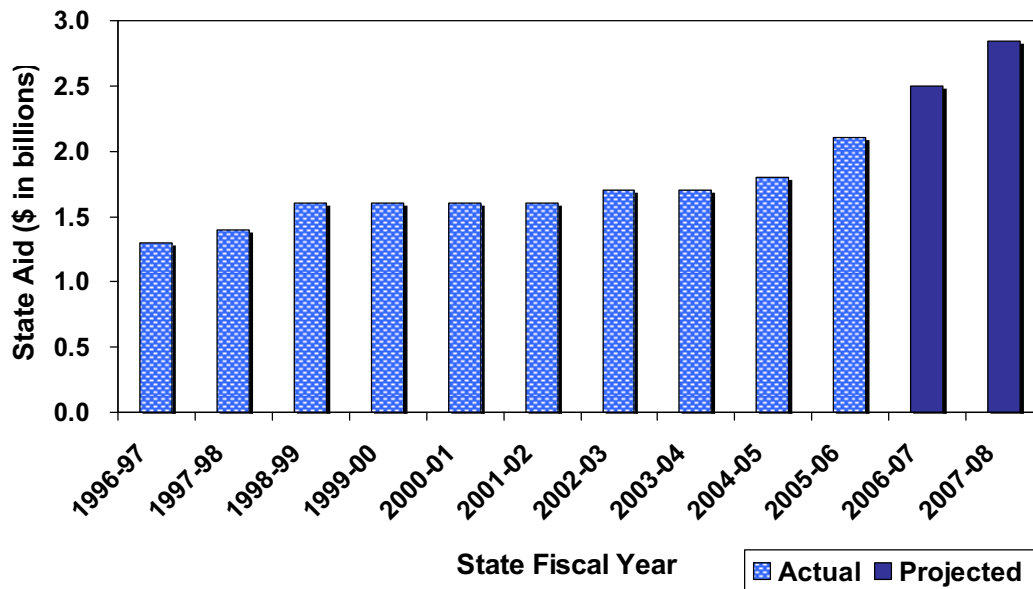
State highways and bridges have, nevertheless, improved in safety despite increased utilization. Motor vehicle fatalities have decreased by 180 annually since 1996, a reduction of more than 11 percent.

New York State Transit Ridership



The utilization of public transit systems has also increased since 1996-97. 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 more than doubled, with a \$1.5 billion increase in annual aid since 1996-97. 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 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 Adirondack Park Agency 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 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 2007-08, the Adirondack Park Agency will have a workforce of 72 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Agency’s 2007-08 operating costs will be funded with State tax dollars and Federal grant moneys. The Executive Budget recommends funding of \$5.5 million in General Fund support for the Agency’s operations and will provide five new positions to increase enforcement activity, expedite permitting and better protect the Adirondacks. 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 Agency in carrying out its responsibilities and monitors the implementation of the Adirondack Park Land Use and Development Plan.

ADIRONDACK PARK

PROGRAM HIGHLIGHTS

Since its inception, the Agency has worked to achieve a balance between strong environmental protection and sustainable economic development opportunities for the residents of the Adirondack Park. The Agency's priorities for the future include continued updating of the Agency's rules and regulations, facilitating the development of land use plans by local governments, providing local governments with technical expertise and training, 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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	5,107,000	6,148,000	1,041,000	1,837,000
Aid To Localities	50,000	50,000	0	0
Capital Projects	0	0	0	0
Total	5,157,000	6,198,000	1,041,000	1,837,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	67	72	5
Total	67	72	5

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	4,407,000	5,448,000	1,041,000
Special Revenue Funds - Federal	700,000	700,000	0
Total	5,107,000	6,148,000	1,041,000

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	4,407,000	5,448,000	1,041,000
Special Revenue Funds - Federal	700,000	700,000	0
Total	5,107,000	6,148,000	1,041,000

ADIRONDACK PARK

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,805,000	900,000	4,639,000	880,800
Total	4,805,000	900,000	4,639,000	880,800

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	160,000	17,300	6,000	1,900
Total	160,000	17,300	6,000	1,900

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	643,000	141,000	141,000	31,000
Total	643,000	141,000	141,000	31,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	77,000	17,000	374,000	82,000
Total	77,000	17,000	374,000	82,000

Program	Equipment	
	Amount	Change
Administration	51,000	11,000
Total	51,000	11,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Nonpersonal Service	
	Amount	Change	Amount	Change
Administration	700,000	0	700,000	0
Total	700,000	0	700,000	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	50,000	50,000	0
Total	50,000	50,000	0

ADIRONDACK PARK

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration			
General Fund	50,000	50,000	0
Total	<u>50,000</u>	<u>50,000</u>	<u>0</u>

DEPARTMENT OF AGRICULTURE AND MARKETS

MISSION

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York food and agricultural industry for the benefit of producers and consumers. Over the next year, the Department will continue to carry out its major responsibilities for encouraging the growth and economic health of the State's agricultural and food industry and conducting various inspections and testing programs to enforce laws on food safety, animal and plant health, and accuracy of labeling. Major initiatives designed to embrace the State's agricultural community will include the creation of a Pride of New York Wholesalers Market in New York City for upstate farmers to connect to downstate markets, and the protection of prime farmland from urban sprawl with expanded Environmental Protection Fund resources. 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 628 positions (including the Industrial Exhibit Authority) for fiscal year 2007-08. The Agency is headquartered in Albany and maintains four regional offices located in Buffalo, Syracuse, Rochester and Brooklyn. Approximately 24.1 percent of the Department of Agriculture and Markets' operating programs are funded by tax dollars in the General Fund and the remaining 75.9 percent are financed by fees, Federal grants and other funds.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends funding of \$166.3 million for the Department of Agriculture and Markets in 2007-08 including \$132 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 \$31.8 million in 2007-08, or 24.1 percent of the Department's operating expenses;
- Fee revenues will produce \$45.4 million and support 34.4 percent of the Department's operating costs. These revenues include fees from activities such as licensing food processing operators, and certifying weighing and measuring devices;
- Federal funding of \$29.6 million finances 22.4 percent of the Department's operations; and
- Enterprise and other miscellaneous funds of \$25.2 million finance the remaining 19.1 percent of the Department's operations.

New funding of \$500,000 for development of a Pride of New York Wholesalers Market in New York City is included in the Administration Program appropriation. 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.

AGRICULTURE AND MARKETS

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 \$10.6 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 \$7.1 million in continued resources to support agricultural economic development, farmland viability, and agricultural viability program activities. Additionally, \$3.5 million in continued General Fund Aid to Localities funding is provided for grants to local and 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.

AGRICULTURE AND MARKETS

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 107 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 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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	125,227,400	131,976,800	6,749,400	81,032,000
Aid To Localities	47,566,000	30,570,000	(16,996,000)	136,004,500
Capital Projects	47,750,000	3,750,000	(44,000,000)	44,250,000
Total	<u>220,543,400</u>	<u>166,296,800</u>	<u>(54,246,600)</u>	<u>261,286,500</u>

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	34	35	1
Agricultural Business Services			
General Fund	195	190	(5)
Special Revenue Funds - Federal	10	10	0
Special Revenue Funds - Other	48	55	7
Consumer Food Services			
General Fund	161	136	(25)
Special Revenue Funds - Federal	12	22	10
Special Revenue Funds - Other	107	124	17
Fiduciary Funds	0	7	7
State Fair			
Enterprise Funds	49	49	0
Total	<u>616</u>	<u>628</u>	<u>12</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	32,693,900	31,804,700	(889,200)
Special Revenue Funds - Federal	28,544,000	29,644,000	1,100,000
Special Revenue Funds - Other	39,920,600	45,361,800	5,441,200
Enterprise Funds	22,387,700	23,360,200	972,500
Fiduciary Funds	1,681,200	1,806,100	124,900
Total	<u>125,227,400</u>	<u>131,976,800</u>	<u>6,749,400</u>

AGRICULTURE AND MARKETS

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration			
General Fund	5,940,800	6,021,800	81,000
Agricultural Business Services			
General Fund	16,625,700	16,857,700	232,000
Special Revenue Funds - Federal	20,819,000	21,919,000	1,100,000
Special Revenue Funds - Other	24,979,900	27,138,500	2,158,600
Fiduciary Funds	1,681,200	1,806,100	124,900
Consumer Food Services			
General Fund	10,127,400	8,925,200	(1,202,200)
Special Revenue Funds - Federal	7,725,000	7,725,000	0
Special Revenue Funds - Other	14,940,700	18,223,300	3,282,600
State Fair			
Enterprise Funds	22,387,700	23,360,200	972,500
Total	<u>125,227,400</u>	<u>131,976,800</u>	<u>6,749,400</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 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	2,535,300	41,000	2,426,100	(68,200)
Agricultural Business Services	11,007,700	902,700	10,795,500	690,500
Consumer Food Services	7,943,900	(1,116,500)	7,464,800	(1,256,600)
Total	<u>21,486,900</u>	<u>(172,800)</u>	<u>20,686,400</u>	<u>(634,300)</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>
Administration	85,000	85,000	24,200	24,200
Agricultural Business Services	0	0	212,200	212,200
Consumer Food Services	106,000	(3,000)	373,100	143,100
Total	<u>191,000</u>	<u>82,000</u>	<u>609,500</u>	<u>379,500</u>

AGRICULTURE AND MARKETS

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,486,500	40,000	36,200	36,200
Agricultural Business Services	5,850,000	(670,700)	360,500	360,500
Consumer Food Services	981,300	(85,700)	124,800	(54,200)
Total	<u>10,317,800</u>	<u>(716,400)</u>	<u>521,500</u>	<u>342,500</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	37,200	37,200	3,371,700	(74,800)
Agricultural Business Services	639,700	639,700	4,351,200	(2,169,500)
Consumer Food Services	327,100	100	267,000	20,000
Total	<u>1,004,000</u>	<u>677,000</u>	<u>7,989,900</u>	<u>(2,224,300)</u>

Program	Equipment	
	Amount	Change
Administration	41,400	41,400
Agricultural Business Services	498,600	498,600
Consumer Food Services	262,400	(51,600)
Total	<u>802,400</u>	<u>488,400</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Agricultural Business Services	50,863,600	3,383,500	4,871,600	943,000
Consumer Food Services	25,948,300	3,282,600	9,233,500	2,033,600
State Fair	23,360,200	972,500	6,748,500	276,300
Total	<u>100,172,100</u>	<u>7,638,600</u>	<u>20,853,600</u>	<u>3,252,900</u>

Program	Nonpersonal Service	
	Amount	Change
Agricultural Business Services	45,992,000	2,440,500
Consumer Food Services	16,714,800	1,249,000
State Fair	16,611,700	696,200
Total	<u>79,318,500</u>	<u>4,385,700</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	27,566,000	10,570,000	(16,996,000)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Total	<u>47,566,000</u>	<u>30,570,000</u>	<u>(16,996,000)</u>

AGRICULTURE AND MARKETS

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Agricultural Business Services			
General Fund	27,566,000	10,570,000	(16,996,000)
Special Revenue Funds - Federal	20,000,000	20,000,000	0
Total	<u>47,566,000</u>	<u>30,570,000</u>	<u>(16,996,000)</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>	<u>Reappropriations 2007-08</u>
New Facilities				
Capital Projects Fund - Authority Bonds	44,000,000	0	(44,000,000)	44,000,000
State Fair				
Capital Projects Fund	1,750,000	1,750,000	0	250,000
Misc. Capital Projects	2,000,000	2,000,000	0	0
Total	<u>47,750,000</u>	<u>3,750,000</u>	<u>(44,000,000)</u>	<u>44,250,000</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 \$1.5 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 550 positions for 2007-08.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Banking Department's operations are primarily funded through assessments charged to regulated financial institutions and organizations. The remainder of the Department's operating budget is derived from fees such as investigation fees paid by entities applying for licensure or State charter. The Executive Budget recommends \$99.4 million to support the Department in 2007-08. Of this amount, the Department's operating budget totals \$85.4 million and the remaining \$14 million is a contingent appropriation to support the State Transmitter of Money Insurance Fund which protects moneys that New Yorkers electronically transfer via commercial third parties. The Department's funding level represents an overall increase of 6.3 percent from 2006-07. The increase includes \$3 million to administer the Mortgage Loan Originators Registration Program which begins January 1, 2008. The remaining 3.1 percent increase in funding is the result of negotiated salary and fringe benefit adjustments.

BANKING

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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	92,019,000	97,942,000	5,923,000	4,500,000
Aid To Localities	1,500,000	1,500,000	0	0
Capital Projects	0	0	0	0
Total	93,519,000	99,442,000	5,923,000	4,500,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	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	452	452	0
Total	550	550	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	92,019,000	97,942,000	5,923,000
Total	92,019,000	97,942,000	5,923,000

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
Special Revenue Funds - Other	21,766,000	22,086,000	320,000
Analysis and Compliance			
Special Revenue Funds - Other	4,100,000	4,287,000	187,000
Regulation			
Special Revenue Funds - Other	66,153,000	71,569,000	5,416,000
Total	<u>92,019,000</u>	<u>97,942,000</u>	<u>5,923,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	22,086,000	320,000	4,665,000	225,000
Analysis and Compliance	4,287,000	187,000	2,715,000	132,000
Regulation	71,569,000	5,416,000	35,072,000	1,705,000
Total	<u>97,942,000</u>	<u>5,923,000</u>	<u>42,452,000</u>	<u>2,062,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	17,421,000	95,000	0	0
Analysis and Compliance	1,572,000	55,000	0	0
Regulation	35,332,000	3,711,000	1,165,000	0
Total	<u>54,325,000</u>	<u>3,861,000</u>	<u>1,165,000</u>	<u>0</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	1,500,000	1,500,000	0
Total	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
Special Revenue Funds - Other	1,500,000	1,500,000	0
Total	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>

DEPARTMENT OF ECONOMIC DEVELOPMENT

MISSION

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

- Advises the Governor and Legislature on all major economic development issues and decisions;
- Develops State economic development strategies;
- Provides technical and financial assistance to businesses through a network of regional offices; and
- Coordinates the efforts of other State agencies, authorities and organizations, as well as local governments, on actions which affect the State's economy.

ORGANIZATION AND STAFFING

State economic development programs are administered by the Department of Economic Development working in conjunction with the Empire State Development Corporation (ESDC). In addition, the Department and Corporation work closely with the Foundation for Science, Technology and Innovation to foster technology-related job creation.

The Department of Economic Development will have a workforce of 215 in 2007-08. 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. In addition, operations in Buffalo will be expanded to support the new ESDC co-Chair for Upstate economic development.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

State tax dollars from the General Fund will finance 87.5 percent, or \$45.3 million, of the Department of Economic Development's \$ 51.8 million Budget in 2007-08. 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 2007-08 Budget provides:

- \$16 million for "I ♥ NY" tourism advertising;
- \$1.2 million to attract international trade to New York State, and increase export sales to foreign countries;
- \$5.3 million for local tourism matching grants; and
- \$400,000 to support visitor welcome centers in Beekmantown and Binghamton.

ECONOMIC DEVELOPMENT

PROGRAM HIGHLIGHTS

MARKETING AND ADVERTISING

This program promotes New York State as a premier tourist destination and business location. Major activities include the “I ♥ NY” advertising campaign and local tourism matching grants administered through locally based tourism promotion agencies representing the State’s 62 counties. The Department of Economic Development also manages tourist information services at the Beekmantown and Binghamton Gateway Centers, develops the State’s tourism master plan, targets information to consumers and the travel trade, participates in national and international trade shows, provides technical assistance to tour directors and creates publications for use by the Department and the other economic development agencies. An additional \$6.6 million is being made available in 2007-08 to expand these activities, including an additional \$5.6 million for expanded and strategic marketing efforts through the “I ♥ NY” advertising and local tourism matching grants and \$1.0 million for the Explore NY program.

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, with contractual presences in several other countries. New funding of \$200,000 would be provided to establish a trade presence in China. The program also coordinates State participation in trade shows and missions, compiles and disseminates trade leads and administers grants and seminars designed to encourage increased exporting.

EMPIRE ZONES

The Empire Zones program benefits distressed areas suffering from high unemployment. Businesses located in a designated Zone may qualify for tax incentives and other economic development benefits designed to encourage business expansion and job creation. There are currently 82 Zones 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, Yonkers, Town of Tonawanda, Monroe County, Columbia County, Staten Island/West Shore, Sullivan County, Cortland County, the City of Hornell, Warren County, Saratoga County, Buffalo, Schuyler County, Mt. Vernon, Franklin County, Otsego County, Madison County, Washington County, Wayne County, Orleans County, Genesee County, Rensselaer County, Delaware, Greene, Livingston, Nassau, Rockland, Schoharie, Tompkins, Wyoming and the Chinatown area of Manhattan.

An additional three Empire Zones, Putnam, Yates and Hamilton counties, are expected to be approved in 2007. This will ensure that each of New York's 62 counties has at least one Empire Zone. Also, Empire Zone benefits are available to businesses outside a designated zone that offer a "regionally significant impact", by achieving considerable job creation in selected industries such as bio-technology or financial services.

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.

POLLUTION PREVENTION AND COMPLIANCE ASSISTANCE

Pollution Prevention and Compliance Assistance is a cooperative program between the Department of Economic Development, the Department of Environmental Conservation, and the Environmental Facilities Corporation. The Program coordinates existing funding opportunities and other services of the three agencies to assist businesses in developing environmentally benign operations. This new program received \$800,000 in support in 2006-07, and will receive a total of \$1.2 million in 2007-08.

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 2007-08, \$310 million will be available for this program.

RECYCLING MARKET DEVELOPMENT PROGRAM

The Department of Economic Development is the lead agency in developing New York's recycling industries and creating programs to help municipalities and businesses develop uses for secondary materials.

