

# Contents



*This Budget, like each of my four previous Budgets, is based on three fundamental objectives:*

- To provide essential services for the people of this State.*
- To promote economic growth, increased job opportunities, and an improved standard of living.*
- To preserve fiscal soundness and achieve the greatest operating efficiencies in State government.*

*Much progress has been achieved over the past four years, and much more is ahead. This Budget, with its balanced fiscal policy and avoidance of State borrowing, provides a means of moving New York State into the future with hope and assurance that the people of this State are entering an era of higher living standards and greater job opportunity than ever before.*

A handwritten signature in cursive script, which reads "Nelson A. Rockefeller".

*Budget Message, January 30, 1963*

## FINANCIAL SUMMARY

Page  
2

## MAJOR STATE FUNCTIONS

5

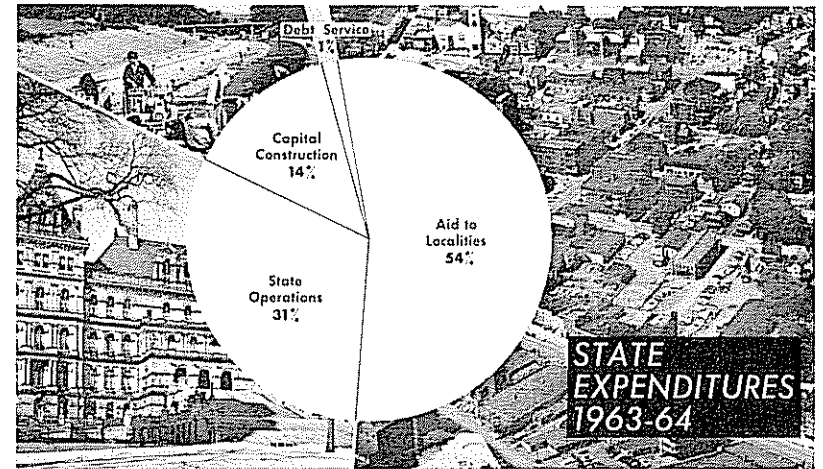
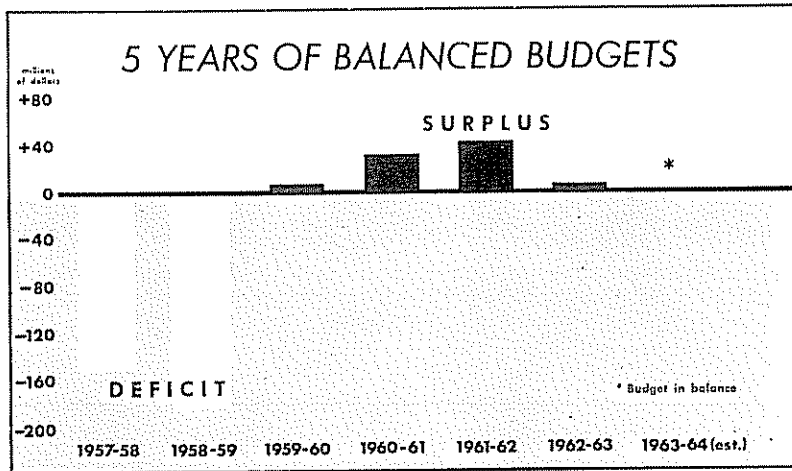
Education	6
Highways and Highway Safety	8
Health and Mental Health	10
Social Welfare	12
General Government	15
Public Safety	17
Services to Agriculture, Business and Labor	19
Natural Resources and Recreation	21

## APPENDIX

### Tables

1. State Financial Operations	23
2. State Income	24
3. Local Assistance Fund Appropriations	25
4. State Purposes Fund Appropriations	26
5. Capital Construction Fund Appropriations	27
6. Direct State Aid to Localities, by County, 1962-63	28
7. Functional Classification of Estimated Expenditures, 1963-64	30
8. Net Outstanding State Debt, March 31, 1963	30
State Funds	31
Selected Source Material on State Finance	32

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## Financial Summary

THE 1963-64 BUDGET amounts to \$2,830 million, of which more than half is for aid to localities, with the remainder supporting direct State services and capital construction.

State finances in 1963-64 are highlighted by:

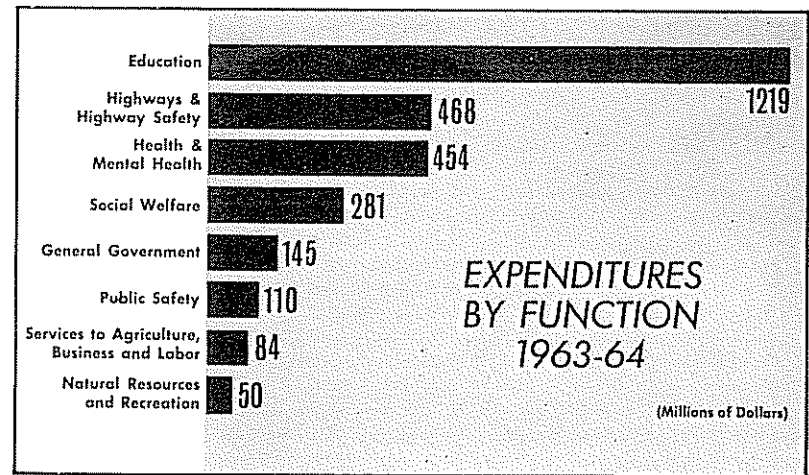
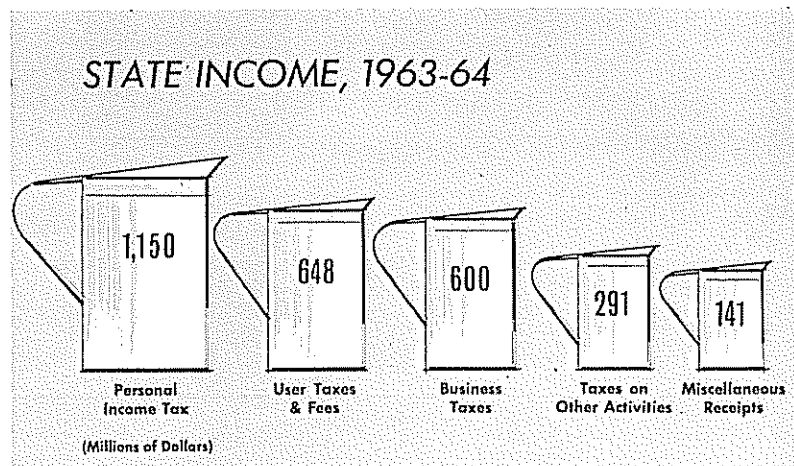
- Pay-as-you-go financing for the fifth consecutive year
- No tax increases.
- A further decline in tax-financed debt, reducing long-term debt service to only 1.2 per cent of the budget compared with 2.6 per cent in 1959-60.
- Strict control of State expenditures including, where possible, a five per cent reduction in spending.
- A \$139 million increase in aid to localities, bringing it to the highest level ever.

