

# ***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***

In 1995, the Governor's Commissioner of Economic Development reorganized and streamlined the State's economic development agencies. The Department assumed responsibility for administration of the Science and Technology Foundation's programs. The Urban Development Corporation and the Job Development Authority were consolidated, and now constitute the Empire State Development Corporation. The Department and the Empire State Development Corporation remain distinct entities, but are both headed by the Commissioner of Economic Development and share senior managers who oversee administration, policy formulation and research, as well as regional office operations.

The Department of Economic Development will have a workforce of 263 in 1999-2000. The Department's central office is in Albany, with ten regional offices located in Albany, Buffalo, Rochester, Syracuse, Utica, Binghamton, Fishkill, Ogdensburg, Plainview and New York City.

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

State tax dollars from the General Fund will finance 81 percent, or \$43.8 million, of the Department of Economic Development's \$54 million Budget in 1999-2000. The balance of the Department's Executive Budget will be supported by revenues raised through licensing of the "I Love NY" logo, sale of advertising in the "I Love 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 business comply with Clean Air Act mandates.

The 1999-2000 Budget provides:

- \$11 million for "I Love NY" tourism advertising;
- \$4.3 million for local tourism matching grants;
- \$500,000 for natural resource based tourism marketing;
- \$4.5 million for marketing and promoting the State's favorable business climate;
- \$177,000 for the Adirondack North Country Association;
- \$600,000 for economic development projects in the Catskill watershed;
- \$300,000 for the Tupper Lake Industrial Park development project; and
- \$2.9 million for local administration of Economic Development Zones, which includes funding for twelve new Zones that were designated in 1998.

## ***ECONOMIC DEVELOPMENT***

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### ***PROGRAM HIGHLIGHTS***

#### ***MARKETING AND ADVERTISING***

This program promotes New York State as a premier tourist destination and business location. Major activities include the "I Love 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.

#### ***INTERNATIONAL***

The International Trade program promotes exports from, and attracts foreign investment to, New York State. Based in New York City, this program manages the Department's international offices in Montreal, Toronto, London, and Tokyo, and contractual presences in Frankfurt and Jerusalem. 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.

#### ***ECONOMIC DEVELOPMENT ZONES***

The Economic Development 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. Currently, there are 52 Economic Development Zones statewide that were selected on a competitive basis. Zones are located in the following communities: Albany, Amsterdam, Auburn, Binghamton, Brookhaven, Brooklyn Navy Yard, Buffalo, Dunkirk, East New York, East Harlem, Elmira, Friendship, Fulton, Geneva, Gloversville, Griffiss Air Force Base, Hancock Air Force Base, Hunts Point, Islip, Jamestown, Kingston, Kirkwood, Lackawanna, Lowville/Martinsburg, Moriah/Port Henry, Niagara Falls, North Shore/Staten Island, Norwich, Ogdensburg, Olean/Allegany, Oswego, Plattsburgh, Plattsburgh Air Force Base, Port Morris, Potsdam, Poughkeepsie, Riverhead, Rochester, Rockaway, Rome, Schenectady, South Jamaica, Seneca Army Depot, Stewart Air Force Base, Sunset Park/Red Hook/Southwest Brooklyn, Syracuse, Tioga County, Troy, Utica, Watertown, Watervliet Arsenal, and Yonkers.

#### ***BUSINESS ASSISTANCE PROGRAMS***

To improve the competitiveness of New York State companies, the Department of Economic Development provides assistance to businesses for productivity assessments, business-specific skills training for new and existing workers and third-party technical assistance to develop strategies for expanding export markets.

#### ***SMALL BUSINESS ASSISTANCE***

The Division for Small Business serves as an ombudsman for small business and also offers these enterprises training and technical assistance. In addition, the Department

provides State and Federal procurement assistance to small business. The Division also operates the Clean Air Act Ombudsman Unit, which helps small business comply with these environmental regulations.

