

**Agency Programs/Activities: Inventory and Key Data
Division of the Budget**

Relation to Core Mission (H/M/L)	Program/Activity	Spending Category (SO, ATL, CAP)	3/31/09 FTEs (All Funds)	General Fund Disbursements (\$000s)				State Special Revenue Funds Disbursements (\$000s)				Capital Projects Funds Disbursements (\$000s)			
				2006-07 Actual	2007-08 Actual	2008-09 Plan	2009-10 Projected	2006-07 Actual	2007-08 Actual	2008-09 Plan	2009-10 Projected	2006-07 Actual	2007-08 Actual	2008-09 Plan	2009-10 Projected
H	Executive Budget Development and Execution	SO	305	24,563	23,737	27,118	28,529	14,320	8,216	18,574	19,481	0	0	0	0
H	Cash Management Improvement Act (CMIA)	SO	1	3,159	1,344	1,077	1,080	0	0	0	0	0	0	0	0
H	Federal Single Audit (FSA)	SO	1	55	57	59	60	0	0	0	0	0	0	0	0
M	Administrative Hosting Services	SO	30	2,424	2,302	2,172	2,671	1,037	419	432	445	0	0	0	0
M	Public Authorities Control Board (PACB)	SO	2	117	121	125	129	0	0	0	0	0	0	0	0
M	Statewide Internal Controls	SO	1	46	47	49	50	0	0	0	0	0	0	0	0
M	Statewide Financial Management System (NYFMS)	SO	25	0	0	0	0	9,095	1,532	37,992	30,231	0	0	0	0
	Total		365	30,364	27,608	30,600	32,519	24,452	10,167	56,998	50,157	0	0	0	0

Division of the Budget
PROGRAM INFORMATION SHEET

Program: Executive Budget Development and Execution

Mandate: New York State Constitution, Article VII; Executive Law Article VIII, §180; State Finance Law Article IV, §22 and §23

Mandated Funding Level: None.

Brief Description/History/Background:

The Division of the Budget, led by its Director, is responsible for assisting the Governor in his constitutional and other statutory duties with respect to the State budget. The Front Office (including the Director, Deputy Directors, Counsel and Communications Office) directs the Division in carrying out its budget development, execution, fiscal planning and monitoring responsibilities. The State Constitution establishes an Executive Budget process and sets forth specific requirements in Article VII State Finances. The "Executive Budget" refers to the structure and process of the constitutional system of budgeting which grants the Governor primary authority and responsibility for budget formulation, presentation and execution. More specifically, it refers to the Governor's constitutionally mandated annual submission to the Legislature containing recommended spending, as well as estimated receipts available to support that spending, for the forthcoming fiscal year. The State Constitution requires explicit recommendations for changes to the current revenue structure and legislation to implement such recommendations. The Governor is also required by the State Finance Law to manage the budget through administrative action during the fiscal year.

Issues:

The State has entered a recession and as stated in the First Quarter Financial Plan Update, "The State's out-year budget deficits have grown to \$6.4 billion in 2009-10, \$9.3 billion in 2010-11, and \$10.5 billion in 2011-12 – a cumulative total of \$26.2 billion over that three-year time period." The fiscal outlook presents more challenges to Division staff's budget development and execution tasks, including constraining spending in accordance with the Financial Management Plans (FMP) and the Program to Eliminate the Gap (PEG).

Population Served:

The Governor, New York State agencies, other governmental entities, and all New York State citizens.

Performance Measures:

The Division presents detailed spending estimates and revenue projections in the State's Financial Plan, and on a quarterly basis, updates the Plan given new information (i.e., actual disbursements and receipts, review of economic conditions and factors affecting the long-term current services). In addition, the State releases an Annual Information Statement required by the Securities Exchange Commission, which includes extracts from the State's Financial Plan, as well as additional information on State demographics, debt portfolio, the Retirement System and litigation. All of this information is made available to the public, investors and rating agencies. An assessment of the Division performance in managing the Financial Plan is the rating the State receives on bonds. One factor considered by the rating agencies assigning the State its credit rating is the State's management of finances and development of a financial plan. The State's General Obligation bonds are rated AA, and its Personal Income Tax bonds are rated AAA by Standard and Poor's.

Division of the Budget
PROGRAM INFORMATION SHEET

Program: Cash Management Improvement Act (CMIA)

Mandate: Federal Cash Management Improvement Act of 1990 (Statute: Public Law 101-453; Regulations: 31 CFR 205).

Mandated Funding Level: None.

Brief Description/History/Background:

The Cash Management Improvement Act of 1990 (CMIA) was passed to improve the transfer of Federal funds between the Federal Government and the States, Territories, and the District of Columbia.