### State Income and Expenditures

(millions of dollars)

	1962-63 <i>Actual</i>	1963-64 <i>Estimated</i> *	<i>Change</i>
Income	<u>2,597</u>	<u>2,830</u>	<u>+ 233</u>
Expenditures			
Aid to localities	1,383	1,522	+ 139
State operations	807	891	+ 84
Capital construction	366	382	+ 16
Debt service (long term)	38	35	- 3
	<u>2,594</u>	<u>2,830</u>	<u>+ 236</u>
Surplus	<u>3</u>	<u>3</u>	<u>- 3</u>

\* This financial plan includes changes made by the Legislature, but does not reflect the intensive cost reduction program currently under way in State departments and agencies. Because of this expenditure control program, total expenditures are expected to be less than the above amounts, but complete information on expected savings was not available when this volume went to press.



**The major REVENUE DEVELOPMENTS of 1963 are:**

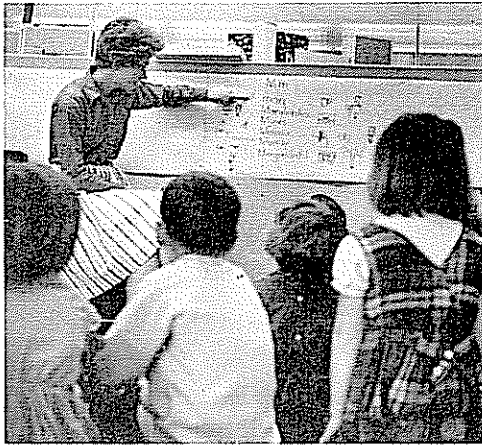
- Encouragement of industry in New York State by allowing businesses, effective January 1, 1964, to write off investments in new plant, machinery and equipment twice as fast as allowed under Federal depreciation schedules.
- Fostering development and expansion of industrial research by permitting a one-year depreciation write-off, effective January 1, 1964, for all new research and development facilities.
- Provision for monthly instead of quarterly payment by major employers of personal income tax withholdings.
- Revision of outdated levels of alcoholic beverage license fees and fees for miscellaneous services.
- A broadened definition of abandoned property, and a shortened period after which such property is turned over to the State.
- Faster changeover of certain corporations to a more current tax payment schedule.

## Major State Functions

THE STATE PROVIDES a variety of services which directly or indirectly benefit every resident, enterprise and community in New York State. These services are classified under eight major functions. This classification permits the Legislature and the public to relate costs directly to the major services provided by the State. The highlights of the budget for each of these functions are described on the pages that follow.

In addition to total estimated 1963-64 expenditures of \$2,830 million from State funds, certain State and local programs are financed partly through Federal funds and other monies (see pages 30 and 31). The best use of all these monies is the responsibility of the Governor assisted by the Budget Director.

This Budget Summary outlines the 1963-64 budget as enacted by the Legislature, which adjourned April 6, 1963. For greater detail on the organization and operations of all State agencies, the reader may refer to the Governor's Executive Budget of January 30, 1963, copies of which are available in libraries throughout the State.



## Education

*Estimated expenditures:*

**\$1,219 million**

**43% of State Budget**

STATE EXPENDITURES for education account for the largest share of the State's budget. In 1963-64 such outlays are expected to rise by \$103 million over the previous year, a gain almost as large as that for all other functions combined. The State pays about 44 per cent of all local public school expenditures.

**Elementary and Secondary Education** Almost three million pupils attend public elementary and secondary schools in New York State. These schools are locally operated, with the State sharing costs and providing certain supervisory services. State aid for elementary and secondary schools will total \$967 million this fiscal year, an increase of \$104 million over 1962-63. School districts with "average" resources, as measured by full value of real property, receive State aid of 49 per cent of their operating expenses up to \$500 per pupil, while other districts receive larger or smaller percentages depending on the relative amount of such resources. Districts are granted aid for construction in the same ratio as for operating expenses and are reimbursed for 90 per cent of approved expenditures for transportation. The six largest cities receive additional aid equal to 10 per cent of operating aid to compensate for the higher costs of vocational schools and of classes for the emotionally disturbed and the physically, mentally and culturally handicapped. Other large school districts may receive "density aid." The number of school districts receiving "sparsity aid" as compensation for high expenses or low valuation was increased by legislation enacted in 1963 which also increased the amount of such aid. Other legislation passed in 1963 will assist fast-growing school districts by removing the 20 per cent ceiling on the year-to-year increase in State aid.

School financial practices are expected to improve and substantial economies to be effected as the result of a new law requiring districts to maintain double-entry bookkeeping records under a uniform system of accounts, to be audited by independent accountants. State-supported experimental projects will be conducted by school districts over a three-year

period to determine the feasibility of a longer school day and longer school year, looking toward savings through greater use of existing facilities.

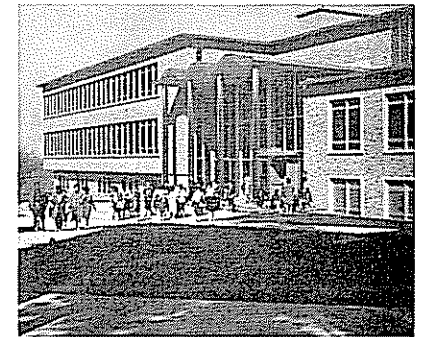
**Higher Education** The State supports higher education through the State University, assistance to local public colleges, and extensive programs of financial aid to students. These and other higher education programs are expected to cost \$199 million in 1963-64.

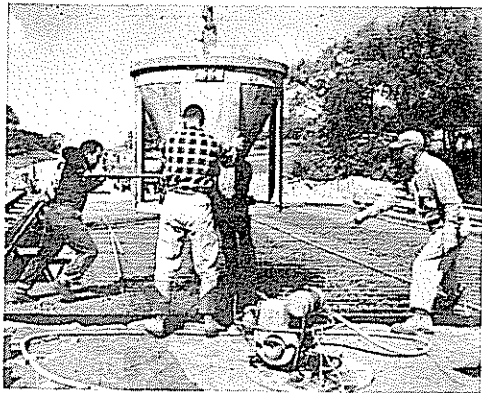
The State University has 48,500 full-time students in 30 schools, which include liberal arts, medicine, veterinary medicine, dentistry, law, pharmacy, engineering and technology, public affairs, maritime studies, agriculture, home economics, ceramics, forestry, industrial and labor relations, and teacher training. Operating costs at the State University in 1963-64 are expected to total \$95 million. A uniform tuition and fee schedule will be instituted at the State University in September 1963. All State University tuition, fees and other income, together with matching State appropriations, will be deposited in the new State University Income Fund to finance the rapidly expanding capital construction program and enrich the academic program. Construction of the new campus of the State University of New York at Albany was started this year.

The State pays half of construction costs and a third of operating costs of 21 community colleges with a total enrollment of 19,600 full-time students. During 1963 new community colleges are expected to open in Jefferson, Ulster, Niagara and Sullivan counties. State aid to New York City for higher education in 1963-64 of \$28 million includes funds for teacher training programs, debt service costs and graduate education, while aid to all community colleges, including those in New York City, is estimated at \$16 million.

Under the State's student aid program 58,000 general awards and 2,380 scholarships in medicine, dentistry and nursing are in effect at a total cost of \$21 million in 1963-64. The number of scholar incentive payments is expected to increase by 40,000, to 125,000, largely the result of payments to newly eligible State University students, raising the program's cost to \$23 million in 1963-64. The State also guarantees bank loans to students attending public or private colleges, and pays all interest costs while students are in college and the excess over 3 per cent thereafter. Interest for 120,000 loans will cost the State \$5 million in 1963-64.

