

MEMORANDUM IN SUPPORT

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

AN ACT to amend chapters 53, 54 and 55 of the laws of 2009, enacting the education, labor and family assistance budget, the health and mental hygiene budget, and the transportation, economic development and environmental conservation budget, in relation to making appropriations for the support of government

Purpose: This deficiency appropriation bill amends Chapters 53, 54 and 55 of the Laws of 2009, which made appropriations for the 2009-10 fiscal year, to meet essential obligations for which sufficient funding was not provided in the enacted budget.

Summary of Provisions:

Section 1 amends the 2009-10 Education, Labor and Family Assistance Budget as follows:

DEPARTMENT OF LABOR

The recommended deficiency for the Unemployment Insurance (UI) Benefit program increases the UI Benefit-Enterprise appropriation by \$1 billion to accommodate significant increased program spending resulting from the economic downturn and from Federal legislation which has been enacted granting an additional 73 weeks of UI benefit eligibility for claimants who have exhausted the normal 26 week benefit period. This additional \$1 billion appropriation in the \$10 billion UI Benefit-Enterprise fund is supported by taxes on employers, and has no impact on the State funds financial plan.

HIGHER EDUCATION SERVICES CORPORATION

The recommended deficiency for the Higher Education Services Corporation provides increased appropriation authority to the Tuition Assistance Program (TAP). The current 2009-10 TAP appropriation of \$838.9 million is insufficient to cover 2009-10 academic year TAP expenses. The \$25.1 million increase to the TAP appropriation corresponds with a \$22.6 million cash increase to TAP during the mid-year update.

Section 2 amends the 2009-10 Health and Mental Hygiene Budget as follows:

OFFICE OF MENTAL HEALTH

The recommended deficiency for Office of Mental Health's (OMH's) Adult, Children and Youth and Community Reinvestment programs represents a technical correction to the Enacted 2009-10 Deficit Reduction Plan (DRP). Due to OMH's Local Assistance fiscal year operating on a July to June basis, the appropriation cuts mandated by the DRP impacted OMH by an additional

\$20 million higher than the Legislature intended. This appropriation-only deficiency is necessary for OMH to support existing programs consistent with the State's Financial Plan.

In addition to the technical DRP correction, the Financial Plan reflects \$12 million in available cash that OMH will not be able to expend due to insufficient appropriation authority. This appropriation-only deficiency is needed to enable expenditures for the Adult, Community Reinvestment, and Children and Youth programs.

Section 3 amends the 2009-10 Transportation, Economic Development and Environmental Conservation Budget as follows:

DEPARTMENT OF PUBLIC SERVICE

The recommended deficiency for the Department of Public Service provides \$1.25 million in appropriation authority for Department regulatory activities funded by the Federal American Recovery and Reinvestment Act (ARRA) of 2009. These funds will be utilized to increase the Department's capacity to review proposed electric utility projects funded by ARRA.

DEPARTMENT OF TRANSPORTATION

The recommended deficiency for the Department of Transportation provides \$5 million in appropriation authority for unanticipated grants from the Environmental Protection Administration. This will allow the New York State Department of Transportation to obligate funds received from the American Recovery and Reinvestment Act of 2009 from agencies other than the United States Department of Transportation.

Section 4 provides that the bill shall take effect immediately and be deemed to have been in full force and effect on and after April 1, 2009.

Existing Law: This is a new bill.

Statement in Support: Enactment of this deficiency appropriation bill is necessary to provide funding for liabilities occurring in the 2009-10 fiscal year for which no appropriations currently exist.

Budget Implications: The provisions of this bill are accommodated in the current Financial Plan for 2009-10.