MINORITY AND WOMEN'S BUSINESS DEVELOPMENT

The Division of Minority and Women's Business Development was established to increase the participation of minority- and women-owned businesses in State procurement opportunities. The Division identifies and certifies minority- and women-owned business

ECONOMIC DEVELOPMENT

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. For 2007-08, the Division will be expanded to provide additional opportunities to the State's 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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	37,126,900	45,083,000	7,956,100	6,939,000
Aid To Localities	10,052,000	6,677,000	(3,375,000)	15,434,000
Capital Projects	0	0	0	0
Total	47,178,900	51,760,000	4,581,100	22,373,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	47	47	0
Special Revenue Funds - Other	8	8	0
Clean Air			
Special Revenue Funds - Other	3	3	0
Economic Development			
General Fund	122	122	0
Marketing and Advertising Program			
General Fund	34	34	0
Special Revenue Funds - Other	1	1	0
Total	215	215	0

ECONOMIC DEVELOPMENT

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	30,712,000	38,668,000	7,956,000
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Special Revenue Funds - Other	5,414,900	5,415,000	100
Total	<u>37,126,900</u>	<u>45,083,000</u>	<u>7,956,100</u>

Adjustments:

Transfer(s) To	
Executive Chamber	
General Fund	201,000
Appropriated 2006-07	<u>37,327,900</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	3,034,000	3,797,000	763,000
Special Revenue Funds - Other	1,739,900	1,740,000	100
Clean Air			
Special Revenue Funds - Other	500,000	500,000	0
Economic Development			
General Fund	13,779,000	15,821,000	2,042,000
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	13,899,000	19,050,000	5,151,000
Special Revenue Funds - Other	2,005,000	2,005,000	0
Total	<u>37,126,900</u>	<u>45,083,000</u>	<u>7,956,100</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,327,000	112,000	2,300,000	111,226
Economic Development	9,236,000	612,000	9,230,000	634,470
Marketing and Advertising Program	2,210,000	39,000	2,152,000	(5,682)
Total	<u>13,773,000</u>	<u>763,000</u>	<u>13,682,000</u>	<u>740,014</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	0	0	27,000	774
Economic Development	0	0	6,000	(22,470)
Marketing and Advertising Program	6,000	6,000	52,000	38,682
Total	<u>6,000</u>	<u>6,000</u>	<u>85,000</u>	<u>16,986</u>

ECONOMIC DEVELOPMENT

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	1,470,000	651,000	60,000	(8,921)
Economic Development	6,585,000	1,430,000	103,000	20,859
Marketing and Advertising Program	16,840,000	5,112,000	5,000	(29,339)
Total	<u>24,895,000</u>	<u>7,193,000</u>	<u>168,000</u>	<u>(17,401)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	40,000	3,571	1,230,000	529,718
Economic Development	177,000	(59,394)	3,651,000	706,687
Marketing and Advertising Program	28,000	(27,848)	784,000	161,913
Total	<u>245,000</u>	<u>(83,671)</u>	<u>5,665,000</u>	<u>1,398,318</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	140,000	126,632	0	0
Economic Development	254,000	161,848	2,400,000	600,000
Marketing and Advertising Program	8,000	7,274	16,015,000	5,000,000
Total	<u>402,000</u>	<u>295,754</u>	<u>18,415,000</u>	<u>5,600,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,740,000	100	487,000	(100)
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	0
Total	<u>6,415,000</u>	<u>100</u>	<u>760,000</u>	<u>(100)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,253,000	200	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	0	0	0
Total	<u>4,485,000</u>	<u>200</u>	<u>1,170,000</u>	<u>0</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	10,052,000	6,677,000	(3,375,000)
Total	<u>10,052,000</u>	<u>6,677,000</u>	<u>(3,375,000)</u>

ECONOMIC DEVELOPMENT

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

Program	Available 2006-07	Recommended 2007-08	Change
Economic Development			
General Fund	3,350,000	0	(3,350,000)
Marketing and Advertising Program			
General Fund	6,702,000	6,677,000	(25,000)
Total	<u>10,052,000</u>	<u>6,677,000</u>	<u>(3,375,000)</u>

EMPIRE STATE DEVELOPMENT CORPORATION

MISSION

Doing business as Empire State Development Corporation (ESDC), 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. In addition, the Corporation and Department work closely with the Foundation for Science, Technology, and Innovation to foster technology-related job creation. The Corporation will have a workforce of 241 in 2007-08.

For 2007-08, ESDC will be overseen by Downstate and Upstate co-chairpersons. The Downstate Chair will operate out of the New York City office, while the Upstate Chair will operate out of a new headquarters in Buffalo.

EMPIRE STATE DEVELOPMENT

OVERSIGHT

The Corporation is governed by a nine-member Board of Directors comprising two ex-officio members and seven members appointed by the Governor with the consent of the Senate. The Downstate and Upstate co-Chairs of the Empire State Development Corporation Board are selected by the Governor. 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) redevelopment of Times Square; (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 former Buffalo Memorial Auditorium and additional projects along the waterfront and inner harbor in downtown Buffalo.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

- In 2007-08, 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 \$74.9 million in support for economic development initiatives, including: the Empire State Economic Development Fund; Minority - and Women-Owned Business Development and Lending programs; the Entrepreneurial Assistance Program; the Emerging Industries Alliance; the retention of professional football in Western New York; military base retention; the redevelopment and preservation of Governor's Island; the support of ESDC and its subsidiaries; and the operation and development of the Centers of Excellence or other high technology research centers.
- The Executive Budget will also include support for new and existing programs that will promote regional initiatives to assist the State in adapting and moving towards a knowledge-based economy, including:
 - \$300 million for the development of an international computer chip research and development center;
 - \$300 million in new funding for the Investment and Job Creation Act of 2007. Projects will be solicited on a periodic basis through an open competitive process and priority given to those projects that produce the greatest economic and social benefits to the State;

EMPIRE STATE DEVELOPMENT

- Over \$50 million to support capital improvement projects at Governor's and Roosevelt Islands in New York City, as well as redevelopment initiatives at the Harriman Research and Technology Park in Albany and in Niagara Falls;
- Over \$2.2 billion for continued support of specific economic development, cultural facilities, university development, environmental, and energy projects administered by the Empire State Development Corporation (ESDC) and Dormitory Authority of the State of New York (DASNY), including \$650 million for the development of a semiconductor manufacturing facility and \$300 million for the RESTORE New York Communities initiative.

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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	0	0	0	0
Aid To Localities	112,731,000	74,922,000	(37,809,000)	292,772,000
Capital Projects	2,396,450,000	650,450,000	(1,746,000,000)	2,800,200,000
Total	<u>2,509,181,000</u>	<u>725,372,000</u>	<u>(1,783,809,000)</u>	<u>3,092,972,000</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	112,731,000	74,922,000	(37,809,000)
Total	<u>112,731,000</u>	<u>74,922,000</u>	<u>(37,809,000)</u>

EMPIRE STATE DEVELOPMENT

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

Program	Available 2006-07	Recommended 2007-08	Change
Economic Development			
General Fund	112,731,000	74,922,000	(37,809,000)
Total	<u>112,731,000</u>	<u>74,922,000</u>	<u>(37,809,000)</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Regional Development				
Capital Projects Fund - Authority Bonds	1,297,050,000	600,000,000	(697,050,000)	1,253,350,000
Cap Proj Fund - CEFAP (Direct Auth Bonds)	0	0	0	425,000,000
AMD Direct (Direct Auth Bonds)	150,000,000	0	(150,000,000)	150,000,000
Economic Development				
Capital Projects Fund - Authority Bonds	300,000,000	50,450,000	(249,550,000)	300,000,000
Cap Proj Fund - Stadium (Auth Bonds)	149,400,000	0	(149,400,000)	129,400,000
Cap Proj Fund - Downtown Buffalo (Auth Bonds)	0	0	0	42,450,000
AMD Direct (Direct Auth Bonds)	500,000,000	0	(500,000,000)	500,000,000
Total	<u>2,396,450,000</u>	<u>650,450,000</u>	<u>(1,746,000,000)</u>	<u>2,800,200,000</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. 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 and 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 nine members nominated by the Governor with the consent of the Senate and four 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 2007-08 Budget recommends approximately \$16.1 million in appropriations for the Authority's energy, research and development programs and \$13.5 million for ongoing work at West Valley.

ENERGY RESEARCH AND DEVELOPMENT

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	15,456,000	5,914,000	(9,542,000)	800,000
Aid To Localities	3,900,000	10,142,000	6,242,000	3,900,000
Capital Projects	14,000,000	13,500,000	(500,000)	0
Total	33,356,000	29,556,000	(3,800,000)	4,700,000

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	100,000	0	(100,000)
Special Revenue Funds - Federal	700,000	0	(700,000)
Special Revenue Funds - Other	14,656,000	5,914,000	(8,742,000)
Total	15,456,000	5,914,000	(9,542,000)

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

Program	Available 2006-07	Recommended 2007-08	Change
Energy Investment Programs			
General Fund	100,000	0	(100,000)
Research, Development and Demonstration			
Special Revenue Funds - Federal	700,000	0	(700,000)
Special Revenue Funds - Other	14,656,000	5,914,000	(8,742,000)
Total	15,456,000	5,914,000	(9,542,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Maintenance Undistributed	
	Amount	Change	Amount	Change
Energy Investment Programs	0	(100,000)	0	(100,000)
Total	0	(100,000)	0	(100,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Research, Development and Demonstration	5,914,000	(9,442,000)	3,239,000	3,239,000
Total	5,914,000	(9,442,000)	3,239,000	3,239,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Research, Development and Demonstration	2,675,000	2,675,000	0	(15,356,000)
Total	2,675,000	2,675,000	0	(15,356,000)

ENERGY RESEARCH AND DEVELOPMENT

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	3,900,000	0	(3,900,000)
Special Revenue Funds - Other	0	10,142,000	10,142,000
Total	<u>3,900,000</u>	<u>10,142,000</u>	<u>6,242,000</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Energy Investment Programs			
General Fund	3,900,000	0	(3,900,000)
Research, Development and Demonstration			
Special Revenue Funds - Other	0	10,142,000	10,142,000
Total	<u>3,900,000</u>	<u>10,142,000</u>	<u>6,242,000</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Western New York Nuclear Service Center Program				
Capital Projects Fund - Authority Bonds	14,000,000	13,500,000	(500,000)	0
Total	<u>14,000,000</u>	<u>13,500,000</u>	<u>(500,000)</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 3,480 positions in fiscal year 2007-08. Approximately 39.3 percent of these positions are paid by State tax dollars, 46.5 percent are supported by State fees, capital and other revenues and the remaining 14.2 percent are financed by Federal grants.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2007-08 Executive Budget recommends total funding of more than \$1.1 billion for the Department of Environmental Conservation, including \$131.5 million in General Fund support. \$492.4 million will finance the Department's operations and core mission and ensure funding for ongoing priority projects.

General Fund appropriations will finance 26.3 percent of the Department of Environmental Conservation's operations in 2007-08. Fees and license revenues will support 57.6 percent, including the major permitting functions, the hazardous substances bulk storage and oil spill programs and the hazardous waste remedial and enforcement programs. Several fee increases are proposed to support ongoing regulatory efforts. These increases are proposed in the air, water, animal feeding operations and well drilling programs. Federal funds will support the remaining 16.1 percent of the Department's budget.

The Environmental Protection Fund (EPF) will provide new appropriations of \$250 million to support environmental programs, including open space protection, farmland preservation, recycling programs, non-point source pollution control projects and municipal park and waterfront revitalization projects. The EPF has been supported primarily by

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revenues from the real estate transfer tax as well as by the sale or lease of State property and by Fund interest earnings. To increase EPF funding and provide an ongoing revenue source for growing environmental needs, the Budget proposes expanding the "Bottle Bill" and redirecting all unclaimed deposits to the EPF.

The 1982 "Bottle Bill" is one of the most effective environmental laws in the State leading to reduced liter and increased recycling. The 2007-08 Executive Budget builds on these successes by expanding the "Bottle Bill" to non-carbonated beverages and directing \$25 million in unclaimed funds to the EPF. When the changes to the "Bottle Bill" are fully effective, annual revenue to the EPF is projected to increase to \$100 million. In State fiscal year 2007-08, new EPF money will be used to: establish a Pollution Prevention Institute which will help businesses become more competitive by reducing the use of toxic chemicals; double the amount of funding to support local land trusts; and support smart growth policies.

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.

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 2007-08 Executive Budget provides more than \$1 billion to support the Department's critical environmental, resource management and recreation programs, including:

- New State funding for 109 positions in critical environmental areas to ensure that the State fully enforces environmental laws, speeds the pace of brownfield clean ups, protects wetlands and farm land, boosts recycling and provides greater outdoor recreation opportunities, including fishing and hunting, for millions of New Yorkers;
- \$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 \$102.4 million in reappropriated funds from the 1986 Environmental Quality Bond Act to continue work already underway for existing Superfund sites. Staffing for the Brownfield and voluntary cleanup programs will be increased to help reinvigorate the Brownfield program as a tool for Upstate's economic resurgence;
- \$250 million in new funding from the Environmental Protection Fund 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. Other projects funded by the EPF in 2007-08 will include: a Pollution Prevention Institute; 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

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- waterfront revitalization projects; non-point source water pollution control projects; farmland protection; funding for Zoos, Botanical Gardens and Aquaria; funding for soil and water conservation districts; Land Trust Alliance; urban forestry projects; and invasive species grants;
- 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 2007-08 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 moneys 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;
 - \$60.5 million to support the programs of the Conservation Fund;
 - \$34.3 million in new funding for basic capital infrastructure projects to ensure health, safety and compliance with State and Federal laws and environmental requirements, including \$11 million for rehabilitation and improvement of State owned facilities;
 - \$35.2 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
 - \$492.4 million to support the operations of the Department, including a workforce of 3,480 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.

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.

ENVIRONMENTAL CONSERVATION

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 more than four million acres of State land under the Department's jurisdiction, including nearly three 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 12,500 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 review of new and 2,250 existing active mines.

The Water program protects and conserves the State's water resources which include 52,337 miles of rivers, 7,849 lakes, 2.4 million acres of fresh water wetlands and 25,000 acres of tidal wetlands.

The Department also operates 52 campgrounds and seven day-use areas within the Adirondack and Catskill parks, as well as the Belleayre Mountain Ski Center. These recreational facilities serve approximately 1.7 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 QUALITY/REMEDATION

A new "Climate Change Office" is established at DEC, with a staff of 12. This office will implement the Regional Greenhouse Gas Initiative, including 100 percent auction of carbon dioxide allowances and collaborate with other states and identify carbon reduction programs beyond the power plant sector.

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 more 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 two-for-one 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.

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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.

The Department has also established regulations implementing the most aggressive Acid Rain controls on emissions of sulfur dioxide and nitrogen oxide in the country.

In addition, the Department 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 642 more with clean diesel technology. MTA also runs more than 400 buses on clean compressed natural gas, and has the largest hybrid-electric fleet in North America with more than 830 by mid-2007.

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 \$4.51 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 990 hazardous waste sites.

Comprehensive Superfund refinance and reform legislation was enacted in 2003. This legislation refinanced and reformed the State's Superfund Program and created 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. A total of 320 sites have applied to the Brownfield Cleanup Program, and 24 have been completely cleaned at the end of 2006. 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 Program. In addition, the legislation established a Brownfield Opportunity Area Grant Program to assist municipalities and community-based organizations in strategically planning the redevelopment of brownfields within targeted urban areas.

The Department has also undertaken significant new initiatives including the most aggressive program in the nation to address the emerging problem of soil vapor intrusion from contaminated sites.