In addition, the State operates the State Library and provides aid to 22 local library systems, maintains the State Museum and Science Service and 23 historic sites throughout the State, and assists vocational rehabilitation of handicapped persons.





## Highways and Highway Safety

*Estimated expenditures:*

\$468 million

17% of State Budget

CONTINUED GROWTH and vitality of the State's economy depend in part upon the safety and adequacy of its highways. Highway construction has created new industrial and commercial opportunities in communities which formerly were not easily accessible. Good roads are important to large areas of the State which rely upon tourism for income. In 1963 the tourist trade in New York State will add \$2.7 billion to the State's economy. In addition, road construction often is an important source of employment in economically distressed areas. Over 106,000 miles of State and local highways, roads and streets now serve New York motorists and their 5.7 million vehicles, as well as vehicles bringing goods, shoppers, vacationers, businessmen and other visitors from outside the State.

**Construction and Maintenance** An estimated \$335 million in State funds will be spent on State highways in 1963-64. This figure includes funds for land acquisition, planning, engineering, special resurfacing and maintenance, as well as for actual construction of highways, bridges and grade crossings.

State road construction contracts are being let in a manner designed to ensure the maximum possible use of Federal funds. Many of the road construction projects are joint Federal-State efforts. The Federal government, for example, contributes 90 per cent of construction costs of the interstate highway system and the State 10 per cent. New York has completed two-thirds of the mileage assigned it under the interstate system. In addition, State funds for constructing, reconstructing and improving State primary and secondary highways and urban extensions are matched by the Federal government.

A construction program cannot, by itself, provide the good roads needed by motorists and commercial carriers. Existing highways must be continually cared for in order to keep them at the high level of repair required for safety and comfort. Road and road shoulder improvement, culvert and drainage ditch maintenance, snow and ice removal, pavement marking, traffic signal repair, and bridge painting and repair are part of

the State's maintenance program. Purchase of equipment and supplies, patching and sub-sealing of pavement and removal of dead trees adjacent to the road are also included. Expenditures for these purposes help to reduce accidents, as well as minimize repair bills for the State's motorists.

In addition to work on its own highways, the State bears a substantial portion of local road costs through grants to towns, counties and New York City for road and highway construction, maintenance or improvement. Among the grants are payments to counties and New York City equal to 25 per cent of the motor vehicle fees collected from residents of each county, payments to counties of ten per cent of State motor fuel taxes, and a flat grant to New York City for streets and highways. To aid in improvement of town highways, the State pays a portion of the cost of construction or repair if the work conforms to specified standards. All these State grants will total \$75 million this year. In addition, local governments will spend on highway construction, maintenance and safety a portion of the \$99 million in per capita aid they receive from the State.

**Highway Safety** The State is continuing its campaign to make driving safer. The State licenses each New York driver, registers his vehicle, establishes standards for inspection and insurance, maintains records of violations and accidents, and may refer a habitual offender to a driver improvement clinic or revoke his operator's license. The State also does research on the medical and engineering aspects of vehicle safety. Road conditions are studied periodically so that appropriate speed limits and other traffic regulations may be maintained.

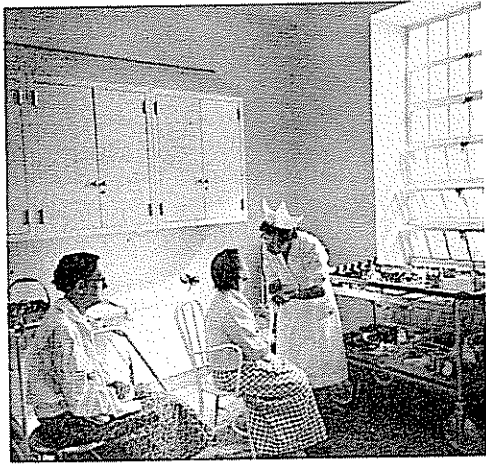
Operations of the State Police are an important part of the highway safety program. Patrol of the State's highways and parkways, enforcement of driver's license suspensions or revocations, weighing and inspection of trucks, and inspection of garages and service stations licensed to inspect motor vehicles are performed by the State Police.

State efforts to reduce the hazards of grade-level railroad crossings include installation of protective devices, building highway-railroad separation structures, and modernizing obsolete structures.

Legislation enacted this year:

- Sets minimum standards for tires used on State highways.
- Requires re-examination of the vision of licensed drivers every nine years.
- Fixes a blood alcohol content of .05 per cent as the impairment point for drivers under 21.
- Requires school buses seating 12 or fewer students to be equipped with safety seat belts after September 1, 1964.
- Requires that new automobiles on sale after June 30, 1965 have lights to flash a warning when the car is disabled.

Expenditures for highway safety activities are expected to be \$31 million this year.



## Health and Mental Health

*Estimated expenditures:*

*\$454 million*

*16% of State Budget*

THE STATE has extensive medical resources to protect the health of its citizens. Its 19 mental hospitals, 2 psychiatric research facilities, 7 schools for the mentally retarded, and special facility for epileptics provide care for 112,000 persons. The State also operates after-care mental health clinics, tuberculosis hospitals, a rehabilitation center for the physically handicapped, research and diagnostic laboratories, and treatment units for narcotics addicts. These institutions and health programs require 45,000 employees with skills in such diverse fields as psychiatry, occupational therapy, nursing, pathology, bacteriology and sanitary engineering. This year \$362 million will be spent for mental health programs and \$92 million for public health activities.

**Mental Health Services** Care of the mentally disabled is a major State responsibility. Changing concepts of care and treatment have rendered obsolete many long-established policies for dealing with mental illness. Improved therapeutic procedures, tranquilizing drugs, the open hospital system and an expanded community mental health program have brought about an average net decline of 1,000 patients annually in State hospitals in the past five years. Admissions continue to increase, however, reaching nearly 30,000 in 1962, and the patient population will be slightly larger in 1963 than last year.

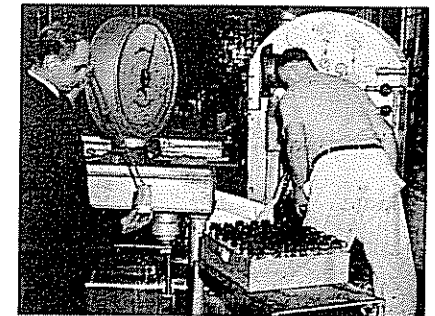
The number of mentally retarded patients in State schools, now about 24,400, is increasing by approximately 500 annually. The State's construction program to meet this need includes the recently opened West Seneca State School in Erie County, and the scheduled building of a school in Saratoga County for 1,180 patients. Another acute problem is narcotics addiction. New York, whose program for rehabilitating addicts is the nation's largest, has established narcotics treatment units at six State hospitals. The State is also making studies of alcoholism, emotional disturbances of children, and mental patients requiring long-term care.

The State has developed a five-year plan for greater application of modern therapy and establishment of a full range of services for community-based treatment of mental disability. Legislation enacted in 1963 removes the ceiling on State aid to localities for mental health services, effective April 1, 1964. Legislation also created the Mental Hygiene Facilities Improvement Fund to carry out a ten-year program of construction and modernization of facilities for the mentally ill.