The State's major annual CMIA requirements include: (1) negotiating an agreement with the Federal government detailing the terms of CMIA implementation; and (2) calculating, reporting, and paying CMIA interest to the Federal government for the time Federal funds are held in State bank accounts and, if applicable, calculating, reporting and requesting any offsetting CMIA interest owed by the Federal government to the State.

The Division, in close cooperation with the New York State Office of the State Comptroller (OSC), centrally coordinates the State's responses to all CMIA requirements including the annual agreement and CMIA report. Numerous State agencies administering major Federal programs subject to CMIA also have key roles in meeting the CMIA cash management and reporting requirements.

Issues: None.

Population Served:

United States Department of the Treasury and New York State agencies, including the Office of the State Comptroller.

Performance Measures:

Performance measures for this Program include New York State's compliance with the Federal CMIA requirements outlined above. The State has a strong record of meeting those requirements while maximizing the benefit to the State.

Division of the Budget
PROGRAM INFORMATION SHEET

Program: Federal Single Audit (FSA)

Mandate: Federal Single Audit Act of 1984 (Public Law 98-502, 31 USC 7501).

Mandated Funding Level: None.

Brief Description/History/Background:

The Federal Single Audit Act of 1984 was passed to establish uniform entity-wide audit requirements for state and local governments receiving Federal financial assistance. The Act created a single organization-wide financial and compliance audit for state and local governments receiving \$500,000 or more in Federal funds in a fiscal year. There are four major purposes of the Act:

1. To promote the efficient and effective use of audit resources;
2. To establish uniform requirements for audits of Federal funds provided to state and local governments;
3. To ensure that Federal funds, to the greatest extent practicable, are audited in accordance with the requirements of the Single Audit Act; and
4. To improve state and local governments' financial management of federally funded programs through more effective auditing.

New York State is required by Congress to arrange for, and submit to the Federal government, an annual, independent financial and compliance audit of its expenditures of Federal funds by State-administered Federal financial assistance programs. The Federal Single Audit Act Amendments of 1996 (Public Law 104-156) addressed a number of issues that emerged during and after the implementation of the Single Audit Act of 1984. The amendments exempted entities that receive a relatively small amount of Federal funds, enacted guidelines to ensure that high-risk programs are subject to audit, and simplified reporting requirements. The amended Act applies to state and local governments, colleges, universities, and not-for-profit organizations that expend Federal funds equal to or greater than \$500,000 in any fiscal year.

Issues: None.

Population Served:

New York State agencies, departments, and other entities of the executive, legislative, and judicial branches of the New York State government.

Performance Measures:

Measures of performance for this program includes timely submittal and acceptance of the audit reports to the Federal government. In the extreme case of non-compliance, the Federal government could repeal funding to certain program areas.

Division of the Budget
PROGRAM INFORMATION SHEET

Program: Administrative Hosting Services

Mandate: None.

Mandated Funding Level: None.

Brief Description/History/Background:

The Administrative Services Hosting program provides 16 other State agencies/entities and their employees with services and guidance in a varying mix of administrative areas (depending on each agency's needs) including, but not limited to: human resources, finance, travel, procurement, contracts, training, space planning, telecommunications, and mail and supply operations.

Issues:

While administrative hosting/shared services is a program the Division has long supported to help achieve administrative cost savings and efficiencies for the State, with the reductions in Division spending, careful consideration will have to be given to the assumption of additional hosting responsibilities, as well as the most appropriate manner in which to proceed with current arrangements.

Population Served:

The Division hosts the following agencies: Authority Budget Office, Commission on Higher Education, Commission on Property Tax Relief, Council on the Arts, Executive Chamber, Governor's Office of Regulatory Reform, Greenway Heritage Conservancy, Hudson River Valley Greenway Communities Council, Division of Human Rights, Office of the State Inspector General, Judicial Nomination Commission, Judicial Screening Committee, Racing Oversight Board, Office for the Aging, Public Employment Relations Board, and Office of the Welfare Inspector General.

Performance Measures:

The Office of the State Comptroller tabulates performance measures for the timeliness of Finance Office and Payroll Office transactions. The Division's performance in processing its hosted agencies transactions annually receives high ratings.

**Division of the Budget
PROGRAM INFORMATION SHEET**

Program: Public Authorities Control Board (PACB)

Mandate:

Public Authorities Law (PAL) Sections 50 and 51 established PACB in 1976 to receive and act on applications for financing and construction of projects by ten subject public authorities. PAL Section 1020(f) contains specific jurisdictional qualifications for Long Island Power Authority projects to be considered by PACB. Bylaws contain provisions for Members to designate representatives to function in their absence and to designate officers, as well as public meeting notice requirements.

Mandated Funding Level: None.