ENVIRONMENTAL CONSERVATION

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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	485,837,000	492,433,850	6,596,850	471,211,800
Aid To Localities	3,540,230	2,145,100	(1,395,130)	7,518,775
Capital Projects	631,025,000	673,070,000	42,045,000	3,198,138,000
Total	<u>1,120,402,230</u>	<u>1,167,648,950</u>	<u>47,246,720</u>	<u>3,676,868,575</u>

ENVIRONMENTAL CONSERVATION

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

Full-Time Equivalent Positions (FTE)			
Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	113	119	6
Special Revenue Funds - Federal	147	147	0
Special Revenue Funds - Other	20	20	0
Air and Water Quality Management			
General Fund	227	274	47
Special Revenue Funds - Federal	195	195	0
Special Revenue Funds - Other	304	304	0
Environmental Enforcement			
General Fund	213	224	11
Special Revenue Funds - Other	283	283	0
Fish, Wildlife and Marine Resources			
General Fund	59	67	8
Special Revenue Funds - Federal	72	72	0
Special Revenue Funds - Other	263	263	0
Forest and Land Resources			
General Fund	225	244	19
Special Revenue Funds - Federal	11	11	0
Special Revenue Funds - Other	138	138	0
Solid and Hazardous Waste Management			
Capital Projects Funds - Other	329	329	0
Operations			
General Fund	304	304	0
Special Revenue Funds - Other	71	71	0
Rehabilitation and Improvement			
Capital Projects Funds - Other	48	48	0
Solid and Hazardous Waste Management			
General Fund	116	134	18
Special Revenue Funds - Federal	60	60	0
Special Revenue Funds - Other	163	163	0
Capital Projects Funds - Federal	10	10	0
Total	3,371	3,480	109

ENVIRONMENTAL CONSERVATION

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	120,221,000	129,441,850	9,220,850
Special Revenue Funds - Federal	80,218,000	79,240,000	(978,000)
Special Revenue Funds - Other	285,338,000	283,692,000	(1,646,000)
Internal Service Funds	60,000	60,000	0
Total	<u>485,837,000</u>	<u>492,433,850</u>	<u>6,596,850</u>
Adjustments:			
Prior Year Deficiency			
Environmental Conservation, Department of General Fund	7,500,000		
Recommended Deficiency			
Environmental Conservation, Department of Special Revenue Funds - Other	(10,000,000)		
Transfer(s) From			
Special Pay Bill General Fund	(4,710,000)		
Special Revenue Funds - Other	(10,861,000)		
Transfer(s) To			
Executive Chamber General Fund	109,000		
Appropriated 2006-07	<u>467,875,000</u>		

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration			
General Fund	9,875,000	11,289,000	1,414,000
Special Revenue Funds - Federal	12,636,000	13,000,000	364,000
Special Revenue Funds - Other	2,746,000	2,430,000	(316,000)
Internal Service Funds	60,000	60,000	0
Air and Water Quality Management			
General Fund	15,386,000	14,108,000	(1,278,000)
Special Revenue Funds - Federal	21,782,000	19,240,000	(2,542,000)
Special Revenue Funds - Other	93,965,000	94,849,000	884,000
Air Resources			
Special Revenue Funds - Federal	8,000,000	10,000,000	2,000,000
Construction Management			
Special Revenue Funds - Federal	4,000,000	3,600,000	(400,000)
Environmental Enforcement			
General Fund	26,000,000	29,730,850	3,730,850
Special Revenue Funds - Other	47,460,000	39,655,000	(7,805,000)
Fish, Wildlife and Marine Resources			
General Fund	10,009,000	10,524,000	515,000
Special Revenue Funds - Federal	22,000,000	22,000,000	0
Special Revenue Funds - Other	35,950,000	39,100,000	3,150,000
Forest and Land Resources			
General Fund	16,923,000	19,050,000	2,127,000
Special Revenue Funds - Federal	5,000,000	5,000,000	0
Special Revenue Funds - Other	26,426,000	27,953,000	1,527,000
Operations			
General Fund	32,882,000	34,170,000	1,288,000
Special Revenue Funds - Other	15,875,000	16,341,000	466,000
Solid and Hazardous Waste Management			
General Fund	9,146,000	10,570,000	1,424,000
Special Revenue Funds - Federal	6,800,000	6,400,000	(400,000)
Special Revenue Funds - Other	62,916,000	63,364,000	448,000
Total	<u>485,837,000</u>	<u>492,433,850</u>	<u>6,596,850</u>

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	9,098,000	888,000	8,372,000	824,000
Air and Water Quality Management	12,876,000	(1,294,000)	12,744,000	(1,298,000)
Environmental Enforcement	23,065,000	3,535,000	20,183,000	3,473,000
Fish, Wildlife and Marine Resources	8,290,000	487,000	8,046,000	479,000
Forest and Land Resources	17,037,000	2,095,000	15,604,000	2,057,000
Operations	18,273,000	784,000	16,828,000	744,000
Solid and Hazardous Waste Management	10,280,000	1,423,000	10,038,000	1,416,000
Total	98,919,000	7,918,000	91,815,000	7,695,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	683,000	62,000	43,000	2,000
Air and Water Quality Management	89,000	3,000	43,000	1,000
Environmental Enforcement	0	0	2,882,000	62,000
Fish, Wildlife and Marine Resources	208,000	6,000	36,000	2,000
Forest and Land Resources	388,000	11,000	1,045,000	27,000
Operations	1,325,000	36,000	120,000	4,000
Solid and Hazardous Waste Management	124,000	4,000	118,000	3,000
Total	2,817,000	122,000	4,287,000	101,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	2,191,000	526,000	368,000	11,000
Air and Water Quality Management	1,232,000	16,000	517,000	9,000
Environmental Enforcement	6,665,850	195,850	805,000	25,000
Fish, Wildlife and Marine Resources	2,234,000	28,000	903,000	9,000
Forest and Land Resources	2,013,000	32,000	1,408,000	28,000
Operations	15,897,000	504,000	3,135,000	103,000
Solid and Hazardous Waste Management	290,000	1,000	69,000	1,000
Total	30,522,850	1,302,850	7,205,000	186,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	40,000	1,000	1,765,000	514,000
Air and Water Quality Management	88,000	1,000	468,000	6,000
Environmental Enforcement	54,000	16,000	452,000	107,000
Fish, Wildlife and Marine Resources	18,000	0	955,000	11,000
Forest and Land Resources	73,000	1,000	430,000	3,000
Operations	2,290,000	(13,000)	9,803,000	414,000
Solid and Hazardous Waste Management	21,000	0	198,000	0
Total	2,584,000	6,000	14,071,000	1,055,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	18,000	0	0	0
Air and Water Quality Management	159,000	0	0	0
Environmental Enforcement	30,000	0	5,324,850	47,850
Fish, Wildlife and Marine Resources	42,000	0	316,000	8,000
Forest and Land Resources	102,000	0	0	0
Operations	669,000	0	0	0
Solid and Hazardous Waste Management	2,000	0	0	0
Total	1,022,000	0	5,640,850	55,850

ENVIRONMENTAL CONSERVATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	15,490,000	48,000	8,899,000	280,000
Air and Water Quality Management	114,089,000	(1,658,000)	39,418,000	813,000
Air Resources	10,000,000	2,000,000	3,990,000	0
Construction Management	3,600,000	(400,000)	1,700,000	100,000
Environmental Enforcement	39,655,000	(7,805,000)	21,890,000	(4,999,000)
Fish, Wildlife and Marine Resources	61,100,000	3,150,000	26,477,000	3,271,000
Forest and Land Resources	32,953,000	1,527,000	16,809,000	837,000
Operations	16,341,000	466,000	3,469,000	55,000
Solid and Hazardous Waste Management	69,764,000	48,000	18,015,000	167,000
Total	<u>362,992,000</u>	<u>(2,624,000)</u>	<u>140,667,000</u>	<u>524,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	6,591,000	(232,000)	0	0
Air and Water Quality Management	72,671,000	(2,471,000)	2,000,000	0
Air Resources	6,010,000	2,000,000	0	0
Construction Management	1,900,000	(500,000)	0	0
Environmental Enforcement	17,765,000	(2,806,000)	0	0
Fish, Wildlife and Marine Resources	31,823,000	(321,000)	2,800,000	200,000
Forest and Land Resources	16,144,000	690,000	0	0
Operations	12,872,000	411,000	0	0
Solid and Hazardous Waste Management	51,749,000	(119,000)	0	0
Total	<u>217,525,000</u>	<u>(3,348,000)</u>	<u>4,800,000</u>	<u>200,000</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	3,540,230	2,145,100	(1,395,130)
Total	<u>3,540,230</u>	<u>2,145,100</u>	<u>(1,395,130)</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	1,083,950	23,100	(1,060,850)
Air and Water Quality Management			
General Fund	1,506,280	1,172,000	(334,280)
Solid and Hazardous Waste Management			
General Fund	950,000	950,000	0
Total	<u>3,540,230</u>	<u>2,145,100</u>	<u>(1,395,130)</u>

ENVIRONMENTAL CONSERVATION

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Marine Resources				
Federal Capital Projects Fund	0	0	0	15,416,000
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	114,878,000
Water Resources - PWBA				
Capital Projects Fund - PWBA (Bondable)	0	14,468,000	14,468,000	14,496,000
Solid Waste Management				
Capital Projects Fund	945,000	750,000	(195,000)	3,065,000
Capital Projects Fund - Advances	0	0	0	1,281,000
Federal Capital Projects Fund	0	0	0	36,846,000
Environmental Protection and Enhancements				
Environmental Protection Fund	0	0	0	37,925,000
Environment and Recreation				
Environmental Protection Fund	225,000,000	250,000,000	25,000,000	601,906,000
Fish and Wildlife				
Capital Projects Fund	1,000,000	1,000,000	0	3,536,000
Federal Capital Projects Fund	0	600,000	600,000	6,695,000
Hudson River Habitat Restor. Fund	0	0	0	351,000
Lands and Forests				
Capital Projects Fund	1,800,000	5,450,000	3,650,000	17,567,000
Federal Capital Projects Fund	1,000,000	2,000,000	1,000,000	3,519,000
Forest Preserve Expansion Fund	0	0	0	115,000
Water Resources - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	327,000	327,000	8,723,000
Air Resources				
Capital Projects Fund	0	0	0	55,000
Clean Air Fund	0	0	0	5,362,000
Administration				
Capital Projects Fund	3,400,000	2,600,000	(800,000)	8,072,000
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	36,778,000
Clean Water/Clean Air Bond Fund				
Clean Water - Clean Air Bond Fund	0	0	0	507,173,000
Pure Waters Bond Fund				
Pure Waters Bond Fund	0	0	0	29,001,000
Recreation				
Capital Projects Fund	1,500,000	1,500,000	0	3,450,000
Cap Proj Fund - DEC Regular (Auth Bonds)	5,500,000	0	(5,500,000)	5,500,000
Solid Waste Management - EQBA				
Capital Projects Fund - EQBA (Bondable)	0	0	0	11,671,000
Operations				
Capital Projects Fund	18,380,000	21,166,000	2,786,000	41,543,000
Cap Proj Fund - DEC Regular (Auth Bonds)	12,000,000	12,000,000	0	44,729,000
Natural Resource Damages Fund	0	26,000,000	26,000,000	5,770,000
Financial Security Fund	0	0	0	1,464,000
Water Resources				
Capital Projects Fund	2,975,000	1,834,000	(1,141,000)	42,048,000
Capital Projects Fund - Advances	300,000	350,000	50,000	15,838,000
Cap Proj Fund - State Revolving Fund (Auth Bonds)	29,600,000	29,600,000	0	66,474,000
Cap Proj Fund - Onondaga Lake (Auth Bonds)	10,000,000	10,000,000	0	22,688,000
Cap Proj Fund - DEC Regular (Auth Bonds)	1,200,000	0	(1,200,000)	1,200,000
Federal Capital Projects Fund	148,000,000	148,000,000	0	332,370,000
Air Quality - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	44,305,000
Clean Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	266,395,000
Solid Waste - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	16,032,000
Environmental Restoration - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	162,686,000

ENVIRONMENTAL CONSERVATION

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	1,050,000	1,050,000	0	3,691,000
Solid and Hazardous Waste Management - EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	102,429,000
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	1,975,000
Capital Projects Fund - Advances	0	0	0	52,185,000
Cap Proj Fund - DEC Regular (Auth Bonds)	25,000,000	0	(25,000,000)	25,000,000
Hazardous Waste Remedial Fund - Oversight & Assessment	22,375,000	24,375,000	2,000,000	78,167,000
Hazardous Waste Remedial Fund - Cleanup	120,000,000	120,000,000	0	386,473,000
Total	<u>631,025,000</u>	<u>673,070,000</u>	<u>42,045,000</u>	<u>3,198,138,000</u>

ENVIRONMENTAL FACILITIES CORPORATION

MISSION

The Environmental Facilities Corporation (EFC) is a public benefit corporation whose mission is to promote environmental quality by providing low cost financing and technical assistance to municipalities, businesses and State agencies for environmental and public health projects in New York State.

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 financing to municipalities for infrastructure projects that control water pollution. EFC, in conjunction with the New York State Department of Health, also administers the Drinking Water State Revolving Fund, which provides reduced interest rate financing and grants to community and private water systems for safe drinking water projects. A Federal grant and corresponding State match provide funding for these programs. The Clean Water/Clean Air Bond Act provides a State match for the Drinking Water State Revolving Fund. Administration of these programs is also supported with a portion of the Federal Capitalization Grant and fees charged on financings.

The Environmental Facilities Corporation also administers other funding programs including the Financial Assistance to Business, Industrial Finance, Pipeline for Jobs, Beginning Farmer, and the Clean Vessel Assistance Program (in conjunction with the Department of Environmental Conservation). It also provides technical assistance through its New York City Watershed Programs and Small Business Environmental Assistance Program.

ORGANIZATION AND STAFFING

A seven-member Board of Directors governs the Corporation. Ex-Officio board members include the Commissioner of the Department of Environmental Conservation, who serves as the Board Chair, the Commissioner of the Department of Health, and the Secretary of State. The four remaining board members serve six-year terms and require nomination by the Governor and confirmation by the State Senate. The Board of Directors appoints the Corporation President and Corporate Officers. The Environmental Facilities Corporation will have a 2007-08 workforce of 98, including six staff of the Department of Environmental Conservation who are assigned administratively to the Corporation.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Corporate operations are funded by:

- Financing fees and annual fees charged to recipients 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.

ENVIRONMENTAL FACILITIES

For fiscal year 2007-08, a total of \$13.9 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 seven 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, the Pipeline for Jobs Program and New York Beginning Farmer Loan Program.

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 \$2.9 billion and \$581 million, respectively. The State Revolving Fund has made financings totaling \$12 billion to 466 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 and grants totaling \$1.7 billion to 305 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 received Federal and State appropriations totaling \$602.7 million and \$120.5 million, respectively. 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 \$2.0 billion in low-interest rate loans 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.

ENVIRONMENTAL FACILITIES

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 Corporation works with village, town, and city governments to identify businesses in need of assistance.

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 \$11.3 million in reappropriations.

NEW YORK BEGINNING FARMER LOAN PROGRAM

The New York Beginning Farmer Loan Program provides low interest loans of up to \$250,000 to individuals for the purchase of agricultural property and equipment. The purpose of this program is to attract and support New York's next generation of farmers.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	12,774,500	13,552,000	777,500	0
Aid To Localities	0	0	0	0
Capital Projects	5,343,000	343,000	(5,000,000)	11,648,000
Total	18,117,500	13,895,000	(4,222,500)	11,648,000

ENVIRONMENTAL FACILITIES

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	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 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	12,774,500	13,552,000	777,500
Total	<u>12,774,500</u>	<u>13,552,000</u>	<u>777,500</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
Special Revenue Funds - Other	12,774,500	13,552,000	777,500
Total	<u>12,774,500</u>	<u>13,552,000</u>	<u>777,500</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	13,552,000	777,500	8,158,000	421,000
Total	<u>13,552,000</u>	<u>777,500</u>	<u>8,158,000</u>	<u>421,000</u>

Program	Nonpersonal Service	
	Amount	Change
Administration	5,394,000	356,500
Total	<u>5,394,000</u>	<u>356,500</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Pipeline for Jobs Program				
Capital Projects Fund - Authority Bonds	5,000,000	0	(5,000,000)	11,305,000
Clean Water - Clean Air Implementation				
Clean Water Clean Air Implementation Fund	343,000	343,000	0	343,000
Total	<u>5,343,000</u>	<u>343,000</u>	<u>(5,000,000)</u>	<u>11,648,000</u>

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 \$326 million. The 2007-08 Budget will:

- Make permanent the State Low-Income Housing Tax Credit Program and provide an additional \$4 million in support of the program, resulting in nearly \$40 million in new funding for affordable housing over the next ten years;

HOUSING AND COMMUNITY RENEWAL

- 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 \$18.7 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio;
- Provide \$15.2 million in administrative funding for the Neighborhood and Rural Preservation Programs; and
- 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 Small Cities Community Development Block Grant Program administers approximately \$58 million in annual funding 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:

- 192 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 80,000 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.

HOUSING AND COMMUNITY RENEWAL

In addition to its regulatory functions, the Housing Program is responsible for the administration of over 35,000 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 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 \$122.4 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 \$96.4 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 \$58.6 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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	98,109,000	98,638,000	529,000	57,058,000
Aid To Localities	153,705,500	153,505,500	(200,000)	111,856,000
Capital Projects	100,200,000	74,200,000	(26,000,000)	387,507,000
Total	<u>352,014,500</u>	<u>326,343,500</u>	<u>(25,671,000)</u>	<u>556,421,000</u>

HOUSING AND COMMUNITY RENEWAL

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07	2007-08	FTE Change
	Estimated FTEs 03/31/07	Estimated FTEs 03/31/08	
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	34	24	(10)
Special Revenue Funds - Federal	41	51	10
Special Revenue Funds - Other	87	87	0
Housing Information Systems			
General Fund	71	71	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	10	10	0
New Facilities			
Capital Projects Funds - Federal	42	42	0
Rent Administration			
General Fund	144	144	0
Special Revenue Funds - Other	342	342	0
Total	<u>950</u>	<u>950</u>	<u>0</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	31,418,000	30,994,000	(424,000)
Special Revenue Funds - Federal	9,698,000	10,651,000	953,000
Special Revenue Funds - Other	56,993,000	56,993,000	0
Total	<u>98,109,000</u>	<u>98,638,000</u>	<u>529,000</u>

Adjustments:	
Transfer(s) To	
Executive Chamber	
General Fund	126,000
Appropriated 2006-07	<u>98,235,000</u>

HOUSING AND COMMUNITY RENEWAL

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	13,126,000	13,373,000	247,000
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	1,646,000	1,646,000	0
Housing			
General Fund	2,979,000	2,339,000	(640,000)
Special Revenue Funds - Federal	6,444,000	7,397,000	953,000
Special Revenue Funds - Other	9,045,000	9,045,000	0
Housing Information Systems			
General Fund	8,483,000	8,452,000	(31,000)
Rent Administration			
General Fund	3,346,000	3,346,000	0
Special Revenue Funds - Other	43,391,000	43,391,000	0
Total	<u>98,109,000</u>	<u>98,638,000</u>	<u>529,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,676,000	0	4,651,000	(25,000)
Community Development	3,315,000	0	3,290,000	(25,000)
Housing	2,272,000	(590,000)	2,267,000	(595,000)
Housing Information Systems	4,772,000	300,000	4,752,000	280,000
Rent Administration	2,796,000	0	2,791,000	(5,000)
Total	<u>17,831,000</u>	<u>(290,000)</u>	<u>17,751,000</u>	<u>(370,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	25,000	25,000	0	0
Community Development	0	0	25,000	25,000
Housing	0	0	5,000	5,000
Housing Information Systems	0	0	20,000	20,000
Rent Administration	0	0	5,000	5,000
Total	<u>25,000</u>	<u>25,000</u>	<u>55,000</u>	<u>55,000</u>

HOUSING AND COMMUNITY RENEWAL

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	8,697,000	247,000	350,000	144,000
Community Development	169,000	0	17,000	(13,000)
Housing	67,000	(50,000)	2,000	(6,300)
Housing Information Systems	3,680,000	(331,000)	30,000	(189,900)
Rent Administration	550,000	0	45,000	0
Total	<u>13,163,000</u>	<u>(134,000)</u>	<u>444,000</u>	<u>(65,200)</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	300,000	190,000	7,397,000	(727,000)
Community Development	85,000	(20,000)	42,000	8,000
Housing	45,000	4,000	15,000	(52,700)
Housing Information Systems	50,000	24,000	2,369,000	(1,172,100)
Rent Administration	5,000	0	400,000	0
Total	<u>485,000</u>	<u>198,000</u>	<u>10,223,000</u>	<u>(1,943,800)</u>