**Public Health Services** The State carries on broad programs for the study, control and treatment of chronic diseases. One of these, tuberculosis, has shown a remarkable decline, and the number of State-operated tuberculosis hospitals has fallen from seven to three over the past decade. It remains an important concern, however, and State programs in this field include case finding, intensive treatment methods and aid to localities for their programs. Increased attention is being given to the baffling problems of cancer. Roswell Park Memorial Institute, a State facility in Buffalo, conducts research in causes of the disease and provides care and treatment of patients. Construction of a new \$60 million cell and virus research laboratory is planned there. Other services include study and control of heart and vascular diseases, aid to local agencies for medical care of the chronically ill and aged, and assistance in establishing cancer detection centers and tumor diagnostic clinics.

The State is acutely aware of environmental hazards to health, and progress has been made in reducing air pollution. The first statewide rules to prevent air pollution from new sources went into effect April 1, 1962 and the State's first portable air pollution laboratory recently began operation. State aid is available for local control programs. The State also monitors natural and man-made sources of radiation and aids local sewage treatment programs.

To help assure adequate services at the community level, the State reimburses localities for about half of their expenditures for sanitation control, preventive inoculations, nursing service and diagnostic work. It also shares the cost of local laboratories and blood banks, and care and treatment of tuberculosis patients in local facilities. The State contributes to local costs of treatment of youthful narcotics users, premature infants, victims of cerebral palsy and others under the physically handicapped children's program. Legislation in 1963 extended this program to children affected by additional chronic diseases, including muscular dystrophy, cystic fibrosis and leukemia. In 1963-64 the cost of these local assistance programs is expected to amount to \$41 million.





## Social Welfare

*Estimated expenditures:*  
**\$281 million**  
*10% of State Budget*

VARIED STATE SERVICES help maintain and improve the welfare of New York citizens. The programs of public assistance and care for needy persons are administered by localities under State supervision. The State will turn over to localities \$239 million in Federal aid for the aged, disabled, dependent children and the blind, and provide \$201 million for half of the remaining costs of these and other local programs. State legislation enacted in 1963 allows certain categories of public assistance to be combined into a single program for purposes of claiming reimbursement, resulting in more Federal aid to New York. Increased Federal and State aid for training local welfare employees, to be made available in 1963-64, will improve welfare programs. Administration of the Department of Social Welfare will be strengthened as a result of new legislation and administrative reforms following intensive study and recommendations by a Moreland Act Commission on Public Welfare appointed by the Governor.

**Youth Programs** Many State services are designed to help youth and combat juvenile delinquency. Division for Youth facilities — two youth homes, three short-term adolescent resident training centers, four youth camps and one residential after-care unit — provide treatment and rehabilitation for youths between the ages of 15 and 18. The State also conducts research in delinquency prevention, provides guidance and financial aid to 1,140 community youth projects throughout the State, and is developing a work program for youths 16 through 18 who are out of school and unemployed. The Department of Social Welfare operates 10 training schools and 3 group residences for over 2,400 children placed by courts. Counseling and vocational and academic training help rehabilitate these youths, and services are provided 4,300 children on parole from the training schools. The State also shares with localities costs for the care of juvenile delinquents in local facilities.

Under the State and federally aided program for dependent children, an average of 397,000 persons receive assistance each month. The State also shares with localities the cost of foster care for needy children who cannot be cared for in their own homes. State regulation of both public and private child care institutions insures that required standards are maintained.

Support of education is one of the important youth services classified under other functions. Institutional care and aid to community mental health programs help disturbed and retarded children. State health services for children include programs for maternal and child health and State aid for treatment of the physically handicapped. Other programs include a youth employment service to help young people find work, court services to counsel and help youths, probation services, narcotics control, and conservation work camps for male offenders between the ages of 16 and 25.

**Programs for the Aging** State, Federal and local funds provide old age assistance for an average of 55,150 needy persons each month. Under New York's medical assistance for the aged program, the most comprehensive in the nation, an average of 32,900 aged persons a month will receive health care costing an estimated \$118 million in 1963-64. State aid of \$42 million and Federal aid of \$103 million will help localities meet total costs of \$183 million for these two programs. The State also shares with localities the cost of care for needy older citizens in public homes and private institutions.

The State's housing program takes into account the special needs of the elderly. Over 20,000 apartments for the aged have been completed or are under construction in low-rent and middle-income housing projects. Corporations building middle-income housing for the aging have been given local real property tax exemptions. The State conducts research on the housing needs of older citizens and regulates and supervises nursing homes and private homes for the aged.

Activities included under other functions also help the State's senior citizens. Research is conducted in health problems of the aged, and special facilities are maintained to meet the needs of older persons who are mentally ill. Special employment counseling and vocational rehabilitation services are provided workers 45 years of age or older, and aid is granted localities for recreation and education programs and day centers for the elderly.

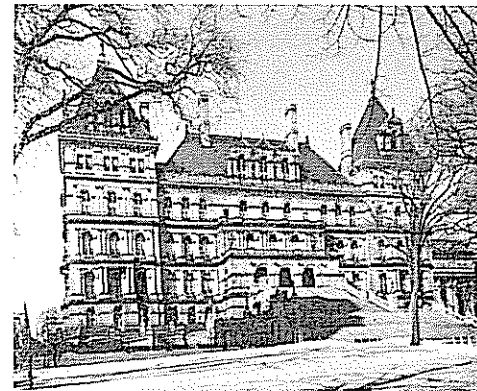
The State Office for the Aging helps public and private agencies concerned with problems of the aging, coordinates and develops services for the aging, and distributes information to senior citizens on assistance available to them.

**Housing and Other Programs** Improvement of housing is of major concern to the State. State loans to municipalities and local housing authorities have financed construction of 55,400 low-rent public housing units. Local property tax exemptions and State subsidies, the latter amounting to \$22 million in 1963-64, help keep rents low. The Temporary State Commission on Low-Income Housing was created in 1963 to make a comprehensive review and appraisal of the publicly assisted low-income housing program in the State. Legislation was also enacted making it clear that municipalities must provide adequate police, fire, and health protection for tenants of public housing projects.

The State Housing Finance Agency, utilizing private funds, has stimulated construction of middle-income housing through loans to privately operated, limited-profit housing companies. To date the agency has authorized 31 projects with 25,300 dwelling units. The agency also makes loans on middle-income cooperative apartments, enabling many families to get better housing with down payments as low as \$200. In addition to HFA loans, the State makes direct loans to private limited-profit companies for middle-income housing. Of the \$150 million authorized for this program, \$108 million has been committed, with the remainder reserved for loans to membership corporations, housing for the elderly, and other non-profit projects.

To assist localities with federally aided urban renewal projects for slum clearance and community development, the State makes grants to municipalities, amounting to \$6 million in 1963-64. Legislation was enacted in 1963 giving municipalities greater flexibility in expediting renewal projects by allowing plans to be advanced and approved in stages. The Legislature also provided for creation of local, nonprofit community development corporations which, with loans from the State Housing Finance Agency, will be able to construct civic, cultural and recreational facilities in connection with local urban renewal programs. State and local housing and urban renewal programs will be further stimulated if an amendment to revise and modernize applicable provisions of the State Constitution is approved by the voters in the fall of 1964. A State-maintained performance building code has been adopted by 410 communities.