Brief Description/History/Background:

Several statewide public authorities (listed below in "Population Served") must receive a resolution of approval from PACB prior to entering into any project-related debt financings. The five members of PACB are appointed by the Governor to serve one-year terms, with one member representing the Governor and acting as the Chairperson. The Governor appoints the four remaining members based upon the recommendations of the Majority and Minority leaders of the Legislature. There are five PACB members all appointed by the Governor. The Budget Director has traditionally been the Chair, and Division staff serve as Secretary to the Board. Three voting members must attend to constitute a quorum. The Governor's representative and two majority parties' representatives may vote. Unanimous approval is required for any project to proceed. At each meeting, the Chair submits recommendations for actions.

The PACB may approve applications only upon its determination "that, with relation to any proposed project, there are commitments of funds sufficient to finance the acquisition and construction of such project [including] commitments of funds, projections of fees or other revenues and ... collateral security sufficient to retire a proposed indebtedness or protect or indemnify against potential liabilities proposed to be undertaken."

Issues: None.

Population Served: Covered Agencies by Statute:

- New York State Environmental Facilities Corporation
- New York State Housing Finance Agency
- Albany Convention Center Authority
- Dormitory Authority
- New York State Urban Development Corporation
- Job Development Authority
- Battery Park City Authority
- State of New York Mortgage Agency
- New York State Energy Research and Development Authority
- Long Island Power Authority

Performance Measures:

A measure of performance is the PACB's timeliness of the review/action of applications submitted. In 2007, the PACB approved 152 projects, or an average of 13 per month. Typically over 90% of resolutions are approved the first month and this rate increases toward 100% for any given project in subsequent months.

Division of the Budget
PROGRAM INFORMATION SHEET

Program: Statewide Internal Controls

Mandate: New York State Governmental Accountability, Audit and Internal Control Act of 1987
(Chapter 510 of the Laws of 1999).

Mandated Funding Level: None.

Brief Description/History/Background:

The New York State Governmental Accountability, Audit and Internal Control Act of 1987 (Internal Control Act) was passed to enhance the integrity of government operations, provide reasonable oversight of State operations, ensure State funds and resources are used efficiently and effectively, and give reasonable assurance that State assets and resources are appropriately protected and managed. Agency heads and authority boards are responsible for implementing the following requirements for their entities: 1) Establish Internal Control guidelines, 2) Implement an Internal Control System and Review Program, 3) Communicate management policies, 4) Designate an Internal Control Officer, 5) Educate and train all employees, and 6) Evaluate the need for an internal audit.

Through a Budget Policy and Reporting Manual item (BPRM), the Division of the Budget administratively requires that each year, New York State entities must submit an Internal Control Certification document to the Director of the Budget demonstrating its compliance with the requirements of the Internal Control Act. In addition, the agency/authority representative should provide an Internal Control Summary Report that highlights major internal control activities from the past year, including a description of the management actions to strengthen internal controls, and a synopsis of key findings and corrective actions. The "Internal Control Summary Report" format is presented to agencies each year in a Budget Bulletin calling for the annual certifications.

Issues: None.

Population Served:

State governmental entities, any public authority or public benefit corporation whose majority of members are appointed by the Governor or serve as members by virtue of holding State offices to which they were appointed by the Governor, the Judiciary and the State Legislature.

Performance Measures:

Timely compliance with the annual Internal Control reporting requirement. Based on the 2007-08 requirements, 65% of agencies and authorities submitted an Internal Control Certification or Compliance Plan on time, while 35% were late. Additional data regarding agency-specific and historical timeliness, as well as the degree of lateness, is available back to 1994-95.

Division of the Budget
PROGRAM INFORMATION SHEET

Program: Statewide Financial Management System (NYFMS)

Mandate: None.

Mandated Funding Level: None.

Brief Description/History/Background:

This NYFMS Program was established in the 2005-06 Budget and initiated the development of a financial system for the State to be integrated with the new Central Accounting System (CAS), and will be utilized by the Office of the State Comptroller, the Division of the Budget and State agencies. This new system will integrate the State's financial transactions, improving the efficiency of government operations and providing detailed information on State finances from a single consolidated source. The system is expected to be phased-in over several years. A preliminary plan to implement this statewide system has been developed and a joint governance structure is in place to ensure successful implementation. Both individual agencies, as well as the State as a whole, are expected to realize significant benefits from NYFMS, as follows:

- **Enterprise Benefits:** NYFMS will offer managers greater functionality, with a powerful financial analysis and reporting capability based on enhanced program information.
- **Business Process Improvement Benefits:** NYFMS is expected to have a near real-time, two-way interface with the new CAS.
- **Technology Benefits:** NYFMS would use technology which is new and more cost-effective than that used to support many of today's agency-specific financial systems.
- **Avoided Costs and Risks:** NYFMS would allow the State to avoid continued investment in individual and disparate agency financial management systems.

Issues: None.

Population Served:

State governmental entities, including the Office of the State Comptroller and the State Legislature.

Performance Measures: None.