Program	Equipment	
	Amount	Change
Administration	650,000	640,000
Community Development	25,000	25,000
Housing	5,000	5,000
Housing Information Systems	1,231,000	1,007,000
Rent Administration	100,000	0
Total	<u>2,011,000</u>	<u>1,677,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	0	660,000	0
Community Development	4,900,000	0	2,915,000	0
Housing	16,442,000	953,000	9,494,000	590,000
Rent Administration	43,391,000	0	26,145,000	0
Total	<u>67,644,000</u>	<u>953,000</u>	<u>39,214,000</u>	<u>590,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	2,251,000	0	0	0
Community Development	1,985,000	0	0	0
Housing	5,447,000	362,000	1,501,000	1,000
Rent Administration	17,246,000	0	0	0
Total	<u>26,929,000</u>	<u>362,000</u>	<u>1,501,000</u>	<u>1,000</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	51,255,500	51,055,500	(200,000)
Special Revenue Funds - Federal	92,450,000	92,450,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>153,705,500</u>	<u>153,505,500</u>	<u>(200,000)</u>

HOUSING AND COMMUNITY RENEWAL

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

Program	Available 2006-07	Recommended 2007-08	Change
Housing Development Fund Program			
Special Revenue Funds - Other	10,000,000	10,000,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Lead Poisoning Prevention Program			
General Fund	200,000	0	(200,000)
Low Income Weatherization			
Special Revenue Funds - Federal	21,350,000	21,350,000	0
Neighborhood Preservation			
General Fund	10,506,500	10,506,500	0
Periodic Subsidies - Local Areas			
General Fund	16,220,000	16,220,000	0
Rural Preservation			
General Fund	4,725,000	4,725,000	0
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>153,705,500</u>	<u>153,505,500</u>	<u>(200,000)</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Affordable Housing Corporation				
Housing Program Fund	30,000,000	25,000,000	(5,000,000)	96,450,000
Housing Assistance Fund				
Housing Assistance Fund	1,000,000	0	(1,000,000)	13,086,000
Low Income Housing Trust Fund				
Housing Program Fund	39,000,000	29,000,000	(10,000,000)	122,454,000
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)	1,400,000
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
Main Street Program				
Housing Program Fund	5,000,000	0	(5,000,000)	5,000,000
New Facilities				
Capital Projects Fund	0	0	0	123,000
Federal Capital Projects Fund	0	0	0	28,754,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	58,600,000
Rural Revitalization Program				
Housing Program Fund	2,500,000	0	(2,500,000)	3,500,000
Urban Initiatives Program				
Housing Program Fund	1,500,000	0	(1,500,000)	3,000,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	24,050,000
Total	<u>100,200,000</u>	<u>74,200,000</u>	<u>(26,000,000)</u>	<u>387,507,000</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 tax-exempt and taxable bonds to provide mortgage loans for the construction and rehabilitation of both low income and mixed income multi-family rental housing.

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.

In 2007-08, \$50 million in resources made available through a restructuring of Empire State Development Corporation debt will be used to establish a new program at the Housing Finance Agency to create and preserve affordable housing for low and moderate income New Yorkers. In addition, \$2 million in resources will be made available to initiate a pilot program to explore ways to partner with employers on an employer assisted housing program.

PROGRAM HIGHLIGHTS

Since its inception in 1960, the Agency has provided financing of more than \$7.8 billion for more than 105,000 units of multi-family housing. Between November 1, 2001 and the close of the Agency's fiscal year on October 31, 2006, the Agency provided \$3.4 billion in mortgage loans that financed almost 14,000 housing units. During the Agency's fiscal year ending October 31, 2005, more than 4,143 units were financed with mortgage loans totaling more than \$1.1 billion, and in the fiscal year ending October 31, 2006, more than 1,700 units were financed with mortgage loans totaling more than \$694 million.

STATE OF NEW YORK MORTGAGE AGENCY

MISSION

The State of New York Mortgage Agency is a public benefit corporation created in 1970 to increase the affordability of homeownership for low- to moderate-income residents of New York State. This is accomplished by the Agency's issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. In 1978, the Agency's mission was expanded to include the issuance of mortgage insurance to promote the stabilization of neighborhoods throughout the State.

ORGANIZATION AND STAFFING

The Agency is overseen by a 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 Programs and Financing 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 \$370 million in appropriations in 2007-08 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.

MORTGAGE AGENCY

PROGRAM HIGHLIGHTS

Since its inception in 1970, the Agency's Single Family Division has provided more than \$9.7 billion of affordable financing for over 143,000 homes in New York. Between January 1, 1995 and the close of the Agency's fiscal year on October 31, 2006, the Agency purchased \$4.8 billion in single-family mortgages — helping more than 52,000 New Yorkers buy their first homes. During the Agency's 2005-06 fiscal year, 3,319 loans were financed in the amount of \$367 million.

The Mortgage Insurance Fund's portfolio of insured mortgages exceeds \$4 billion. In 2005-06, mortgage insurance provided by the Agency totaled more than \$175 million.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	76,800,000	76,800,000	0	0
Aid To Localities	304,414,000	293,718,000	(10,696,000)	0
Capital Projects	0	0	0	0
Total	381,214,000	370,518,000	(10,696,000)	0

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

Fund Type	Available 2006-07	Recommended 2007-08	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 2006-07	Recommended 2007-08	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

MORTGAGE AGENCY

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total Amount	Change	Maintenance Undistributed Amount	Change
Infrastructure Trust Fund Guarantee - SONYMA Homeowners Mortgage Revenues	61,800,000	0	61,800,000	0
SONYMA Mortgage Insurance Fund Restoration	15,000,000	0	15,000,000	0
Total	<u>76,800,000</u>	<u>0</u>	<u>76,800,000</u>	<u>0</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	304,414,000	293,718,000	(10,696,000)
Total	<u>304,414,000</u>	<u>293,718,000</u>	<u>(10,696,000)</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
SONYMA Mortgage Insurance Fund Restoration			
General Fund	304,414,000	293,718,000	(10,696,000)
Total	<u>304,414,000</u>	<u>293,718,000</u>	<u>(10,696,000)</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 59th 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 \$5 million in new appropriations, in concert with \$61.6 million in reappropriations, will fund Trust capital costs in 2007-08 associated with the planning, design and construction of Park projects. The \$5 million for Park development is from the Environmental Protection Fund within the budget for the Department of Environmental Conservation. All Trust administrative activities, including operating costs, are paid directly from a portion of the commercial lease payments and other revenues generated by businesses and activities conducted on the Park property. These receipts are deposited directly to the Trust.

PROGRAM HIGHLIGHTS

During 2007-08, 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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	26,000,000	0	(26,000,000)	61,557,000
Total	26,000,000	0	(26,000,000)	61,557,000

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Regional Development				
Capital Projects Fund - Advances	26,000,000	0	(26,000,000)	61,557,000
Total	26,000,000	0	(26,000,000)	61,557,000

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 2007-08 workforce of 935 positions.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Insurance Department is funded by State tax dollars from the General Fund, assessments on New York State based insurance carriers, and 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 \$199.2 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 \$25.3 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations, \$37 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 a \$100 million General Fund appropriation for the Department to finance provisions of "Timothy's Law" which was enacted in late 2006. Under this statute's provisions, on or after January 1, 2007, the State is required to fully reimburse employers with 50 or fewer employees for the costs associated with providing broad-based mental health insurance coverage.

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

INSURANCE

company denials of coverage. Risk-focused examinations are being incorporated by state insurance regulators, replacing the traditional full scope financial statement verification examinations. The Department has devoted resources to areas of higher risk, where effective and efficient uses of resources are realized.

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.

As the population continues to age, the Department will ensure Long Term Care insurance is available to assist with elder care. One of the Department's goals is to provide consumers with complete and up-to-date information so that they can make informed decisions regarding the purchase of Long Term Care insurance and to provide insurers with assistance in preparing filing submissions that comply with New York statutes and regulations in order to reach their markets in a timely manner.

The Department has approved a record number of auto insurance premium rate reductions, saving policyholders more than \$400 million. Regulatory reform and aggressive fraud-fighting will likely ensure that further rate reductions continue.

In 2004 the Department created the Disaster Preparedness and Response Bureau. The Bureau's principal function is to assist the Department and the New York insurance industry to prepare for, mitigate, respond to, and recover from existing and future natural and man-made disasters, including terrorism. New York was the first insurance department in the nation to create such a bureau.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	190,260,000	299,182,000	108,922,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	190,260,000	299,182,000	108,922,000	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
Special Revenue Funds - Other	131	131	0
Consumer Services			
Special Revenue Funds - Other	153	153	0
Regulation			
Special Revenue Funds - Other	651	651	0
Total	935	935	0

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	0	100,000,000	100,000,000
Special Revenue Funds - Other	190,260,000	199,182,000	8,922,000
Total	190,260,000	299,182,000	108,922,000

Adjustments:

Transfer(s) To	
Executive Chamber	
General Fund	143,000
Appropriated 2006-07	190,403,000

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration			
Special Revenue Funds - Other	14,637,000	14,864,000	227,000
Consumer Services			
Special Revenue Funds - Other	12,298,000	12,691,000	393,000
Regulation			
General Fund	0	100,000,000	100,000,000
Special Revenue Funds - Other	163,325,000	171,627,000	8,302,000
Total	190,260,000	299,182,000	108,922,000

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Regulation	100,000,000	100,000,000	100,000,000	100,000,000
Total	100,000,000	100,000,000	100,000,000	100,000,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	14,864,000	227,000	9,145,000	208,000
Consumer Services	12,691,000	393,000	8,057,000	268,000
Regulation	171,627,000	8,302,000	50,847,000	1,785,000
Total	199,182,000	8,922,000	68,049,000	2,261,000

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	5,719,000	19,000	0	0
Consumer Services	4,634,000	125,000	0	0
Regulation	46,161,000	1,059,000	74,619,000	5,458,000
Total	56,514,000	1,203,000	74,619,000	5,458,000

DIVISION OF THE LOTTERY

MISSION

In 1966, New Yorkers approved a constitutional amendment to authorize a State Lottery in support of education. The Division of the Lottery raises revenue through the sale and marketing of Lottery games.

ORGANIZATION AND STAFFING

The Division of the Lottery is an independent unit of the Department of Taxation and Finance, whose Commissioner appoints the Director of the Lottery. The Division maintains a central office in Schenectady, regional offices in Buffalo, Syracuse, New York City and Long Island, a satellite office in Fishkill to serve the Hudson Valley, and a claims center in Rochester. Marketing sales representatives are 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 2007-08 fiscal year.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Lottery games have raised in excess of \$29 billion in revenues for education since the Lottery's inception in 1967. In 2007-08, approximately \$2.7 billion will be available for education. The Division's costs are supported entirely with Lottery revenues. The 2007-08 Executive Budget recommends \$123 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 Numbers, Win 4, Take 5 and other Lottery games. 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 2007-08, with ticket prices starting at \$1.

Quick Draw, first introduced in 1995, is an electronically drawn game with winning numbers drawn by a central computer every four minutes. Quick Draw is displayed at approximately 3,200 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

LOTTERY

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 2007-08 Executive Budget provides funds necessary to market and operate traditional Lottery games 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 eight VLT gaming facilities currently operational. The 2007-08 Executive Budget also provides the necessary funding for the video lottery program's continued operation and implementation.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	156,235,000	123,357,300	(32,877,700)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	156,235,000	123,357,300	(32,877,700)	0

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration of the Lottery			
Special Revenue Funds - Other	314	314	0
Administration of the Lottery			
Special Revenue Funds - Other	36	36	0
Total	350	350	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	156,235,000	123,357,300	(32,877,700)
Total	156,235,000	123,357,300	(32,877,700)

Adjustments:

Prior Year Deficiency

Lottery, Division of the

 Special Revenue Funds - Other

20,000,000

Recommended Deficiency

Lottery, Division of the

 Special Revenue Funds - Other

(23,000,000)

Appropriated 2006-07

153,235,000

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration of the Lottery			
Special Revenue Funds - Other	156,235,000	123,357,300	(32,877,700)
Total	<u>156,235,000</u>	<u>123,357,300</u>	<u>(32,877,700)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration of the Lottery	123,357,300	(32,877,700)	20,988,200	(4,071,800)
Total	<u>123,357,300</u>	<u>(32,877,700)</u>	<u>20,988,200</u>	<u>(4,071,800)</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration of the Lottery	102,369,100	(805,900)	0	(28,000,000)
Administration of the Lottery	102,369,100	(805,900)	0	(28,000,000)
Total	<u>102,369,100</u>	<u>(805,900)</u>	<u>0</u>	<u>(28,000,000)</u>

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 and financing of the 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 almost \$2.4 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

METROPOLITAN TRANSPORTATION

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 and a half billion passengers ride the subways, buses and commuter rail systems each year.

MTA BRIDGES AND TUNNELS

MTA Bridges and Tunnels, the largest toll system in the nation serving 300 million vehicles annually, 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 of New York, the MTA has assumed operation of bus service in the areas previously serviced by the City-franchised private bus lines. Specifically, the MTA is now 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. MTA Bus now operates the 11th largest bus fleet in North America.

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.

METROPOLITAN TRANSPORTATION

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	0	0	0	0
Aid To Localities	644,700,000	660,100,000	15,400,000	0
Capital Projects	297,000,000	352,000,000	55,000,000	526,922,000
Total	<u>941,700,000</u>	<u>1,012,100,000</u>	<u>70,400,000</u>	<u>526,922,000</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	644,700,000	660,100,000	15,400,000
Total	<u>644,700,000</u>	<u>660,100,000</u>	<u>15,400,000</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Dedicated Tax			
Special Revenue Funds - Other	644,700,000	660,100,000	15,400,000
Total	<u>644,700,000</u>	<u>660,100,000</u>	<u>15,400,000</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
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)	297,000,000	352,000,000	55,000,000	490,922,000
Total	<u>297,000,000</u>	<u>352,000,000</u>	<u>55,000,000</u>	<u>526,922,000</u>

DEPARTMENT OF MOTOR VEHICLES

MISSION

The NYS Department of Motor Vehicles is a customer-oriented agency whose employees and partners work together to promote traffic safety, protect consumers, verify identities and issue secure documents, provide information services and collect revenues for the benefit of the people of this state.

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.

Dedicated funds and fees, including a portion of traffic violation fines in certain localities, support approximately 99 percent of the Department's positions. 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 \$200 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 \$18.3 million, or 5.7 percent due to salary contract obligations and inflation costs; expanded operational responsibilities such as the Driver Responsibility Program, the Internet Point Insurance Reduction Program (IPIRP) and customer service kiosk pilot programs; and additional funding for increased credit card usage driven by continued growth in Internet transaction volumes.

PROGRAM HIGHLIGHTS

CUSTOMER SERVICE

DMV issues drivers licenses and vehicle registrations, collects more than \$1.2 billion in revenue for the State and localities, monitors driver training and enforces the directives of local magistrates and departmental referees. State offices are also responsible for conducting road tests and maintaining enforcement sections that issue conditional and restricted use licenses and handle other suspension and revocation activities. The Department of Motor Vehicles served more than 20 million customers last year.

The Department also adjudicates traffic violations at 11 locations in New York City and several other jurisdictions across the State. This allows local judges and criminal courts to dedicate their activities to criminal matters. This program is funded entirely by fines collected from violators. After State operating expenses are deducted, remaining funds are returned to the jurisdictions where the violations occurred.

MOTOR VEHICLES

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 1.5 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. New projects underway include self-service kiosks in our issuing offices to complete selected transactions, Internet based permit testing to allow high school students to take the written permit test over the internet in participating schools; plead and pay Traffic Violations Bureau (TVB) tickets online or by telephone and the Internet Point Insurance Reduction Program (IPIRP) which will establish a pilot program to study the use of the internet and other technologies as an effective tool in the delivery of the accident prevention course program. 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.

VEHICLE AND DRIVER SAFETY

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 83 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 2007-08, 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.