Other State programs to help citizens include counseling of veterans and aid to cities and counties for up to half of their costs for services to veterans, distribution of surplus foods for needy families, regulation of charities and supervision and inspection of public and private welfare institutions. The blind are aided by the State through home teaching, vocational rehabilitation and special health assistance.



## General Government

*Estimated expenditures:*

\$145 million

5% of State Budget

THE LEGISLATURE, JUDICIARY, AND GOVERNOR'S OFFICE, together with the agencies listed below, furnish general services to the State's residents, employees and municipalities. These services include preparation and execution of the State budget; collection of revenues; central purchasing and management of State supplies, equipment, property and buildings; auditing of State and municipal accounts; and establishment of equalization rates to assure fair assessment and taxation of real property. Other general responsibilities are supervision of the State's legal affairs, protection against consumer frauds, maintenance of election and other public records, and development of personnel policies and means of improving government services.

**General Assistance to Localities** In addition to its functional grants, the State gives aid to cities at the rate of \$6.75 per resident, towns \$3.55 and villages \$3.00. This aid, based on 1960 population, will total \$99 million in 1963-64 and may be used for any local government purpose. A law enacted in 1963 authorizes any city with a population of 75,000 or more to issue bonds to finance construction of State office buildings and related public improvements of benefit to both State and city. A plan proposed by the Temporary State Commission on the Capital City contemplates use of this law to finance the South Mall development in Albany.

To further assure responsible local government, the Legislature passed a constitutional amendment which, if approved by the people in November, 1963, will:

### *Agencies of General Government*

- The Judiciary
- The Legislature
- The Governor's Office
- Division of the Budget
- Office of General Services
- Office for Local Government
- Office for Regional Development
- Department of Audit and Control
- Department of Law
- Department of Civil Service
- Department of State
- Department of Taxation and Finance
- Temporary State Commissions



- Extend home rule powers to all units of local government.
- Provide for the first time a "bill of rights for local government."
- Introduce a new concept of home rule by requiring the State to enact a "Statute of Local Government," covering powers of local government which could be withdrawn or restricted only by legislative and executive action in each of two successive calendar years.
- Provide a general procedure for the annexation of territory.

**Management Improvement** The State conducts a continuing management improvement program to eliminate waste and achieve operating efficiencies. Review of current programs and methods of operation, improvements in organization, and greater use of electronic data processing equipment have resulted in better service to the public at lower cost. The Department of Public Works' new data processing equipment for engineering applications is now in service in Albany, with eventual savings estimated at 400,000 hours of engineering time per year. The State University is completing a major reorganization of its central administrative offices in Albany, and the Department of Mental Hygiene is beginning a realignment of its programs and procedures.

**Protection Against Fraud** To further protect the citizens of New York State against business and consumer frauds, several measures were enacted by the 1963 Legislature:

- Sellers of out-of-State lands to residents of New York State will be required to file a statement of basic information with the Secretary of State.
- The Attorney General was granted power to adopt rules requiring real estate syndicators to disclose the source of money they distribute to investors.
- Provisions against false commercial advertising were strengthened.
- The Attorney General was given authority to obtain an injunction and cancel the registration of any charity guilty of improper solicitation of funds.

**Employee Benefits** The survivor's benefit law, which guarantees beneficiaries of all State employees minimum financial protection when the worker dies, was continued and extended this year to include employees in State colleges at Alfred and Cornell and certain State employees on authorized leaves of absence. The Condon-Wadlin Act, which prohibits strikes by public employees, was modified to make its penalty provisions more effective. Money was provided this year to pay for uniforms of State employees required to wear a distinctive uniform in performance of their duties, and whose work involves preservation of order.



## Public Safety

*Estimated expenditures:*

*\$110 million*

*4% of State Budget*

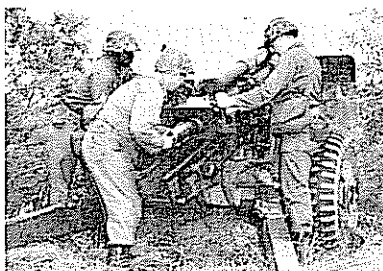
TO PROTECT THE PUBLIC, the State maintains a police force and an investigation commission, trains State and local police officers, operates correctional institutions, administers a parole system, provides a comprehensive criminal identification system, supervises and provides State aid for local probation services, and maintains civil defense and military establishments.

**Correction, Parole and Probation** The State operates 22 correctional institutions, ranging from maximum security prisons to minimum security conservation work camps. During the year the number of persons in these institutions is expected to increase to about 20,000. The budget provides for construction of accommodations for 120 inmates at Westfield State Farm Reformatory and development of plans for improving facilities at Sing Sing Prison. Expenditures for operating all correctional institutions will total \$50 million in 1963-64, while expansion and improvement of facilities will require an additional \$2 million.

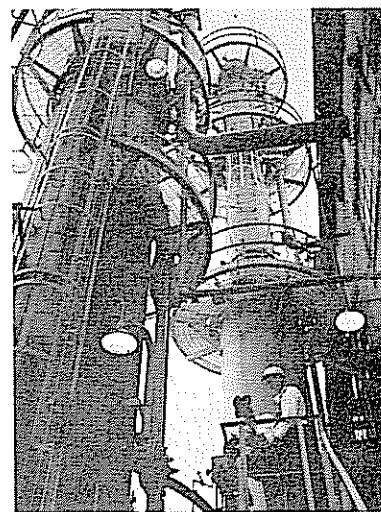
Parole or probation often contributes more to rehabilitation of an offender than does a long period of imprisonment. In addition, the annual cost of confining a prisoner in a State correctional institution, apart from construction costs, is about \$2,750, while the average cost of supervising a parolee after release from prison is only \$375. Supervising a person on probation rather than placing him in prison costs even less. Over the course of a year more than 15,400 persons are supervised by the State Board of Parole, and about 70,000 persons by local probation officers. The State stimulates development or improvement of local probation services by contributing a portion of the added expense. Several additional counties will receive reimbursement under this program in 1963-64.

As a result of higher salaries and intensive recruitment, the Division of Parole has been able to hire the full number of parole officers authorized for the first time in almost 25 years. The 1963-64 budget provides for increasing membership of the Board of Parole from nine to ten. This will enable the board to review more promptly the qualifications of inmates to insure that they are paroled as soon as they have demonstrated their ability to successfully return to society. Total cost of the State's parole and probation programs, including aid for local probation services, will be \$8 million in 1963-64.

**Civil and Military Defense** The Civil Defense Commission and the Division of Military and Naval Affairs are responsible for coordinating State efforts in preparation for possible enemy attack or natural disasters. The commission is housed in the new underground central emergency seat of government at the State Office Building Campus in Albany. Funds are provided this year for supplying the headquarters with food, medicine and housekeeping items to support assigned key personnel from many agencies for a two-week period. Additional plans include repair and calibration of more than 100,000 State radiological instruments, replacement of obsolete geiger counters with a better, more economical model, and microfilming of vital State records. The New York Army National Guard is undergoing extensive reorganization in accord with the general reorganization of reserve forces in the United States. State military forces also include the Air National Guard, Naval Militia and State Guard. The 1963-64 budget provides \$4 million for civil defense activities and \$9 million for military defense.