**LINKED DEPOSIT PROGRAM**

This joint public/private program enables companies to obtain loans from commercial banks at an interest rate that is 2 percent to 3 percent lower than the prevailing rate. The banks are compensated by deposits of State funds earning interest at comparably reduced rates. When fully capitalized, there will be \$150 million available for this effort.

**RECYCLING MARKET DEVELOPMENT PROGRAM**

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

**MINORITY AND WOMEN'S BUSINESS DEVELOPMENT**

The Division of Minority and Women's Business Development was established to increase the participation of minority- and women-owned businesses in State procurement opportunities. The Division identifies and certifies minority- and women-owned business enterprises; publishes a directory of certified firms to market small businesses to public and private sector organizations; and provides technical assistance to minority- and women-owned businesses.

**POLICY AND RESEARCH**

This joint Empire State Development Corporation/Department of Economic Development 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**

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations . . . . .	\$37,419,900	\$40,855,700	+ \$3,435,800	\$8,775,000
Aid To Localities . . . . .	17,911,500	13,653,600	-4,257,900	4,795,000
Capital Projects . . . . .	.....	.....	.....	.....
Total . . . . .	<u>\$55,331,400</u>	<u>\$54,509,300</u>	<u>-\$822,100</u>	<u>\$13,570,000</u>

# ECONOMIC DEVELOPMENT

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

Program	1999-00 Recommended Average Fill Level				Change
	Available 1998-99	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	
Administration					
General Fund	55	51	....	51	-4
Special Revenue Funds — Other	8	8	....	8	....
Economic Development					
General Fund	153	144	....	144	-9
Special Revenue Funds — Other	4	4	....	4	....
Marketing and Advertising Program					
General Fund	44	42	....	42	-2
Special Revenue Funds — Other	1	1	....	1	....
Science & Technology - Administration					
General Fund	9	8	....	8	-1
Clean Air					
Special Revenue Funds — Other	5	5	....	5	....
<b>Total</b>	<b>279</b>	<b>263</b>	<b>....</b>	<b>263</b>	<b>-16</b>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$30,999,000	\$35,195,800	+ \$4,196,800
Special Revenue Funds — Federal	1,000,000	1,000,000	....
Special Revenue Funds — Other	5,420,900	4,659,900	-761,000
<b>Total</b>	<b>\$37,419,900</b>	<b>\$40,855,700</b>	<b>+ \$3,435,800</b>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Administration			
General Fund	\$3,111,000	\$3,014,000	-\$97,000
Special Revenue Funds — Other	1,833,100	1,739,900	-93,200
Economic Development			
General Fund	12,952,800	12,666,800	-286,000
Special Revenue Funds — Federal	1,000,000	1,000,000	....
Special Revenue Funds — Other	1,420,000	1,420,000	....
Marketing and Advertising Program			
General Fund	14,326,200	18,920,100	+ 4,593,900
Special Revenue Funds — Other	1,000,000	1,000,000	....
Science & Technology - Administration			
General Fund	609,000	594,900	-14,100
Clean Air			
Special Revenue Funds — Other	1,167,800	500,000	-667,800
<b>Total</b>	<b>\$37,419,900</b>	<b>\$40,855,700</b>	<b>+ \$3,435,800</b>

## ECONOMIC DEVELOPMENT

### STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administration . . . . .	\$2,070,000	-\$97,000	\$2,041,800	-\$97,000	\$28,200	. . . .
Economic Development . . . . .	7,545,000	-286,000	7,514,000	-286,000	31,000	. . . .
Marketing and Advertising Program . . . .	1,736,900	-79,100	1,722,400	-79,100	14,500	. . . .
Science & Technology - Administration . .	320,900	-14,100	320,900	-14,100	. . . .	. . . .
<b>Total . . . . .</b>	<b>\$11,672,800</b>	<b>-\$476,200</b>	<b>\$11,599,100</b>	<b>-\$476,200</b>	<b>\$73,700</b>	<b>. . . .</b>