MOTOR VEHICLES

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	116,631,000	122,658,000	6,027,000	30,441,000
Aid To Localities	14,400,000	17,240,000	2,840,000	27,400,000
Capital Projects	190,919,000	200,378,000	9,459,000	2,500,000
Total	<u>321,950,000</u>	<u>340,276,000</u>	<u>18,326,000</u>	<u>60,341,000</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs	2007-08 Estimated FTEs	FTE Change
	03/31/07	03/31/08	
Administrative Adjudication			
Special Revenue Funds - Other	442	450	8
Clean Air			
Special Revenue Funds - Other	271	271	0
Compulsory Insurance			
Special Revenue Funds - Other	212	212	0
Governor's Traffic Safety Committee			
Special Revenue Funds - Federal	27	27	0
Transportation Safety			
Special Revenue Funds - Other	1	5	4
Transportation Support			
Capital Projects Funds - Other	1,822	1,868	46
Total	<u>2,775</u>	<u>2,833</u>	<u>58</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Federal	14,400,000	15,960,000	1,560,000
Special Revenue Funds - Other	91,731,000	97,198,000	5,467,000
Internal Service Funds	10,500,000	9,500,000	(1,000,000)
Total	<u>116,631,000</u>	<u>122,658,000</u>	<u>6,027,000</u>

Adjustments:			
Transfer(s) To			
Executive Chamber			
General Fund	74,000		
Appropriated 2006-07	<u>116,705,000</u>		

MOTOR VEHICLES

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
Special Revenue Funds - Other	3,000,000	4,000,000	1,000,000
Internal Service Funds	10,500,000	9,500,000	(1,000,000)
Administrative Adjudication			
Special Revenue Funds - Other	43,696,000	44,443,000	747,000
Clean Air			
Special Revenue Funds - Other	24,713,000	25,769,000	1,056,000
Compulsory Insurance			
Special Revenue Funds - Other	18,737,000	20,015,000	1,278,000
Governor's Traffic Safety Committee			
Special Revenue Funds - Federal	14,400,000	15,960,000	1,560,000
Transportation Safety			
Special Revenue Funds - Other	1,585,000	2,971,000	1,386,000
Total	116,631,000	122,658,000	6,027,000

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	13,500,000	0	0	0
Administrative Adjudication	44,443,000	747,000	22,400,000	316,000
Clean Air	25,769,000	1,056,000	14,426,000	589,000
Compulsory Insurance	20,015,000	1,278,000	9,620,000	311,000
Governor's Traffic Safety Committee	15,960,000	1,560,000	496,000	16,000
Transportation Safety	2,971,000	1,386,000	380,000	260,000
Total	122,658,000	6,027,000	47,322,000	1,492,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	13,500,000	10,500,000	0	(10,500,000)
Administrative Adjudication	22,043,000	431,000	0	0
Clean Air	11,343,000	467,000	0	0
Compulsory Insurance	10,395,000	967,000	0	0
Governor's Traffic Safety Committee	317,600	25,200	15,146,400	1,518,800
Transportation Safety	2,591,000	1,126,000	0	0
Total	60,189,600	13,516,200	15,146,400	(8,981,200)

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Federal	14,400,000	17,240,000	2,840,000
Total	14,400,000	17,240,000	2,840,000

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

Program	Available 2006-07	Recommended 2007-08	Change
Governor's Traffic Safety Committee			
Special Revenue Funds - Federal	14,400,000	17,240,000	2,840,000
Total	14,400,000	17,240,000	2,840,000

MOTOR VEHICLES

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Transportation Support				
Dedicated Highway and Bridge Trust Fund	190,919,000	200,378,000	9,459,000	2,500,000
Total	190,919,000	200,378,000	9,459,000	2,500,000

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. 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 2007-08, State tax dollars from the General Fund will finance 25 percent, or \$8.2 million, of the Authority's \$32.6 million operating budget. State funding supplements \$23.2 million in revenue generated from venue marketing, fees and ticket sales to athletic and other special events; \$805,030 from the Town of North Elba; and \$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 2005-06, the Olympic facilities at Lake Placid received more than 726,000 visitors. The Authority hosts numerous national and international athletic and entertainment events. In 2005-06 major events included: the International Skating Institute Figure Skating Competition; USA Hockey Festivals/Camps; Ice Dance Championships; Canadian-American Hockey Camps/Tournaments; Disney on Ice; Collegiate Hockey Games; Smucker's Stars on Ice; Harlem Globetrotters; Canadian Hockey Enterprises Camps/Tournaments; Holiday Hoopfest; 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 387,000 visitors in the 2005-06 ski season; and over 113,000 visitors for off-season activities such as mountain biking and sightseeing tours.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	8,386,000	8,626,000	240,000	0
Aid To Localities	0	0	0	0
Capital Projects	5,500,000	0	(5,500,000)	5,500,000
Total	13,886,000	8,626,000	(5,260,000)	5,500,000

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	7,986,000	8,226,000	240,000
Special Revenue Funds - Other	400,000	400,000	0
Total	8,386,000	8,626,000	240,000

Adjustments:

Prior Year Deficiency	
Olympic Regional Development Authority	
General Fund	1,000,000
Appropriated 2006-07	9,386,000

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

Program	Available 2006-07	Recommended 2007-08	Change
Operations			
General Fund	7,986,000	8,226,000	240,000
Special Revenue Funds - Other	400,000	400,000	0
Total	8,386,000	8,626,000	240,000

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Operations	4,426,000	4,426,000	4,426,000	4,426,000
Total	4,426,000	4,426,000	4,426,000	4,426,000

OLYMPIC REGIONAL DEVELOPMENT

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Operations	3,800,000	(4,186,000)	2,000,000	2,000,000
Total	3,800,000	(4,186,000)	2,000,000	2,000,000

Program	Contractual Services		General State Charges	
	Amount	Change	Amount	Change
Operations	0	(7,986,000)	1,800,000	1,800,000
Total	0	(7,986,000)	1,800,000	1,800,000

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	400,000	0	170,000	170,000
Total	400,000	0	170,000	170,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	230,000	30,000	0	(200,000)
Total	230,000	30,000	0	(200,000)

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Recreation				
Capital Projects Fund	5,500,000	0	(5,500,000)	5,500,000
Total	5,500,000	0	(5,500,000)	5,500,000

OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

MISSION

The Office of Parks, Recreation and Historic Preservation's mission is to provide safe and enjoyable recreational and interpretive opportunities for all New York State residents and visitors, and to be responsible stewards of our valuable natural, historic, and cultural resources. The Office operates and maintains 176 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 2007-08, the Office will have a workforce of 2,244. Approximately 5,000 temporary and seasonal employees supplement the permanent staff in the peak summer season.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2007-08 Executive Budget recommends more than \$276 million for the Office's programs, including \$137 million in General Fund moneys and more than \$85 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. In addition, the Budget provides 52 additional staff to enhance park operations, including general maintenance and rehabilitation, increase security and expand opportunities to access the historic home owners tax credit.

These recommendations continue funding for the Empire State Games and Art Park at the 2006-07 level. In addition, \$7.5 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 63.4 percent of its funding. The remaining 36.6 percent is provided by a variety of sources, including:

- User fees at the parks (33.1 percent);
- Federal grants for activities related to the use of recreational vehicles and land and water conservation (2.2 percent); and

PARKS, RECREATION AND HISTORIC PRESERVATION

- Other miscellaneous funds, including moneys earmarked for historic sites, arboretums and the Empire State Games (1.2 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, 28 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.

For 2007-08, appropriations of \$34.2 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 2007-08, the EPF will provide \$21.5 million for infrastructure and stewardship projects at State parks and lands operated by the Office and the Department of Environmental Conservation.

PROGRAM HIGHLIGHTS

The Office's mission is carried out through the operations of its 215 parks and historic sites, providing safe and attractive facilities, accessible and affordable services and quality visitor experiences. State parks and historic sites serve as models for sound natural, historic and cultural resource protection policies and effective sustainability practices. The Office also plays a key leadership role in these areas both nationally and with local governments and the non-profit community. The Office has reorganized functions and consolidated management operations and continues to achieve efficiencies through the 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 in the summer of 2002, and has been selected to host the tournament again in 2009.

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 176 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

PARKS, RECREATION AND HISTORIC PRESERVATION

- 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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	201,007,900	209,413,900	8,406,000	19,016,900
Aid To Localities	17,295,000	15,370,000	(1,925,000)	26,631,000
Capital Projects	56,300,000	51,500,000	(4,800,000)	147,383,000
Total	<u>274,602,900</u>	<u>276,283,900</u>	<u>1,681,000</u>	<u>193,030,900</u>

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	81	81	0
Historic Preservation			
General Fund	190	196	6
Special Revenue Funds - Federal	12	12	0
Special Revenue Funds - Other	1	1	0
Park Operations			
General Fund	1,379	1,425	46
Special Revenue Funds - Federal	9	9	0
Special Revenue Funds - Other	386	386	0
Capital Projects Funds - Other	120	120	0
Recreation Services			
General Fund	14	14	0
Total	<u>2,192</u>	<u>2,244</u>	<u>52</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	123,102,100	132,808,100	9,706,000
Special Revenue Funds - Federal	4,700,900	4,700,900	0
Special Revenue Funds - Other	70,704,900	69,404,900	(1,300,000)
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>201,007,900</u>	<u>209,413,900</u>	<u>8,406,000</u>

Adjustments:	
Transfer(s) From	
Special Pay Bill	
General Fund	(6,728,000)
Transfer(s) To	
Executive Chamber	
General Fund	219,000
Appropriated 2006-07	<u>194,498,900</u>

PARKS, RECREATION AND HISTORIC PRESERVATION

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	6,609,900	8,318,900	1,709,000
Special Revenue Funds - Federal	1,000,000	1,000,000	0
Historic Preservation			
General Fund	10,939,300	11,704,300	765,000
Special Revenue Funds - Federal	1,200,900	1,200,900	0
Special Revenue Funds - Other	131,000	131,000	0
Park Operations			
General Fund	103,097,500	110,072,500	6,975,000
Special Revenue Funds - Federal	2,500,000	2,500,000	0
Special Revenue Funds - Other	70,573,900	69,273,900	(1,300,000)
Recreation Services			
General Fund	2,455,400	2,712,400	257,000
Enterprise Funds	2,500,000	2,500,000	0
Total	<u>201,007,900</u>	<u>209,413,900</u>	<u>8,406,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,978,800	309,000	4,803,200	298,561
Historic Preservation	9,599,700	575,000	7,458,000	448,522
Park Operations	92,117,200	2,185,000	59,488,000	1,931,202
Recreation Services	927,900	257,000	688,000	190,555
Total	<u>107,623,600</u>	<u>3,326,000</u>	<u>72,437,200</u>	<u>2,868,840</u>
Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	131,100	7,794	44,500	2,645
Historic Preservation	2,045,000	120,767	96,700	5,711
Park Operations	28,100,000	218,569	4,529,200	35,229
Recreation Services	225,000	62,318	14,900	4,127
Total	<u>30,501,100</u>	<u>409,448</u>	<u>4,685,300</u>	<u>47,712</u>

PARKS, RECREATION AND HISTORIC PRESERVATION

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	3,340,100	1,400,000	105,200	44,094
Historic Preservation	2,104,600	190,000	358,800	39,419
Park Operations	17,955,300	4,790,000	6,410,000	1,710,019
Recreation Services	1,784,500	0	431,000	0
Total	25,184,500	6,380,000	7,305,000	1,793,532

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	100,400	42,083	2,984,500	1,250,951
Historic Preservation	140,700	6,648	1,018,500	123,086
Park Operations	305,000	81,366	10,440,300	2,785,196
Recreation Services	21,000	0	1,243,000	0
Total	567,100	130,097	15,686,300	4,159,233

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	150,000	62,872	0	0
Historic Preservation	196,600	20,847	390,000	0
Park Operations	800,000	213,419	0	0
Recreation Services	89,500	0	0	0
Total	1,236,100	297,138	390,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	1,000,000	0	0	0
Historic Preservation	1,331,900	0	669,500	0
Park Operations	71,773,900	(1,300,000)	26,899,100	0
Recreation Services	2,500,000	0	0	0
Total	76,605,800	(1,300,000)	27,568,600	0

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	1,000,000	0	0	0
Historic Preservation	662,400	0	0	0
Park Operations	42,973,800	0	1,901,000	(1,300,000)
Recreation Services	2,500,000	0	0	0
Total	47,136,200	0	1,901,000	(1,300,000)

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	5,925,000	4,000,000	(1,925,000)
Special Revenue Funds - Federal	5,620,000	5,620,000	0
Special Revenue Funds - Other	5,750,000	5,750,000	0
Total	17,295,000	15,370,000	(1,925,000)

PARKS, RECREATION AND HISTORIC PRESERVATION

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	3,500,000	4,000,000	500,000
Historic Preservation			
Special Revenue Funds - Federal	120,000	120,000	0
Natural Heritage Trust			
General Fund	2,425,000	0	(2,425,000)
Park Operations			
Special Revenue Funds - Federal	3,500,000	3,500,000	0
Special Revenue Funds - Other	5,750,000	5,750,000	0
Recreation Services			
Special Revenue Funds - Federal	2,000,000	2,000,000	0
Total	<u>17,295,000</u>	<u>15,370,000</u>	<u>(1,925,000)</u>

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Parks EQBA 86				
Capital Projects Fund - EQBA 86 (Bondable)	0	0	0	4,426,000
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	14,486,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	0	0	0	274,000
Fiduciary Funds - Misc. Combined Expendable Trust Fund	10,000,000	10,000,000	0	42,040,000
State Parks Infrastructure Fund	37,700,000	34,200,000	(3,500,000)	76,363,000
Misc. Capital Projects	4,600,000	3,300,000	(1,300,000)	8,481,000
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>56,300,000</u>	<u>51,500,000</u>	<u>(4,800,000)</u>	<u>147,383,000</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 serve 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 traditional government agencies. Public authorities derive their powers and responsibilities from the legislation by which they are established.

The Public Authorities Accountability Act of 2005 opened the operations and financial dealings of public authorities to enhanced public scrutiny. State and local public authorities now must adhere to accepted corporate governance standards, disclose their budgets, indebtedness, independent audit reports, financial statements and activities, and follow prescribed procedures for the custody, control and disposition of real property.

It is the responsibility of the Authority Budget Office to monitor and enforce compliance with these governance and reporting requirements. By law, the Authority Budget Office is to review, assess and report on the operations, practices and finances of public authorities and 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, formation and oversight of public authorities, and to ensure that directors receive training on the fiduciary, legal and ethical obligations of board members. These actions are intended to strengthen public confidence in the integrity and accountability 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

PUBLIC AUTHORITIES

HOUSING AND FINANCE

Housing Finance Agency
Local Government Assistance Corporation
State of New York Mortgage Agency

REGIONAL TRANSPORTATION

Metropolitan Transportation Authority

Public authorities which are not included elsewhere in the Executive Budget are discussed below:

BRIDGE, TUNNEL AND HIGHWAY AUTHORITIES

Buffalo and Fort Erie Public Bridge Authority

The Buffalo and Fort Erie Public Bridge Authority 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,

PUBLIC AUTHORITIES

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.

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, two industrial parks 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 parks currently have 15 buildings with over 600,000 square feet of space. The industrial parks are home to over 25 businesses that employ over 550 residents of Northern New York. The Authority's marine terminal provides the North Country's mining industries with economically priced export capabilities and provides road salt to the New York State Department of Transportation and municipalities throughout Northern New York State. The Authority has received State support in the past, but no additional support is anticipated in SFY 2007-08.

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.

PUBLIC AUTHORITIES

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 ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2006 AND 2007
 (thousands of dollars)

Authorities by Function	Fiscal Year Begins	2006				2007			
		Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}	Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}
BRIDGE, TUNNEL AND HIGHWAY									
Buffalo and Fort Erie Public Bridge Authority	Jan. 1	38,615	14,490	1,937	22,188	29,200	16,028	1,581	11,591
New York State Bridge Authority	Jan. 1	41,351	24,025	7,919	9,407	41,158	25,154	7,987	8,017
Thousand Islands Bridge Authority	Mar. 1	9,987	6,674	739	2,574	10,879	7,275	738	2,866
Thruway Authority ^{d/}	Jan. 1	607,536	387,355	131,402	88,779	622,741	409,190	138,347	75,204
ECONOMIC DEVELOPMENT									
Battery Park City Authority	Nov. 1	274,054	32,905	37,653	203,496	208,236	33,360	68,681	106,195
Development Authority of the North Country	April 1	19,366	14,509	4,857	0	19,947	15,085	4,862	0
Empire State Development Corporation	April 1	722,193	120,836	617,527	(16,170)	726,803	112,720	644,588	(30,505)
Job Development Authority	April 1	26,873	450	23,335	3,088	10,596	450	6,908	3,238
United Nations Development Corporation	Jan. 1	34,220	27,586	6,634	0	36,139	26,941	9,198	0
ENERGY AND ENVIRONMENT									
Energy Research and Development Authority	April 1	385,754	379,489	6,265	0	341,890	340,066	1,824	0
Environmental Facilities Corporation	April 1	709,107	20,679	682,466	5,962	727,867	20,976	699,602	7,289
Long Island Power Authority	Jan. 1	3,679,455	3,019,555	534,900	125,000	3,620,707	2,957,413	588,294	75,000
Power Authority	Jan. 1	2,697,100	2,416,100	262,900	18,100	2,933,500	2,578,300	322,900	32,300
HOUSING, HEALTH AND FINANCE									
Dormitory Authority	April 1	2,939,812	94,599	2,845,213	0	3,557,275	99,375	3,457,900	0
Housing Finance Agency	Nov. 1	551,040	33,601	513,459	3,980	565,367	49,090	513,141	3,136
Local Government Assistance Corporation	April 1	365,962	6,364	316,539	43,059	379,017	6,263	353,102	19,652
Mortgage Agency	Nov. 1	646,139	149,560	495,947	632	638,000	150,630	487,370	0
Municipal Assistance Corporation for the City of New York ^{d/}	July 1	31,376	27,564	0	3,812	13,818	10,330	0	3,488
Municipal Assistance Corporation for the City of Troy	Jan. 1	5,903	49	5,854	0	6,061	28	6,033	0
Nassau County Interim Finance Authority ^{e/}	Jan. 1	138,026	1,184	136,842	0	168,747	1,236	167,511	0
Municipal Bond Bank Agency	Nov. 1	44,268	541	43,727	0	52,592	432	52,160	0
Tobacco Settlement Financing Corporation	Nov. 1	411,154	1,510	409,644	0	446,142	1,560	444,582	0
Buffalo Fiscal Stability Authority ^{f/}	July 1	245,067	1,470	81,899	161,698	247,045	1,460	75,537	170,048

PUBLIC AUTHORITIES

TABLE 1
FINANCIAL OPERATIONS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2006 AND 2007
 (thousands of dollars)

Authorities by Function	Fiscal Year Begins	2006				2007			
		Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}	Total Revenues	Operating Expenses	Debt Service Requirements	Surplus (Deficit) ^{b/}
PORT DEVELOPMENT									
Albany Port District Commission	Jan. 1	4,541	4,047	140	354	3,801	4,281	140	(620)
Ogdensburg Bridge and Port Authority	April 1	5,077	3,796	1,070	211	5,132	3,889	1,072	171
Port Authority of New York and New Jersey ^{g/}	Jan. 1	3,606,907	2,167,597	729,883	709,427	3,962,234	2,306,364	805,862	850,008
Port of Oswego Authority	April 1	2,709	2,002	379	328	1,965	1,760	109	96
REGIONAL TRANSPORTATION									
Capital District Transportation Authority	April 1	61,569	61,569	0	0	61,209	65,577	0	(4,368)
Central New York Regional Transportation Authority	April 1	47,023	48,954	28	(1,959)	47,564	51,046	28	(3,510)
Metropolitan Transportation Authority ^{h/}	Jan. 1	10,712,600	8,023,000	1,320,800	1,368,800	10,840,100	8,613,400	1,457,900	768,800
Niagara Frontier Transportation Authority	April 1	162,142	147,730	10,369	4,043	168,864	154,751	10,179	3,934
Rochester-Genesee Regional Transportation Authority	April 1	72,090	67,156	0	4,934	71,678	70,942	0	736
GRAND TOTAL		29,299,016	17,306,946	9,230,327	2,761,743	30,566,274	18,135,372	10,328,136	2,102,766

^{a/} 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.