**Crime Prevention and Detection** The State Police maintains laboratory and communication facilities for crime prevention and detection, conducts investigations and provides assistance to local enforcement officials. The Division of Identification of the Department of Correction serves as a central clearing house for information on personal identification required by State and local law enforcement and other governmental agencies. In 1963 the State Police went from a 60-hour to a 40-hour workweek, this change being made possible by enlargement of the force in recent years to its present strength of 2,121. Total cost of the public safety activities of the State Police will be \$9 million in 1963-64.



## Services to Agriculture, Business and Labor

*Estimated expenditures:*

*\$84 million*

*3% of State Budget*

**Services to Business** The State furthers economic growth and expanded job opportunities by helping industries find suitable locations, promoting New York products and tourist attractions, and aiding localities in securing industry. Small firms are given market data and management advice. Airports and commercial aviation are helped, and counseling services are available to business women. Offices have been established in Montreal and Brussels to stimulate profitable foreign trade for the State's businesses and farmers. Local urban planning activities are given technical and financial support. The business climate is also aided by State assistance to transportation facilities.

The State's leadership in industrial development will be strengthened by the new State Science and Technology Foundation, formed to encourage scientific research and training through grants to educational and research institutions. State tax laws were liberalized in 1963 to foster investment in research and development and other facilities which will lead to more jobs. To aid development of the atomic research and space industry, a grant was made to the University of Rochester to purchase equipment for its nuclear structure laboratory.

The State protects the public and legitimate business competition through regulation of banks, insurance companies, public utilities, alcoholic beverage firms, horse racing, professional boxing and wrestling, and dealers in narcotics. The State licenses physicians, teachers, architects, engineers, nurses, accountants, real estate brokers and others to insure compliance with accepted standards. Chiropractors will be licensed under 1963 legislation. All services to business and regulatory activities will cost \$55 million in 1963-64.

**Labor and Human Rights Programs** The State is responsible for protection of wage earners against hazardous employment, inadequate wage standards, and accidental loss of earning capacity. Workmen's compensa-

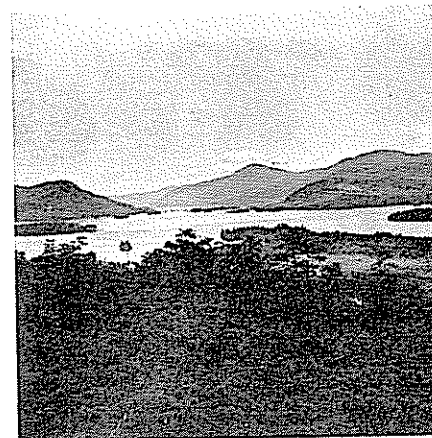
tion, disability benefits, unemployment insurance and employment assistance are offered through the social insurance programs administered by the State. Arbitration and mediation services, wage and hour protection for minors and women, and supervision of apprentice programs are also provided. Workers are protected by inspections of factories, stores and construction sites and through laboratory checks of air samples and materials which might be injurious to health. The State recently assumed certain licensing and inspection powers over atomic energy installations and other users of nuclear materials which would affect worker or public health. Programs are conducted to train workers in new and needed skills, and studies are made of the effects of technological advances on employment. Legislation this year:

- ... Extended collective bargaining rights to workers at nonprofit hospitals in New York City.
- ... Gave the Industrial Commissioner enforcement powers over employment agencies.
- ... Revised the unemployment insurance law to provide a more equitable distribution of employers' tax burdens.

The State's program for elimination of discrimination because of race, color, creed or national origin was strengthened in 1963 by legislation banning discrimination in almost all private housing. The recently appointed Governor's Special Cabinet Committee on Civil Rights will coordinate all State government activities pertaining to civil rights and minority group relations, and will plan new programs in these fields.

**Services to Agriculture** The 1963-64 budget provides \$8 million for a variety of instructional and regulatory services which assist the farmer. The State inspects dairy herds to be sure they are free from disease, licenses milk dealers, administers milk marketing orders, inspects and grades farm products, and helps control insects and diseases injurious to plants. Consumers are protected by State enforcement of pure food and labeling laws through field inspection and laboratory analysis of food products. Studies are made to help improve crop efficiency and increase yields, and provide marketing and other information for farmers. The agricultural economy is also aided by the annual State Exposition and State aid to county fairs. Funds are provided this year for:

- ... Continuation of the program to eradicate the golden nematode on Long Island
- ... Operation of three more care centers for children of migrant workers.
- ... Registration and inspection of nursery products dealers.



## Natural Resources and Recreation

*Estimated expenditures:*

\$50 million

2% of State Budget

**Parks and Recreation** The 91 State parks with more than 182,000 acres will accommodate about 36 million admissions this year for swimming, camping, hiking, picnicking, boating, tennis, golf and winter sports. This year the State Recreation Council was established to advise the Governor and Legislature in developing a comprehensive State recreation policy, and to cooperate with recreation agencies in nearby states and the Federal government. The new Gore Mountain ski development in the Adirondack Mountains is scheduled to be open for the 1964 ski season. The Fire Island State Park expansion and the bridge connecting this park with Captree State Park lying off Long Island are scheduled for operation by the time the World's Fair opens in 1964.

The State's \$100 million program for acquisition of park and recreation land has been expanded this year to permit acquisition of land for future development of small neighborhood parks convenient to population centers. To encourage urban communities to purchase open-space land, State aid equal to 75 per cent of the total cost has been made available to cities and villages for parks containing as few as two acres.

**Conservation, Fish and Wildlife** State fish and wildlife programs, supported mainly by hunting and fishing license fees supplemented by Federal and State funds, provide for operation of 20 fish hatcheries and 6 game farms, stocking of streams, development of waterfowl and wildlife refuges, research on game and aquatic life, and rabies control. Over 75,000 hunters will receive instructions under the State's hunter safety program. Conservation is also fostered by sportsmen's shows, publication of the *New York State Conservationist* magazine, and four conservation education camps for boys. The Legislature, finding that rapid urban and

# Appendix

**Table 1 — State Financial Operations**

General Fund, War Bonus and Mental Health  
Bond Account, and Highway Account

(millions of dollars)

	1962-63 <i>Actual</i>	1963-64 <i>Estimated</i>	<i>Change</i>
Income	<u>2,597</u>	<u>2,830</u>	<u>+233</u>
Expenditures			
Local assistance	1,383	1,522	+139
State operations			
State Purposes Fund	807	891	+ 84
War Bonus and Mental Health Bond Account	a	a	
Subtotal	<u>807</u>	<u>891</u>	<u>+ 84</u>
Capital Construction Fund	366	382	+ 16
Debt service on bonded debt			
State Purposes Fund	18	17	— 1
War Bonus and Mental Health Bond Account	13	11	— 2
Highway Account	7	7	
Subtotal	<u>38</u>	<u>35</u>	<u>— 3</u>
Total expenditures	<u>2,594</u>	<u>2,830</u>	<u>+236</u>
Surplus	3		— 3
Net first instance advances reimbursable from the Federal Government, public authorities and localities temporarily financed from capital reserves	<u>66</u>	<u>22</u>	<u>— 44</u>

<sup>a</sup> Less than \$0.5 million.

suburban expansion was impairing the State's scenic beauty, this year established the State Council on the Preservation and Enhancement of the Natural Beauty of the State to make surveys and formulate recommendations for the Governor and the Legislature.