### STATE OPERATIONS — GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration . . . . .	\$944,000	. . . .	\$110,000	. . . .
Economic Development . . . . .	5,121,800	. . . .	131,000	. . . .
Marketing and Advertising Program . . . . .	17,183,200	+ \$4,673,000	31,000	. . . .
Science & Technology - Administration . . . . .	274,000	. . . .	8,000	. . . .
<b>Total . . . . .</b>	<b>\$23,523,000</b>	<b>+ \$4,673,000</b>	<b>\$280,000</b>	<b>. . . .</b>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration . . . . .	\$42,000	. . . .	\$749,000	. . . .
Economic Development . . . . .	274,000	. . . .	3,092,000	. . . .
Marketing and Advertising Program . . . . .	39,400	. . . .	750,000	. . . .
Science & Technology - Administration . . . . .	19,000	. . . .	244,000	. . . .
<b>Total . . . . .</b>	<b>\$374,400</b>	<b>. . . .</b>	<b>\$4,835,000</b>	<b>. . . .</b>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration . . . . .	\$43,000	. . . .	. . . .	. . . .
Economic Development . . . . .	153,000	. . . .	\$1,471,800	. . . .
Marketing and Advertising Program . . . . .	800	. . . .	16,362,000	+ \$4,673,000
Science & Technology - Administration . . . . .	3,000	. . . .	. . . .	. . . .
<b>Total . . . . .</b>	<b>\$199,800</b>	<b>. . . .</b>	<b>\$17,833,800</b>	<b>+ \$4,673,000</b>

# ECONOMIC DEVELOPMENT

## STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration . . . . .	\$1,739,900	-\$93,200	\$487,100	-\$56,000
Economic Development . . . . .	2,420,000	. . . . .	130,000	. . . . .
Marketing and Advertising Program . . . . .	1,000,000	. . . . .	70,000	. . . . .
Clean Air . . . . .	500,000	-667,800	195,000	-260,300
<b>Total . . . . .</b>	<b>\$5,659,900</b>	<b>-\$761,000</b>	<b>\$882,100</b>	<b>-\$316,300</b>

Program	Nonpersonal Service		Maintenance Amount	Undistributed Change
	Amount	Change		
Administration . . . . .	\$1,252,800	-\$37,200	. . . . .	. . . . .
Economic Development . . . . .	2,220,000	. . . . .	\$70,000	. . . . .
Marketing and Advertising Program . . . . .	930,000	. . . . .	. . . . .	. . . . .
Clean Air . . . . .	305,000	-407,500	. . . . .	. . . . .
<b>Total . . . . .</b>	<b>\$4,707,800</b>	<b>-\$444,700</b>	<b>\$70,000</b>	<b>. . . . .</b>

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

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund . . . . .	\$12,911,500	\$8,653,600	-\$4,257,900
Special Revenue Funds — Federal . . . . .	5,000,000	5,000,000	. . . . .
<b>Total . . . . .</b>	<b>\$17,911,500</b>	<b>\$13,653,600</b>	<b>-\$4,257,900</b>
Adjustments:			
Transfer(s) To State University of New York General Fund . . . . .	+ 333,000		
Appropriated 1998-99 . . . . .	<b>\$18,244,500</b>		

## AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Economic Development General Fund . . . . .	\$5,904,000	\$3,977,000	-\$1,927,000
Marketing and Advertising Program General Fund . . . . .	4,676,600	4,676,600	. . . . .
Science and Technology Special Revenue Funds — Federal . . . . .	5,000,000	5,000,000	. . . . .
Legislative Initiatives General Fund . . . . .	2,330,900	. . . . .	-2,330,900
<b>Total . . . . .</b>	<b>\$17,911,500</b>	<b>\$13,653,600</b>	<b>-\$4,257,900</b>