^{b/} 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.

^{c/} Excludes debt service for bonds sold to finance State transportation programs.

^{d/} 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.

^{e/} Excess sales tax funds of the Authority are remitted immediately to Nassau County as required under the NIFA Act.

^{f/} Surplus funds of the Authority are remitted immediately to the City of Buffalo and the Buffalo School District as required by the BFS Act.

^{g/} 2007 information is a preliminary estimate of Authority Operating Budget and is subject to change.

^{h/} Data represents consolidated reporting for the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority.

PUBLIC AUTHORITIES

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2006 AND 2007
 (thousands of dollars)

Authorities by Function	2006			2007		
	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}
BRIDGE, TUNNEL AND HIGHWAY						
Buffalo and Fort Erie Public Bridge Authority	28,403	46,491	0	11,544	30,617	0
New York State Bridge Authority	10,370	36,390	0	15,480	32,885	0
Thousand Islands Bridge Authority	2,311	2,311	0	5,259	5,259	0
Thruway Authority	288,147	288,147	0	485,636	282,480	203,156
ECONOMIC DEVELOPMENT						
Battery Park City Authority	22,205	176,400	150,000	50,188	50,000	100,000
Development Authority of the North Country	606	606	0	624	624	0
Empire State Development Corporation	167,442	0	750,000	1,444,130	0	1,251,300
Job Development Authority	10,000	(22,242)	0	10,000	(7,092)	0
United Nations Development Corporation	10,410	16,505	0	3,421	9,831	0
ENERGY AND ENVIRONMENT						
Energy Research and Development Authority	14,000	0	14,000	13,500	0	13,500
Environmental Facilities Corporation	1,353,070	0	1,353,070	1,080,000	0	1,080,000
Long Island Power Authority	271,000	(23,975)	294,975	304,000	204,000	100,000
Power Authority	276,862	190,560	86,302	379,000	234,982	144,018
HOUSING, HEALTH AND FINANCE						
Dormitory Authority	1,995,714	3,246,167	3,658,810	3,588,589	4,909,263	5,358,618
Housing Finance Agency	833,855	725,423	673,972	1,407,114	565,756	1,162,900
Local Government Assistance Corporation	0	0	0	0	0	0
Mortgage Agency	362,279	48,628	445,565	398,628	125,000	475,000
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 ^{c/}	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	90,000	0	90,000	90,000	0	90,000

PUBLIC AUTHORITIES

TABLE 2
CAPITAL PROGRAMS ^{a/} OF NEW YORK STATE PUBLIC AUTHORITIES
2006 AND 2007
 (thousands of dollars)

Authorities by Function	2006			2007		
	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}	Capital Program Disbursements	Available Resources	Sale of New Debt ^{b/}
PORT DEVELOPMENT						
Albany Port District Commission	803	803	0	863	863	0
Ogdensburg Bridge and Port Authority	7,095	137	0	8,641	490	0
Port Authority of New York and New Jersey ^{d/}	1,632,470	1,514,175	1,582,000	2,478,466	2,046,714	617,000
Port of Oswego Authority	561	270	500	3,500	2,000	250
REGIONAL TRANSPORTATION						
Capital District Transportation Authority	18,603	18,603	0	16,710	16,710	0
Central New York Regional Transportation Authority	19,627	19,627	0	13,750	13,750	0
Metropolitan Transportation Authority ^{e/}	6,247,200	2,163,700	4,096,200	5,565,300	1,896,600	3,668,800
Niagara Frontier Transportation Authority	77,741	77,741	0	114,023	114,023	0
Rochester-Genesee Regional Transportation Authority	13,142	13,142	0	34,692	51,498	0
GRAND TOTAL	13,753,916	8,539,609	13,195,394	17,523,058	10,586,253	14,264,542

^{a/} 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.

^{b/} Includes proceeds available for capital program only.

^{c/} 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.

^{d/} All estimates are preliminary and are subject to change.

^{e/} 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, 2006
(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
BRIDGE, TUNNEL AND HIGHWAY							
Buffalo and Fort Erie Public Bridge Authority	165,000	44,120	44,120	0	0	0	0
New York State Bridge Authority	100,000	83,522	68,735	0	0	0	0
Thousand Islands Bridge Authority	Unlimited	5,745	2,645	0	0	0	0
Thruway Authority	Unlimited	17,672,482	10,840,210	0	0	0	0
ECONOMIC DEVELOPMENT							
Battery Park City Authority ^{a/}	810,000	0	1,068,346	0	0	0	0
Development Authority of the North Country	Unlimited	49,424	31,922	0	0	0	0
Empire State Development Corporation	9,388,334	8,390,663	6,316,031	11,741	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	36,740	0
ENERGY AND ENVIRONMENT							
Energy Research and Development Authority	Unlimited	8,094,695	3,664,040	0	0	0	0
Environmental Facilities Corporation	Unlimited	12,868,400	7,626,648	0	0	0	0
Long Island Power Authority	Unlimited	11,187,443	7,159,733	100,000	0	0	0
Power Authority	Unlimited	7,130,690	1,303,180	1,017,055	0	0	0
HOUSING, HEALTH AND FINANCE							
Dormitory Authority	Unlimited	75,771,333	31,860,195	86,198	926,015	698,660	8,565
Housing Finance Agency ^{b/}	17,611,000	14,945,371	7,301,815	0	7,112,115	6,524,379	56,280
Local Government Assistance Corporation	4,700,000	5,645,760	4,203,951	0	0	0	0
Mortgage Agency	7,470,000	12,745,203	2,927,427	0	0	0	0
Municipal Assistance Corporation for the City of New York ^{c/}	11,500,000	0	0	0	0	0	0
Municipal Assistance Corporation for the City of Troy	75,000	69,583	64,597	0	0	0	0
Nassau County Interim Finance Authority	Unlimited	2,363,460	2,086,960	0	0	0	0
Municipal Bond Bank Agency	1,000,000	620,550	544,195	0	0	0	0
Tobacco Settlement Financing Corporation	4,200,000	4,551,120	4,083,830	0	0	0	0
Buffalo Fiscal Stability Authority	Unlimited	158,110	152,615	30,000	0	0	0

PUBLIC AUTHORITIES

TABLE 3
DEBT STRUCTURE OF NEW YORK STATE PUBLIC AUTHORITIES
AS OF SEPTEMBER 30, 2006
 (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
PORT DEVELOPMENT							
Albany Port District Commission	Unlimited	0	0	638	0	0	0
Ogdensburg Bridge and Port Authority	Unlimited	0	6,400	1,529	0	0	0
Port Authority of New York and New Jersey	Unlimited	16,794,729	11,147,095	751,730	0	0	0
Port of Oswego Authority	Unlimited	0	0	478	0	0	0
REGIONAL TRANSPORTATION							
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 ^{d/}	57,754,000	25,865,485	23,366,685	450,000	0	0	0
Niagara Frontier Transportation Authority	Unlimited	199,334	183,069	4,845	0	0	0
Rochester-Genesee Regional Transportation Authority	Unlimited	0	0	0	0	0	0
GRAND TOTAL		<u>226,244,030</u>	<u>126,231,012</u>	<u>2,469,214</u>	<u>8,113,130</u>	<u>7,259,779</u>	<u>64,845</u>

^{a/} \$400 million in bonding authority related to the Housing New York Program sunsetted on June 30, 1995.

^{b/} HFA moral obligation bond limit is reduced as bonds outstanding after April 1, 1976 are repaid.

^{c/} 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.

^{d/} 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
2006 AND 2007-08
(thousands of dollars)

Authorities by Function	Authority Bonds Outstanding, 2006 ^{a/}			Outstanding Reimbursable State Appro- priations, 2006	State Appropriations Requested in Support of Authority Programs, 2007-08 ^{b/}		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Appro- priations	Reappro- priations	Total
BRIDGE, TUNNEL AND HIGHWAY							
Buffalo and Fort Erie Public Bridge Authority	44,120	0	0	0	0	0	0
New York State Bridge Authority	68,735	0	0	0	0	0	0
Thousand Islands Bridge Authority	2,645	0	0	0	0	0	0
Thruway Authority	10,840,210	0	0	0	2,000	8,809	10,809
ECONOMIC DEVELOPMENT							
Battery Park City Authority	1,068,346	0	0	0	0	0	0
Development Authority of the North Country	31,922	0	0	0	0	0	0
Empire State Development Corporation	6,316,031	0	0	0	725,372	2,661,443	3,386,815
Job Development Authority	0	48,310	0	0	0	0	0
United Nations Development Corporation	128,258	0	0	0	0	0	0
ENERGY AND ENVIRONMENT							
Energy Research and Development Authority	3,664,040	0	0	0	29,706	4,700	34,406
Environmental Facilities Corporation	7,626,648	0	0	12,775	13,895	11,305	25,200
Long Island Power Authority	7,159,733	0	0	0	0	0	0
Power Authority	1,303,180	0	0	0	0	0	0
HOUSING, HEALTH AND FINANCE							
Dormitory Authority	31,851,630	0	8,565	0	0	0	0
Housing Finance Agency	7,245,535	0	56,280	0	0	0	0
Local Government Assistance Corporation	4,203,951	0	0	0	388,000	0	388,000
Mortgage Agency	2,927,427	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	64,597	0	0	0	0	0	0
Nassau County Interim Finance Authority	2,086,960	0	0	0	0	0	0
Municipal Bond Bank Agency	544,195	0	0	0	0	0	0
Tobacco Settlement Financing Corporation	4,083,830	0	0	0	0	0	0
Buffalo Fiscal Stability Authority	152,615	0	0	0	0	0	0

PUBLIC AUTHORITIES

**TABLE 4
STATE INVOLVEMENT IN FINANCING OF PROJECTS AND OPERATIONS
OF NEW YORK STATE PUBLIC AUTHORITIES
2006 AND 2007-08
(thousands of dollars)**

Authorities by Function	Authority Bonds Outstanding, 2006 ^{a/}			Outstanding Reimbursable State Appropriations, 2006	State Appropriations Requested in Support of Authority Programs, 2007-08 ^{b/}		
	Revenue and Nonrecourse	State Guaranteed	Moral Obligation		New Appropriations	Reappropriations	Total
PORT DEVELOPMENT							
Albany Port District Commission	0	0	0	0	0	0	0
Ogdensburg Bridge and Port Authority	6,400	0	0	19,230	0	0	0
Port Authority of New York and New Jersey	11,147,095	0	0	0	0	0	0
Port of Oswego Authority	0	0	0	4,056	0	0	0
REGIONAL TRANSPORTATION							
Capital District Transportation Authority	0	0	0	0	28,377	0	28,377
Central New York Regional Transportation Authority	0	0	0	0	28,268	0	28,268
Metropolitan Transportation Authority ^{c/}	23,366,685	0	0	0	2,421,649	490,923	2,912,572
Niagara Frontier Transportation Authority	183,069	0	0	0	40,973	0	40,973
Rochester-Genesee Regional Transportation Authority	0	0	0	0	29,628	0	29,628
GRAND TOTAL	126,117,857	48,310	64,845	36,061	3,707,868	3,177,180	6,885,048

^{a/} This table covers bonds outstanding as of September 30.

^{b/} Appropriations are included in the Executive Budget for State Fiscal Year 2007-08 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.

^{c/} 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 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.

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, 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 540 for 2007-08. The Department is funded almost entirely from utility and cable assessments.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Department's 2007-08 operating budget includes funding of \$76.3 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:

- Increasing clean generation capacity by passing a new Article X power plant siting law;
- Encouraging long-term power contracts that are necessary to sustain investment in new power plants and the re-powering of older plants;
- Continuing implementation of the Renewable Portfolio Standard, 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; and
- Continuing efforts to increase the security and safety of critical utility infrastructures and cyber facilities and systems.

PUBLIC SERVICE

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	74,035,000	77,994,000	3,959,000	0
Aid To Localities	400,000	400,000	0	3,589,000
Capital Projects	0	0	0	0
Total	74,435,000	78,394,000	3,959,000	3,589,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
Special Revenue Funds - Other	98	98	0
Regulation of Utilities			
Special Revenue Funds - Federal	11	11	0
Special Revenue Funds - Other	431	431	0
Total	540	540	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Federal	1,691,000	1,691,000	0
Special Revenue Funds - Other	72,344,000	76,303,000	3,959,000
Total	74,035,000	77,994,000	3,959,000

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
Special Revenue Funds - Other	12,388,000	12,852,000	464,000
Regulation of Utilities			
Special Revenue Funds - Federal	1,691,000	1,691,000	0
Special Revenue Funds - Other	59,956,000	63,451,000	3,495,000
Total	74,035,000	77,994,000	3,959,000

PUBLIC SERVICE

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	12,852,000	464,000	6,596,000	177,000
Regulation of Utilities	65,142,000	3,495,000	35,990,000	2,145,000
Total	77,994,000	3,959,000	42,586,000	2,322,000

Program	Nonpersonal Service	
	Amount	Change
Administration	6,256,000	287,000
Regulation of Utilities	29,152,000	1,350,000
Total	35,408,000	1,637,000

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

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

Program	Available 2006-07	Recommended 2007-08	Change
Regulation of Utilities			
Special Revenue Funds - Other	400,000	400,000	0
Total	400,000	400,000	0

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 eight harness tracks — Buffalo, Monticello, Saratoga, Syracuse, Tioga Downs, Vernon Downs, Batavia Downs and Yonkers. The Racing and Wagering Board will have a workforce of 136 full time and as many as 165 per diem staff in the 2007-08 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 2007-08 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.

RACING AND WAGERING

PROGRAM HIGHLIGHTS

REGULATION OF GAMES OF CHANCE

The Racing and Wagering Board promulgates rules and regulations governing bingo and other games of chance operated by more than 15,000 charitable and not-for-profit organizations throughout the State. The Board establishes standards for issuing licenses to suppliers and manufacturers of gaming equipment; reviews financial statements of charitable gaming operations; and, in conjunction with local law enforcement officials, investigates illegal gaming activities. In accordance with legislation enacted in 1996, the Board will continue its oversight of “bell jar” games in order to decrease illegal activity.

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 2007-08 Executive Budget provides funding necessary to support Board oversight at the new facilities.

REGULATION OF RACING

The Board’s permanent staff oversees 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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	24,918,000	24,768,000	(150,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	24,918,000	24,768,000	(150,000)	0

RACING AND WAGERING

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

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2006-07 Estimated FTEs 03/31/07</u>	<u>2007-08 Estimated FTEs 03/31/08</u>	<u>FTE Change</u>
Regulation of Racing			
Special Revenue Funds - Other	40	40	0
Regulation of Wagering			
Special Revenue Funds - Other	96	96	0
Total	<u>136</u>	<u>136</u>	<u>0</u>

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Special Revenue Funds - Other	24,918,000	24,768,000	(150,000)
Total	<u>24,918,000</u>	<u>24,768,000</u>	<u>(150,000)</u>

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Regulation of Racing			
Special Revenue Funds - Other	14,202,000	14,052,000	(150,000)
Regulation of Wagering			
Special Revenue Funds - Other	10,716,000	10,716,000	0
Total	<u>24,918,000</u>	<u>24,768,000</u>	<u>(150,000)</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Regulation of Racing	14,052,000	(150,000)	6,473,000	0
Regulation of Wagering	10,716,000	0	5,873,000	0
Total	<u>24,768,000</u>	<u>(150,000)</u>	<u>12,346,000</u>	<u>0</u>

<u>Program</u>	<u>Nonpersonal Service</u>	
	<u>Amount</u>	<u>Change</u>
Regulation of Racing	7,579,000	(150,000)
Regulation of Wagering	4,843,000	0
Total	<u>12,422,000</u>	<u>(150,000)</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 fulfills this responsibility by reviewing and streamlining regulations, expediting permit approvals for new and expanding businesses, and facilitating communication between regulators and affected parties. Since 1995, the Office has substantively reviewed and/or eliminated more than 3,000 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 2006, an estimated 40,000 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 2007-08.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Executive Budget recommends \$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.

PROGRAM HIGHLIGHTS

REGULATORY REVIEW

The Office reviews the need for proposed new and revised regulations and their economic impact. 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.

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. This program has provided assistance to over 650,000 individuals

REGULATORY REFORM

or firms interested in starting or growing a business in New York. This effort was facilitated by the development of a master application form for complex business ventures, a comprehensive permit reform program and development of a web site, www.nys-permits.org which provides businesses with permit information.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	3,744,000	3,751,000	7,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,744,000	3,751,000	7,000	0

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	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 2006-07	Recommended 2007-08	Change
General Fund	3,744,000	3,751,000	7,000
Total	3,744,000	3,751,000	7,000

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	3,744,000	3,751,000	7,000
Total	3,744,000	3,751,000	7,000

REGULATORY REFORM

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,899,000	53,000	2,894,000	53,000
Total	2,899,000	53,000	2,894,000	53,000

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	5,000	0
Total	5,000	0

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	852,000	(46,000)	20,000	(30,000)
Total	852,000	(46,000)	20,000	(30,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	7,000	0	800,000	100,000
Total	7,000	0	800,000	100,000

Program	Equipment	
	Amount	Change
Administration	25,000	(116,000)
Total	25,000	(116,000)

FOUNDATION FOR SCIENCE, TECHNOLOGY, AND INNOVATION

MISSION

The New York State Foundation for Science, Technology, and Innovation – formerly the Office of Science, Technology, and Academic Research (NYSTAR) – is a public benefit corporation responsible for directing the State’s university-based high-technology economic development programs.