As part of the program to preserve natural resources, the State protects over 2.5 million acres of land in the Forest Preserve, controls forest fires, and combats tree pests and diseases. In addition, the State offers technical advice on forest operations, marking of timber, marketing of forest products and reforestation to 7,000 cooperating forest and farm owners holding almost 1.5 million acres of forest land. Twenty-two counties are expected to be eligible this year for State aid for reforestation. Under this program, plantations are started, trees on existing plantations are properly thinned, and marketable products are sold or used by the counties themselves. Under all reforestation programs, 29 million young trees will be distributed from State nurseries during 1963-64.

**Waterways and Water Resources** Erosion, flood and drainage control, classification of water supplies for purity, regulation of waterways, licensing of water power sites and river improvement are among State responsibilities in preservation and development of water resources. The State is also charged with undertaking regional water surveys and studies with local participation, apportionment of water supply resources among public water supply systems, and control of well sinking in Nassau and Suffolk counties. Shore protection projects, including construction of bulkheads, jetties and dunes, are initiated by municipalities and planned and completed by the State. Construction costs are shared equally between the State and municipality, with Federal funds available for some projects. Legislation enacted in 1963 established a 10-year program for State reimbursement to municipalities for all costs of joint planning activities to meet area-wide water supply needs.

To promote water safety, the State has established standards for boating equipment and sanitation, and has promoted boating education and safety. These activities are financed by boat registration fees, half of which are paid to counties having programs for enforcement of boating regulations. In addition, the State maintains about 65 boat access sites, and several new launching sites were put into operation in the 1963 summer season. The New York State Barge Canal System, composed of the Erie, Oswego, Champlain and Cayuga-Seneca canals, forms a 550-mile commercial and recreational waterway. The 57 locks along the system and the miles of navigable waters require constant attention by State maintenance crews to assure the safety of commercial and pleasure-boat users and for flood control and irrigation purposes.

**Table 2 — State Income**  
(millions of dollars)

	1962-63 Actual	1963-64 Estimated	Change
Personal income tax	1,019	1,150	+131
User taxes and fees	613	648	+ 35
Motor fuel tax	245	245	
Motor vehicle fees	131	135	+ 4
Cigarette tax	134	127	- 7
Alcoholic beverage tax	61	64	+ 3
Alcoholic beverage control licenses	24	58	+ 34
Highway use tax	18	19	+ 1
Business taxes	580	600	+ 20
Corporation franchise tax (Article 9A)	316	335	+ 19
Corporation and utility taxes (Article 9)	141	147	+ 6
Bank tax	70	70	
Unincorporated business tax	37	34	- 3
Insurance premium tax	16	14	- 2
Taxes on other activities	271	291	+ 20
Pari-mutuel tax	111	118	+ 7
Estate tax	91	95	+ 4
Stock transfer tax	66	75	+ 9
Other taxes	3	3	
Miscellaneous receipts	114	141	+ 27
Total income <sup>a</sup>	2,597	2,830	+233

<sup>a</sup> Total income is divided among the funds as follows:

General Fund	2,377	2,596	+219
War Bonus and Mental Health Bond Account			
Personal income tax	113	128	+ 15
Cigarette tax	27	26	- 1
Highway Account			
Motor fuel tax	80	80	
Total income	2,597	2,830	+233

**Table 3 — Local Assistance Fund Appropriations**

Agency or Purpose	1962-63	1963-64 <sup>a</sup>
Education, total	\$ 921,628,300	\$1,034,180,560
Education Department	886,456,815	994,859,498
Support of public schools	866,881,815	973,484,498
School lunch program	9,500,000	10,500,000
Library aid	9,400,000	10,200,000
Recreation for the elderly	425,000	425,000
Physically handicapped children	250,000	250,000
State University	35,171,485	39,321,062
City University of New York	27,071,062	28,821,062
Community colleges	7,100,423	9,500,000
City University — doctoral programs	1,000,000	1,000,000
Social Welfare, total	194,823,000	204,231,770
Public assistance and care	158,644,000	164,918,000
Medical assistance for the aged	28,808,000	31,406,000
Care of juvenile delinquents	4,475,000	4,225,000
Administration of local assistance	2,896,000	3,682,770
Taxation and Finance, total	167,293,163	168,274,086
Per capita aid	100,293,163	98,674,086
Counties' share of motor vehicle fees	32,000,000	33,000,000
Counties' share of motor fuel taxes	26,000,000	27,000,000
Railroad tax relief	9,000,000	9,600,000
Health, total	39,932,825	42,160,000
General public health work	24,450,000	26,000,000
Physically handicapped children	5,550,000	6,600,000
Tuberculosis care	6,800,000	5,900,000
Sewage treatment works	1,000,000	1,500,000
Laboratories and blood banks	1,400,000	1,400,000
Care of adults with poliomyelitis	36,000	40,000
Administration of local assistance	696,825	720,000
Housing, total	35,162,222	33,259,019
Housing subsidies	22,555,368	22,609,931
Urban renewal grants	10,000,000	7,500,000
Urban renewal subsidies	801,840	818,640
Administration of local assistance	1,805,014	2,330,448
Mental Hygiene, total	16,171,291	16,797,781
Community services	15,900,000	16,500,000
Administration of local assistance	271,291	297,781
Public Works, total	18,790,448	15,192,335
Town highways	12,874,549	12,756,000
County highways	2,254,000	2,266,264
Municipal public works planning	3,500,000	
Administration of local assistance	161,899	170,071
Housing Rent Commission	6,782,930	7,191,991
Youth, Division for	3,888,365	3,815,514
Judiciary — justices' salaries	795,000	3,180,000
Correction — probation services	1,500,154	2,943,122
Veterans' Affairs — service agencies	497,000	494,000
Conservation — water resources, watershed protection, reforestation, rabies control	284,651	268,216
General Services, Office of — surplus commodities	69,996	73,804
Commerce — urban planning	368,979	
Miscellaneous	1,214,470	184,936
Total	\$1,409,202,794	\$1,532,247,134

<sup>a</sup> Excludes allowance for possible deficiency appropriations Dollars rounded