ORGANIZATION AND STAFFING

The Foundation for Science, Technology, and Innovation is headed by an Executive Director who is appointed by the Governor and confirmed by the Senate. Foundation oversight is governed by a 13-member board of directors. The organization will have a workforce of 30 positions in 2007-08.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Foundation for Science, Technology, and Innovation’s activities are supported primarily with State tax dollars from the General Fund. The Executive Budget recommends \$4.7 million to support the Foundation's operating budget and \$50.4 million for its high-technology programs.

PROGRAM HIGHLIGHTS

The Foundation for Science, Technology, and Innovation 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 Foundation for Science, Technology, and Innovation will continue to administer various other programs 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 include: the High-Technology Matching Grants Program, including the Security Through Advanced Research and Technology (START) initiative; College Applied Research

SCIENCE, TECHNOLOGY, AND INNOVATION

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 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.

The Foundation is also authorized to administer 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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	3,425,000	4,727,000	1,302,000	0
Aid To Localities	52,015,000	50,440,000	(1,575,000)	154,817,000
Capital Projects	0	0	0	16,030,000
Total	55,440,000	55,167,000	(273,000)	170,847,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration Program			
General Fund	30	30	0
Total	30	30	0

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	2,925,000	4,227,000	1,302,000
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>3,425,000</u>	<u>4,727,000</u>	<u>1,302,000</u>

Adjustments:

Transfer(s) From	
Science, Technology and Academic Research, Office of General Fund	(2,925,000)
Special Revenue Funds - Other	(500,000)
Appropriated 2006-07	<u>0</u>

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration Program			
General Fund	2,925,000	4,227,000	1,302,000
Special Revenue Funds - Other	500,000	500,000	0
Total	<u>3,425,000</u>	<u>4,727,000</u>	<u>1,302,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration Program	2,292,000	92,000	2,292,000	92,000
Total	<u>2,292,000</u>	<u>92,000</u>	<u>2,292,000</u>	<u>92,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration Program	1,935,000	1,210,000	30,000	0
Total	<u>1,935,000</u>	<u>1,210,000</u>	<u>30,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration Program	40,000	0	690,000	90,000
Total	<u>40,000</u>	<u>0</u>	<u>690,000</u>	<u>90,000</u>

Program	Equipment		General State Charges	
	Amount	Change	Amount	Change
Administration Program	75,000	20,000	1,025,000	1,025,000
Total	<u>75,000</u>	<u>20,000</u>	<u>1,025,000</u>	<u>1,025,000</u>

Program	Special Departmental Charges	
	Amount	Change
Administration Program	75,000	75,000
Total	<u>75,000</u>	<u>75,000</u>

SCIENCE, TECHNOLOGY, AND INNOVATION

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

<u>Program</u>	<u>Total Amount</u>	<u>Change</u>	<u>Maintenance Undistributed Amount</u>	<u>Change</u>
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)

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	45,515,000	43,940,000	(1,575,000)
Special Revenue Funds - Federal	6,500,000	6,500,000	0
Total	<u>52,015,000</u>	<u>50,440,000</u>	<u>(1,575,000)</u>

Adjustments:

Transfer(s) From			
Science, Technology and Academic			
Research, Office of			
General Fund	(45,515,000)		
Special Revenue Funds - Federal	(6,500,000)		
Appropriated 2006-07	<u>0</u>		

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
High Technology Program			
General Fund	34,665,000	33,090,000	(1,575,000)
Research Development Program			
General Fund	9,350,000	9,350,000	0
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
Total	<u>52,015,000</u>	<u>50,440,000</u>	<u>(1,575,000)</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>	<u>Reappropriations 2007-08</u>
Research Facilities				
Capital Projects Fund - Authority Bonds	0	0	0	16,030,000
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,030,000</u>

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 20 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 912 positions for 2007-08.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

Approximately 14 percent of the Department's operations and local aid programs are funded from fees and other income, 51 percent from Federal grants, and 35 percent from State tax dollars from the General Fund. The Executive Budget recommends funding of over \$141.8 million for the Department of State: \$91.7 million in Federal funding and fee revenues, and \$50.1 million in General Fund support. The Department has achieved savings for SFY 2007-08 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 2006, the Department will administer several new initiatives including an enhanced fire-safe cigarettes program and the Oceans and Great Lakes Ecosystems Conservation Act. 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.

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

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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 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. 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.
- 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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	69,521,400	65,819,000	(3,702,400)	29,801,400
Aid To Localities	73,850,000	76,050,000	2,200,000	111,018,600
Capital Projects	1,000,000	0	(1,000,000)	82,600,000
Total	144,371,400	141,869,000	(2,502,400)	223,420,000

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

Full-Time Equivalent Positions (FTE)

Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	63	63	0
Lake George Park Commission			
Special Revenue Funds - Other	9	9	0
Licensing Services			
General Fund	0	403	403
Special Revenue Funds - Other	396	0	(396)
Local Government and Community Services			
General Fund	112	133	21
Special Revenue Funds - Federal	58	58	0
Special Revenue Funds - Other	194	205	11
State Ethics Commission			
General Fund	23	23	0
Tug Hill Commission			
General Fund	18	18	0
Total	873	912	39

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	18,421,400	49,574,000	31,152,600
Special Revenue Funds - Federal	11,402,000	11,402,000	0
Special Revenue Funds - Other	39,698,000	4,843,000	(34,855,000)
Total	69,521,400	65,819,000	(3,702,400)

Adjustments:	
Transfer(s) To	
Executive Chamber	
General Fund	372,000
Appropriated 2006-07	69,893,400

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Administration			
General Fund	7,350,000	9,126,000	1,776,000
Lake George Park Commission			
Special Revenue Funds - Other	1,614,000	1,594,000	(20,000)
Licensing Services			
General Fund	0	27,501,000	27,501,000
Special Revenue Funds - Other	35,703,000	0	(35,703,000)
Local Government and Community Services			
General Fund	8,093,400	9,591,000	1,497,600
Special Revenue Funds - Federal	11,402,000	11,402,000	0
Special Revenue Funds - Other	2,328,000	3,196,000	868,000
State Ethics Commission			
General Fund	1,910,000	2,245,000	335,000
Tug Hill Commission			
General Fund	1,068,000	1,111,000	43,000
Special Revenue Funds - Other	53,000	53,000	0
Total	69,521,400	65,819,000	(3,702,400)

STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2007-08 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	4,476,000	726,000	4,429,000	740,000
Licensing Services	18,171,000	18,171,000	18,171,000	18,171,000
Local Government and Community Services	7,942,000	3,262,000	7,903,000	3,335,000
State Ethics Commission	1,695,000	355,000	1,695,000	355,000
Tug Hill Commission	1,001,000	43,000	1,001,000	51,000
Total	33,285,000	22,557,000	33,199,000	22,652,000

<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>
Administration	41,000	(19,000)	6,000	5,000
Licensing Services	0	0	0	0
Local Government and Community Services	34,000	(78,000)	5,000	5,000
State Ethics Commission	0	0	0	0
Tug Hill Commission	0	(8,000)	0	0
Total	75,000	(105,000)	11,000	10,000

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	4,650,000	1,050,000	646,000	243,000
Licensing Services	9,330,000	9,330,000	1,047,000	1,047,000
Local Government and Community Services	1,649,000	(1,764,400)	78,500	17,500
State Ethics Commission	550,000	(20,000)	38,600	(1,400)
Tug Hill Commission	110,000	0	13,000	0
Total	16,289,000	8,595,600	1,823,100	1,306,100

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	58,500	(1,500)	3,231,500	201,500
Licensing Services	515,000	515,000	7,467,000	7,467,000
Local Government and Community Services	140,300	73,300	1,047,100	452,100
State Ethics Commission	19,300	(700)	481,500	(17,500)
Tug Hill Commission	8,000	0	87,000	0
Total	741,100	586,100	12,314,100	8,103,100

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	714,000	607,000	0	0
Licensing Services	301,000	301,000	0	0
Local Government and Community Services	383,100	(543,900)	0	(1,763,400)
State Ethics Commission	10,600	(400)	0	0
Tug Hill Commission	2,000	0	0	0
Total	1,410,700	363,700	0	(1,763,400)

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Lake George Park Commission	1,594,000	(20,000)	664,000	0
Licensing Services	0	(35,703,000)	0	(17,579,000)
Local Government and Community Services	14,598,000	868,000	5,304,000	479,000
Tug Hill Commission	53,000	0	0	0
Total	16,245,000	(34,855,000)	5,968,000	(17,100,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Lake George Park Commission	930,000	(20,000)	0	0
Licensing Services	0	(17,849,000)	0	(275,000)
Local Government and Community Services	8,694,000	389,000	600,000	0
Tug Hill Commission	53,000	0	0	0
Total	9,677,000	(17,480,000)	600,000	(275,000)

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
General Fund	0	550,000	550,000
Special Revenue Funds - Federal	59,200,000	61,400,000	2,200,000
Special Revenue Funds - Other	14,650,000	14,100,000	(550,000)
Total	<u>73,850,000</u>	<u>76,050,000</u>	<u>2,200,000</u>
Adjustments:			
Transfer(s) To			
Interest on Lawyer Account			
General Fund	4,600,911		
Appropriated 2006-07	<u>78,450,911</u>		

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Licensing Services			
General Fund	0	550,000	550,000
Special Revenue Funds - Other	550,000	0	(550,000)
Local Government and Community Services			
Special Revenue Funds - Federal	59,200,000	61,400,000	2,200,000
Special Revenue Funds - Other	14,100,000	14,100,000	0
Total	<u>73,850,000</u>	<u>76,050,000</u>	<u>2,200,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>	<u>Reappropriations 2007-08</u>
Local Government and Community Services				
Capital Projects Fund - Authority Bonds	0	0	0	80,000,000
Office of Fire Prevention				
Capital Projects Fund	1,000,000	0	(1,000,000)	2,600,000
Total	<u>1,000,000</u>	<u>0</u>	<u>(1,000,000)</u>	<u>82,600,000</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 \$52 billion and \$33 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 \$435 million and a workforce of 4,966 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

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
<ul style="list-style-type: none"> ➤ Expand e-filing and e-payment participation. ➤ Improve exceptions (e.g. unsigned return) processes, including timely resolution. 	<ul style="list-style-type: none"> • Increase e-filing and 2-D bar coding (i.e., electronic scanning) of personal income tax returns by 20 percent over 2006-07 levels. • Increase the percentage of tax revenue received in 2007-08 (versus 2006-07) via electronic funds transfer. • Minimize exception rates for all tax types through systems improvements. • Maintain an average age of exception inventories at or below respective tax target levels — i.e.; Personal Income - 45 days; Corporation - 60 days; Sales - 60 days; and Withholding - 60 days.

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"> ➤ Provide timely, accurate, and simplified forms, instructions, and publications. ➤ Issue timely, accurate, and understandable notices and advice. 	<ul style="list-style-type: none"> • Issue annual tax forms and instructions on time with 100 percent accuracy in 2007-08. • Issue new industry-specific sales tax publications by March 31, 2008. • Develop new written guidance that will provide clarification to the taxpayer community on significant outstanding policy issues by March 31, 2008. <p>In 2007-08:</p> <ul style="list-style-type: none"> • Issue taxpayer guidance on Tax Law changes at least 30 days prior to effective date, or if retroactive, within 6 weeks of being informed of the change. • Issue advisory opinions within 90 days of receiving a completed petition. • Prepare 100 percent of fiscal notes within 4 weeks of request.

Action	Performance indicators
<ul style="list-style-type: none"> ➤ Improve service options, emphasizing self-help and e-service taxpayer alternatives. 	<p>In 2007-08:</p> <ul style="list-style-type: none"> • Maintain or improve 5 minute average for answering personal Income Tax telephone inquiries during peak processing periods. • Maintain or improve 90 percent average quality score in the annual Call Center Quality Review.

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
<ul style="list-style-type: none"> ➤ Develop methodologies to increase the rate of collections. ➤ Improve audit selection and accelerate the audit cycle. 	<ul style="list-style-type: none"> • Implement reciprocal refund intercept agreement with other state revenue agencies by March 31, 2008. • Expand utilization of AuditStat, the Department’s analysis and accountability program that relies on statistical analyses to assess and improve the performance of audit activities during 2007-08. • Increase the number of civil and / or criminal cases opened in 2007-08 (versus 2006-07) 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.

The 2007-08 Executive Budget will provide 200 new positions in audit, collections and information technology to assist with voluntary compliance efforts.

TAXATION AND FINANCE

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	431,536,000	435,856,000	4,320,000	0
Aid To Localities	500,000	0	(500,000)	0
Capital Projects	0	0	0	0
Total	432,036,000	435,856,000	3,820,000	0

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs	2007-08 Estimated FTEs	FTE Change
	03/31/07	03/31/08	
Audit, Collection and Enforcement			
General Fund	2,327	2,471	144
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	560	56
Treasury Management			
Special Revenue Funds - Other	44	44	0
Total	4,766	4,966	200

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	331,852,000	311,352,000	(20,500,000)
Special Revenue Funds - Federal	582,000	582,000	0
Special Revenue Funds - Other	46,000,000	76,420,000	30,420,000
Internal Service Funds	53,102,000	47,502,000	(5,600,000)
Total	431,536,000	435,856,000	4,320,000

TAXATION AND FINANCE

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

Program	Available 2006-07	Recommended 2007-08	Change
Audit, Collection and Enforcement			
General Fund	119,834,000	113,221,000	(6,613,000)
Special Revenue Funds - Federal	582,000	582,000	0
Special Revenue Funds - Other	4,000,000	4,000,000	0
Centralized Operations Support			
General Fund	41,648,000	38,810,000	(2,838,000)
Office of Conciliation and Mediation			
General Fund	1,721,000	1,679,000	(42,000)
Management, Administration and Counsel			
General Fund	19,739,000	16,628,000	(3,111,000)
Revenue Processing and Reconciliation			
General Fund	42,533,000	43,261,000	728,000
Special Revenue Funds - Other	39,236,000	69,236,000	30,000,000
Internal Service Funds	53,102,000	47,502,000	(5,600,000)
Tax Policy, Revenue Accounting and Taxpayer Guidance			
General Fund	12,948,000	12,057,000	(891,000)
Technology and Information Services			
General Fund	93,429,000	85,696,000	(7,733,000)
Treasury Management			
Special Revenue Funds - Other	2,764,000	3,184,000	420,000
Total	<u>431,536,000</u>	<u>435,856,000</u>	<u>4,320,000</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	105,921,000	(6,279,000)	105,401,000	(5,814,000)
Centralized Operations Support	5,285,000	(359,000)	4,736,000	(184,000)
Office of Conciliation and Mediation	1,571,000	(59,000)	1,571,000	(45,000)
Management, Administration and Counsel	14,579,000	(782,000)	14,470,000	(449,000)
Revenue Processing and Reconciliation	40,690,000	(1,188,000)	35,674,000	(5,076,000)
Tax Policy, Revenue Accounting and Taxpayer Guidance	10,327,000	(25,000)	10,289,000	1,220,000
Technology and Information Services	31,126,000	443,000	30,953,000	1,398,000
Total	<u>209,499,000</u>	<u>(8,249,000)</u>	<u>203,094,000</u>	<u>(8,950,000)</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	520,000	(296,000)	0	(169,000)
Centralized Operations Support	549,000	(171,000)	0	(4,000)
Office of Conciliation and Mediation	0	0	0	(14,000)
Management, Administration and Counsel	109,000	(258,000)	0	(75,000)
Revenue Processing and Reconciliation	5,016,000	4,266,000	0	(378,000)
Tax Policy, Revenue Accounting and Taxpayer Guidance	38,000	(1,236,000)	0	(9,000)
Technology and Information Services	173,000	(577,000)	0	(378,000)
Total	<u>6,405,000</u>	<u>1,728,000</u>	<u>0</u>	<u>(1,027,000)</u>

TAXATION AND FINANCE

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	7,300,000	(334,000)	588,000	344,000
Centralized Operations Support	33,525,000	(2,479,000)	13,590,000	13,396,000
Office of Conciliation and Mediation	108,000	17,000	5,000	1,227
Management, Administration and Counsel	2,049,000	(2,329,000)	137,000	(2,301,450)
Revenue Processing and Reconciliation	2,571,000	1,916,000	1,103,000	448,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	1,730,000	(866,000)	62,000	(27,600)
Technology and Information Services	54,570,000	(8,176,000)	150,000	(3,438,000)
Total	101,853,000	(12,251,000)	15,635,000	8,422,177

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	5,175,000	3,109,000	1,409,000	(3,069,000)
Centralized Operations Support	39,000	31,700	19,023,000	(16,779,700)
Office of Conciliation and Mediation	96,000	28,910	6,000	(14,137)
Management, Administration and Counsel	156,000	(128,800)	1,383,000	62,200
Revenue Processing and Reconciliation	140,000	140,000	1,094,000	1,094,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	28,000	9,700	1,622,000	(860,500)
Technology and Information Services	300,000	155,000	50,884,000	(3,034,000)
Total	5,934,000	3,345,510	75,421,000	(22,601,137)

Program	Equipment	
	Amount	Change
Audit, Collection and Enforcement	128,000	(718,000)
Centralized Operations Support	873,000	873,000
Office of Conciliation and Mediation	1,000	1,000
Management, Administration and Counsel	373,000	39,050
Revenue Processing and Reconciliation	234,000	234,000
Tax Policy, Revenue Accounting and Taxpayer Guidance	18,000	12,400
Technology and Information Services	3,236,000	(1,859,000)
Total	4,863,000	(1,417,550)

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	4,582,000	0	0	0
Revenue Processing and Reconciliation	116,738,000	24,400,000	36,881,000	21,000,000
Treasury Management	3,184,000	420,000	2,008,000	265,000
Total	124,504,000	24,820,000	38,889,000	21,265,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Audit, Collection and Enforcement	4,000,000	0	582,000	0
Revenue Processing and Reconciliation	79,857,000	3,400,000	0	0
Treasury Management	1,176,000	155,000	0	0
Total	85,033,000	3,555,000	582,000	0

TAXATION AND FINANCE

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

<u>Fund Type</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Fiduciary Funds	500,000	0	(500,000)
Total	500,000	0	(500,000)

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Management, Administration and Counsel			
Fiduciary Funds	500,000	0	(500,000)
Total	500,000	0	(500,000)

DIVISION OF TAX APPEALS

MISSION

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes the impartial and timely hearing of taxpayer disputes.

ORGANIZATION AND STAFFING

The Division of Tax Appeals is headed by the Tax Appeals Tribunal, which is comprised of three commissioners appointed by the Governor and confirmed by the Senate. Under the direction of the Tax Tribunal, dispute adjudication is provided through small claims hearings, formal hearings and the Tribunal appeals process. The Division holds formal hearings in Troy, New York City and Rochester, while Tax Tribunal oral arguments are held in New York City, Buffalo and Troy. Small claims hearings are conducted throughout the State. The Division will have a workforce of 31 positions for 2007-08.

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 \$3.2 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)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	3,423,000	3,228,000	(195,000)	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	3,423,000	3,228,000	(195,000)	0

TAX APPEALS

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

Full-Time Equivalent Positions (FTE)			
Program	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
Administration			
General Fund	33	31	(2)
Total	33	31	(2)

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	3,423,000	3,228,000	(195,000)
Total	3,423,000	3,228,000	(195,000)

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

Program	Available 2006-07	Recommended 2007-08	Change
Administration			
General Fund	3,423,000	3,228,000	(195,000)
Total	3,423,000	3,228,000	(195,000)

**STATE OPERATIONS - GENERAL FUND
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	2,741,000	(302,000)	2,731,000	(140,000)
Total	2,741,000	(302,000)	2,731,000	(140,000)

Program	Temporary Service (Nonannual Salaried)	
	Amount	Change
Administration	10,000	(162,000)
Total	10,000	(162,000)

TAX APPEALS

STATE OPERATIONS - GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2007-08 RECOMMENDED
(dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	487,000	107,000	35,000	5,000
Total	487,000	107,000	35,000	5,000
Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	25,000	0	347,000	47,000
Total	25,000	0	347,000	47,000
Program	Equipment			
	Amount	Change		
Administration	80,000	55,000		
Total	80,000	55,000		

THRUWAY AUTHORITY

In addition to operating the nation's longest toll highway system of 641 miles, 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.

Thruway Authority and Canal System programs are primarily supported by Authority funds, which are not reflected in the Executive Budget.

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 \$2 million and reappropriations of \$8.8 million from the Canal System Development Fund for a portion of the maintenance, construction, reconstruction, development and promotion of the canals.

The Rebuild and Renew New York Transportation Bond Act of 2005 (appropriated through the Department of Transportation budget) provides \$10 million in State fiscal year 2007-08 to advance additional Canal capital projects.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	0	0	0	0
Aid To Localities	0	0	0	0
Capital Projects	4,000,000	2,000,000	(2,000,000)	8,809,000
Total	4,000,000	2,000,000	(2,000,000)	8,809,000

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Canal Development Program				
New York State Canal System Development Fund	4,000,000	2,000,000	(2,000,000)	8,809,000
Total	4,000,000	2,000,000	(2,000,000)	8,809,000

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 over 7,500 bridges. In addition, the Department partially funds locally-operated transit systems, local government highway and bridge construction, and rail, airport, and canal 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 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 the 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 10,360 employees by the end of 2007-08, reflecting an increase of 411 over the prior year.

These increases include 108 positions to enhance DOT's in-house engineering capabilities for design, construction inspection and related capital program support. As part of this initiative, the Department will pursue opportunities to hire State engineers while prudently managing engineering resources to ensure delivery of their multi-year capital program. An additional increase of 203 engineering positions is also included to support delivery of the enhanced capital program. The balance of the workforce increases reflect anticipated Department needs for the proposed transfer of Interstate 84 operating responsibility from the New York State Thruway Authority and implementation of the Workzone Safety Act of 2005.

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. The 2005 Bond Act provides additional funding for the 2005-10 period.

TRANSPORTATION

The five-year transportation capital plan enacted in State Fiscal Year 2005-06 included over \$35.9 billion for the State's transportation systems during the period, with over \$17.9 billion for DOT capital programs and over \$17.9 billion for the Metropolitan Transportation Authority program. 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 passed by the voters in November 2005.

The Executive Budget increases DOT's five-year capital program to over \$18.7 billion, reflecting the investment of \$827 million in additional Federal aid for local highway and bridge projects, preventive maintenance, state highway and bridge projects and engineering, and other emerging needs and unfunded mandates.

The Department's operations are devoted primarily to highway maintenance, particularly snow and ice removal. The 2007-08 Executive Budget provides \$594 million for snow and ice control and State forces preventive maintenance. This level represents an increase of approximately \$91 million in both Federal and State funds, which will be utilized for increased salary costs, inflationary pressures, conformance to unfunded mandates, and critical needs such as increased pavement marking, guiderail enhancement, signal maintenance, drainage improvement, bridge work, overhead signs, and maintenance facilities. 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 million is derived from fees, including those imposed on trucks registered to transport products throughout the State; landing fees and rents levied at Republic Airport; 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 \$15.5 million and dedicated mass transit funds totaling \$6.4 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. Obligations for highway and bridge construction contracts will total \$1.975 billion in 2007-08, an increase of \$125 million over Enacted Budget levels for the prior year.

The centerpiece of the State's Highway and Bridge Program is the Dedicated Highway and Bridge Trust Fund (DHBTF), 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 restructuring of Trust Fund debt in 2005 provided 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.

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 2007-08 is available for up to \$1.98 billion of Federal funding including provisions for State and local highways and bridges, engineering, rail and community enhancement programs. An additional \$50 million appropriation is provided for the Department's "Maintenance First" initiative.

When the five-year transportation capital plan was developed in 2005, the Federal transportation act was still pending and a placeholder was used to estimate available Federal aid. Now that SAFETEA-LU has been passed by Congress, the Department of Transportation estimates the availability of more than \$1.457 billion in additional Federal resources through 2009-10 from higher than expected obligation authority and through the use of Federal advance construction management. Of this amount, \$180 million reflects capital program adjustments in State fiscal years 2005-06 and 2006-07 for local highway and bridge obligations and initial deployment of the Department's Maintenance First initiative. Of the remaining \$1.277 billion, \$647 million is provided for new capital plan investments in: local highway and bridge projects identified by metropolitan planning organizations; enhanced preventive maintenance activities under the Maintenance First initiative; additional State highway and bridge projects to offset the impact of construction inflation; and to address emerging needs. The new resources will also be used to finance unfunded projects already in the five-year plan. The five-year plan now reflects a need of \$280 million in additional resources down from \$545 million at the time of the mid-year update.

Additionally, the Rebuild and Renew New York Transportation Bond Act of 2005 continues to provide \$1.45 billion each for the DOT and MTA capital programs from State fiscal years 2005-06 through 2009-10.

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 2007-08, the CHIPS capital program will be funded at \$296.5 million, and the Marchiselli program at \$39.7 million.

A \$20 million appropriation for rail freight and passenger projects will continue to expand shipping opportunities for New York businesses, reduce costs for consumers and improve passenger transportation. The State continues to provide up to \$8 million to match Federal aviation grants. In addition, \$9 million will be provided for the Industrial Access Program to promote job creation and retention by encouraging business expansion with highway, rail and port projects.

The Aid to Localities budget is comprised primarily of appropriations supported by State taxes dedicated to public transportation through the Mass Transportation Operating Assistance (MTOA) Fund and the Dedicated Mass Transportation Trust Fund. Mass Transportation Operating Assistance Fund revenues are derived from a 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 \$2.8 billion.

TRANSPORTATION

More than \$2.4 billion of new operating aid appropriations are recommended for the Metropolitan Transportation Authority (MTA) in 2007-08. This includes \$647 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 \$405 million in new appropriations in 2007-08. Of this amount, \$161 million is targeted for upstate transit systems. This includes \$23 million in upstate transit aid that results from a redistribution of 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 \$35 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 2005-06, the Department replaced or rehabilitated a total of 111 State bridges and completed 6,081 corrective and preventive bridge treatments to slow deterioration. Nearly 5,678 lane miles of State highway were resurfaced, rehabilitated or given preventive maintenance treatment. The Executive Budget continues this commitment to strategic investments in critical infrastructure needs. Even more than 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. 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.

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.

TRANSPORTATION

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 2006-07	Appropriations Recommended 2007-08	Change	Reappropriations Recommended 2007-08
State Operations	46,417,000	47,986,000	1,569,000	42,605,600
Aid To Localities	2,557,232,000	2,854,957,000	297,725,000	156,092,500
Capital Projects	4,327,067,000	4,434,540,000	107,473,000	14,412,971,000
Total	<u>6,930,716,000</u>	<u>7,337,483,000</u>	<u>406,767,000</u>	<u>14,611,669,100</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2006-07 Estimated FTEs 03/31/07	2007-08 Estimated FTEs 03/31/08	FTE Change
	Design and Construction		
Capital Projects Funds - Other	3,980	4,291	311
New York Metropolitan Transportation Council			
Special Revenue Funds - Other	68	68	0
Operations			
Special Revenue Funds - Other	12	12	0
Passenger and Freight Transportation			
Special Revenue Funds - Federal	79	79	0
Special Revenue Funds - Other	133	133	0
Capital Projects Funds - Other	98	98	0
Planning and Program Management			
Capital Projects Funds - Other	526	526	0
Preventive Maintenance			
Capital Projects Funds - Other	4,873	4,973	100
Real Estate			
Capital Projects Funds - Other	180	180	0
Total	<u>9,949</u>	<u>10,360</u>	<u>411</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
Special Revenue Funds - Federal	14,177,000	15,519,000	1,342,000
Special Revenue Funds - Other	32,240,000	32,467,000	227,000
Total	<u>46,417,000</u>	<u>47,986,000</u>	<u>1,569,000</u>

TRANSPORTATION

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

Program	Available 2006-07	Recommended 2007-08	Change
Operations			
Special Revenue Funds - Federal	400,000	400,000	0
Special Revenue Funds - Other	12,424,000	14,027,000	1,603,000
Passenger and Freight Transportation			
Special Revenue Funds - Federal	13,777,000	15,119,000	1,342,000
Special Revenue Funds - Other	19,816,000	18,440,000	(1,376,000)
Total	<u>46,417,000</u>	<u>47,986,000</u>	<u>1,569,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2007-08 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Operations	14,427,000	1,603,000	546,000	10,000
Passenger and Freight Transportation	33,559,000	(34,000)	12,480,000	159,000
Total	<u>47,986,000</u>	<u>1,569,000</u>	<u>13,026,000</u>	<u>169,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Operations	3,481,000	3,217,000	10,400,000	(1,624,000)
Passenger and Freight Transportation	14,650,000	807,000	6,429,000	(1,000,000)
Total	<u>18,131,000</u>	<u>4,024,000</u>	<u>16,829,000</u>	<u>(2,624,000)</u>

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

Fund Type	Available 2006-07	Recommended 2007-08	Change
General Fund	103,016,000	103,016,000	0
Special Revenue Funds - Federal	42,244,000	46,072,000	3,828,000
Special Revenue Funds - Other	2,411,972,000	2,705,869,000	293,897,000
Total	<u>2,557,232,000</u>	<u>2,854,957,000</u>	<u>297,725,000</u>

Adjustments:

Prior Year Deficiency	
Transportation, Department of	
General Fund	45,000,000
Special Revenue Funds - Other	200,000,000
Appropriated 2006-07	<u>2,802,232,000</u>

TRANSPORTATION

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

<u>Program</u>	<u>Available 2006-07</u>	<u>Recommended 2007-08</u>	<u>Change</u>
Additional Mass Transportation Assistance Program			
General Fund	21,447,000	25,447,000	4,000,000
Special Revenue Funds - Other	25,400,000	20,000,000	(5,400,000)
Dedicated Mass Transportation Trust Program			
Special Revenue Funds - Other	634,800,000	647,300,000	12,500,000
Federal Highway Administration Local Planning			
Special Revenue Funds - Federal	12,181,000	12,181,000	0
Urban Mass Transportation Administration Local Planning			
Special Revenue Funds - Federal	4,506,000	4,506,000	0
Mass Transportation Assistance General Fund	45,000,000	45,000,000	0
Passenger and Freight Transportation General Fund	36,569,000	32,569,000	(4,000,000)
Special Revenue Funds - Federal	25,557,000	29,385,000	3,828,000
Special Revenue Funds - Other	1,476,630,000	1,756,802,000	280,172,000
Section 18-B Program			
Special Revenue Funds - Other	187,436,000	191,436,000	4,000,000
Special Transit Aid			
Special Revenue Funds - Other	87,706,000	90,331,000	2,625,000
Total	<u>2,557,232,000</u>	<u>2,854,957,000</u>	<u>297,725,000</u>

TRANSPORTATION

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Aviation				
Airport or Aviation Program				
Capital Projects Fund - Aviation (Bondable)	0	0	0	2,074,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	578,000
Regional Aviation Fund	5,300,000	0	(5,300,000)	5,300,000
Airport or Aviation Program -- Bondable				
Capital Projects Fund - Aviation (Bondable)	0	0	0	831,000
Airport or Aviation State Program				
Dedicated Highway and Bridge Trust Fund	8,000,000	8,000,000	0	36,922,000
Regional Aviation Fund	0	0	0	11,727,000
Aviation				
Transportation Capital Facilities Bond Fund	0	0	0	7,634,000
Federal Airport or Aviation				
Federal Capital Projects Fund	6,000,000	6,000,000	0	26,826,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	15,000,000	15,000,000	0	30,000,000
Bond Proceeds				
Rebuild and Renew New York Transportation Bonds of 2005				
Rebuild and Renew NY Trans Bonds of 2005 Bond Fund	0	0	0	2,854,523,000
Canals and Waterways				
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	20,000,000
Economic Development				
Non-Federal Aided Highway Capital Projects Dedicated Highway and Bridge Trust Fund	209,000,000	9,000,000	(200,000,000)	406,554,000
Health and Safety				
Non-Federal Aided Highway Capital Projects Dedicated Highway and Bridge Trust Fund	7,363,000	7,628,000	265,000	5,571,000
Highway Facilities				
Accelerated Capacity and Transportation Improvements Fund				
Accelerated Capacity and Transportation Improvements Fund	0	0	0	38,049,000
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	174,129,000
NY Metro Transportation Council Account	15,894,000	15,894,000	0	27,329,000
Federal Aid Highways - Bondable Purpose				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,805,000
Federal Aid Highways - Federal Purpose				
Federal Capital Projects Fund	1,700,000,000	2,027,299,000	327,299,000	6,326,673,000
Highway Facilities				
Dedicated Highway and Bridge Trust Fund	0	0	0	14,272,000
Infrastructure Bond Act Projects				
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	7,384,000
Multi-Modal				
Dedicated Highway and Bridge Trust Fund	0	0	0	57,917,000
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	243,430,000

TRANSPORTATION

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	1,395,224,000	1,294,608,000	(100,616,000)	2,768,224,000
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)	235,000,000	290,000,000	55,000,000	390,846,000
Road and Bridge Improvements - Bondable				
Capital Projects Fund - A.C. and T.I. Fund (Bondable)	0	0	0	37,414,000
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Highway and Bridge Trust Fund	0	0	0	3,500,000
Transportation Infrastructure Renewal Bond Fund				
Transportation Infrastructure Renewal Bond Fund	0	0	0	31,855,000
Maintenance Facilities				
Maintenance Facilities				
Dedicated Highway and Bridge Trust Fund	12,900,000	17,250,000	4,350,000	34,301,000
Mass Transportation and Rail Freight				
Mass Transportation				
Dedicated Mass Transportation Fund	18,000,000	19,000,000	1,000,000	93,634,000
Mass Transportation and Rail Freight				
Capital Projects Fund - Energy Conservation (Bondable)	0	0	0	511,000
Dedicated Highway and Bridge Trust Fund	20,000,000	20,000,000	0	82,385,000
Dedicated Mass Transportation Fund	40,100,000	45,100,000	5,000,000	71,012,000
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	4,967,000
Rail Freight				
Capital Projects Fund - Advances	0	0	0	21,350,000
Capital Projects Fund - Infrastructure Renewal (Bondable)	0	0	0	1,176,000
Dedicated Mass Transportation Fund	0	0	0	1,351,000
Rail Preservation and Development Fund				
Energy Conservation Improved Transportation Bond Fund	0	0	0	705,000
Rebuild and Renew New York Transportation Bonds of 2005				
Capital Projects Fund - Rebuild Renew NY 2005 (Bondable)	10,000,000	10,000,000	0	20,000,000
Small and Minority and Women-Owned Small Business Assistance				
Dedicated Mass Transportation Fund	0	0	0	5,000,000
Special Rail and Aviation Program				
Capital Projects Fund - Authority Bonds	22,000,000	0	(22,000,000)	22,000,000
Dedicated Mass Transportation Fund	0	0	0	5,331,000
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	53,784,000

TRANSPORTATION

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

Comprehensive Construction Program	Available 2006-07	Recommended 2007-08	Change	Reappropriations 2007-08
Preservation of Facilities				
Non-Federal Aided Highway Capital Projects				
Dedicated Highway and Bridge Trust Fund	520,286,000	562,761,000	42,475,000	421,949,000
Total	<u>4,327,067,000</u>	<u>4,434,540,000</u>	<u>107,473,000</u>	<u>14,412,971,000</u>