Table 4 — State Purposes Fund Appropriations

Agency or Purpose	1962-63	1963-64 <sup>a</sup>
Mental Hygiene, Department of	\$245,242,706	\$264,372,793
State University	76,755,043	94,112,567
Education Department	67,650,412	70,698,565
Executive Department, total	59,334,492	64,534,379
Alcoholic Beverage Control, Division of	3,811,428	4,215,103
Atomic and Space Development, Office of	194,000	253,381
Budget, Division of the	1,997,993	2,107,500
Civil Defense Commission	2,831,701	2,462,076
Executive Chamber	2,120,000	2,134,220
General Services, Office of	9,263,817	10,695,132
Human Rights, Commission for	1,532,834	1,687,743
Local Government, Office for	2,991,902	3,211,222
Military and Naval Affairs, Division of	6,750,564	7,032,247
Parole, Division of	4,904,529	5,251,752
State Police, Division of	19,539,393	21,055,397
State Recreation Council	.....	25,000
Transportation, Office of	335,000	347,000
Veterans' Affairs, Division of	1,380,800	1,445,566
Youth, Division for	1,680,531	2,611,040
Public Works, Department of	61,093,642	63,515,957
Correction, Department of	49,876,892	52,433,915
Taxation and Finance, Department of	30,810,150	32,154,531
Health, Department of	25,552,630	27,280,684
Conservation Department	20,351,923	22,078,563
Social Welfare, Department of	14,497,968	16,229,791
Motor Vehicles, Department of	13,047,041	13,814,333
Labor, Department of	10,412,350	11,248,148
Legislature	11,870,259	11,225,888
Judiciary	9,158,236	9,988,216
Audit and Control, Department of	6,629,091	7,300,375
Agriculture and Markets, Department of	6,544,239	7,007,473
Law, Department of	5,200,711	5,643,845
State, Department of	5,407,433	5,473,601
Commerce, Department of	4,399,531	4,703,090
Public Service, Department of	4,197,920	4,386,619
Civil Service, Department of	3,912,311	4,257,980
Insurance Department	463,482	491,314
Banking Department	270,700	278,705
Other State agencies and commissions	11,696,869	11,165,755
All agencies — salary adjustments	15,150,000	400,000
General State charges	.....	.....
Pension administration, contributions	54,204,821	64,191,281
Social security admin., contributions	13,145,979	14,773,916
Health and compensation insurance	10,213,193	9,857,486
Taxes on public lands, judgments, etc	8,549,229	9,503,729
Unemployment insurance	1,555,811	1,500,000
Total current operations	\$847,195,064	\$904,623,499
Debt service	19,483,130	17,076,702
Grand total	\$866,678,194	\$921,700,201

<sup>a</sup> Excludes allowance for possible deficiency appropriations Dollars rounded

Table 5 — Capital Construction Fund Appropriations<sup>a</sup>

Agency or Purpose	Prior Appropriations in Force April 1, 1963	New Appropriations 1963-64	Total Appropriations Available 1963-64
Public Works, Department of, total	\$405,080,749	\$155,996,540	\$561,077,289
Highways	277,044,230	92,300,000	369,344,230
Grade crossing elimination	64,192,132	10,500,000	74,692,132
Parkways	23,279,433	7,795,000	31,074,433
Taconic State Parkway	7,157,696	5,013,000	12,170,696
Capital City improvements	16,913,820	.....	16,913,820
Buildings and grounds	5,016,554	.....	5,016,554
Canals	3,064,575	1,000,000	4,064,575
Shore protection	2,711,915	.....	2,711,915
Flood control	1,298,044	260,000	1,558,044
Mass transp demonstration projects	.....	1,358,000	1,358,000
District offices and shops	980,333	.....	980,333
Acquisition of property	786,000	.....	786,000
Rehabilitation and improvements	113,933	.....	113,933
Dag Hammarskjold memorial	100,000	.....	100,000
Services and expenses	2,422,084	37,770,540	40,192,624
Mental Hygiene, Department of	126,017,096	28,553,000	154,570,096
Executive Department, total	150,733,347	5,476,989	156,210,336
Civil Defense Commission	99,373,900	.....	99,373,900
General Services, Office of	27,908,418	4,353,989	32,262,407
Military and Naval Affairs, Division of	2,350,575	545,000	2,895,575
Youth, Division for	786,977	.....	786,977
Atomic and Space Development Office of	230,078	475,000	705,078
State Police, Division of	83,399	103,000	186,399
Education, total	9,577,505	2,250,000	11,827,505
Community colleges	6,960,135	2,000,000	8,960,135
Education Department	1,175,117	250,000	1,425,117
State University	949,525	.....	949,525
State University Construction Fund	447,868 <sup>b</sup>	.....	447,868
All other	44,860	.....	44,860
Conservation Department	7,463,639	1,461,244	8,924,883
Correction, Department of	5,850,200	2,490,000	8,340,200
Health, Department of	2,593,978	5,500,000	8,093,978
Social Welfare, Department of	6,480,146	1,037,000	7,517,146
Commission on the World's Fair	6,572,449	.....	6,572,449
Law, Department of	24,324	2,320,292	2,344,616
Public Service, Department of	1,331,772	550,000	1,881,772
Audit and Control, Department of	11,587	155,873	167,460
East Hudson Parkway Authority	154,234	.....	154,234
Agriculture and Markets, Dept of	91,739	.....	91,739
All other	2,819,692	7,302,375	10,122,067
Grand total	\$704,802,457	\$213,093,313	\$917,895,770

<sup>a</sup> Dollars rounded. <sup>b</sup> Appropriated only to initiate the Fund, which is now financed by first-instance appropriations

Table 6 — Direct State Aid to Localities, by County, 1962-63

(thousands of dollars)

	Total	Education	Social Welfare	Per Capita Assistance	Highways	Health	Housing and Urban Renewal	Mental Health	All Other
Albany	17,677	12,242	1,662	1,602	1,483	461	11	165	51
Allegany	6,808	5,253	230	221	1,008	20	47	33	76
Broome	23,012	19,229	1,102	1,147	1,170	157	59	15	127
Cattaraugus	10,872	7,993	763	436	1,216	172	70	29	218
Cayuga	7,949	5,706	739	401	849	118	10	10	166
Chautauqua	15,751	12,465	964	816	1,230	100	77	9	105
Chemung	9,539	7,495	604	551	1,004	148	22	.....	44
Chenango	7,160	5,620	234	213	804	45	.....	.....	38
Clinton	7,797	6,109	320	334	725	118	.....	.....	29
Columbia	5,500	4,106	320	225	566	95	.....	.....	41
Cortland	5,089	3,928	201	226	1,349	127	.....	.....	35
Delaware	7,411	5,573	190	216	1,349	48	.....	.....	52
Dutchess	12,928	10,224	535	785	1,034	189	76	33	1,743
Erie	74,603	47,545	10,794	6,224	3,280	3,031	1,517	469	27
Essex	4,246	3,202	251	168	570	28	.....	.....	26
Franklin	6,049	4,773	305	229	664	50	.....	.....	19
Fulton	5,824	4,658	357	312	406	72	.....	.....	32
Genesee	6,324	5,064	333	277	526	92	.....	.....	12
Greene	3,556	2,640	162	147	574	20	1	.....	7
Hamilton	605	420	12	16	136	14	.....	.....	51
Herkimer	7,939	6,512	276	369	708	23	44	11	49
Jefferson	11,106	8,588	796	499	1,011	108	.....	.....	12
Lewis	4,659	3,371	161	110	693	312	.....	.....	115
Livingston	5,367	4,110	227	212	662	41	.....	.....	51
Madison	8,725	7,139	348	286	824	77	186	456	367
Monroe	42,228	29,232	5,215	3,268	1,895	1,609	.....	.....	21
Montgomery	5,386	4,193	276	360	429	107	246	958	332
Nassau	117,228	97,907	5,384	6,006	4,253	2,142	233	66	210
Niagara	21,959	17,040	1,818	1,403	838	351	551	49	79
Oneida	27,087	20,378	2,748	1,465	1,589	228	.....	.....	.....

	Total	Education	Social Welfare	Per Capita Assistance	Highways	Health	Housing and Urban Renewal	Mental Health	All Other
Onondaga	37,248	27,460	4,305	2,359	1,652	774	295	153	250
Ontario	7,333	5,768	362	357	714	30	.....	20	82
Orange	17,159	13,601	948	937	1,217	118	223	22	93
Orleans	4,590	3,728	269	164	386	31	.....	.....	12
Oswego	11,483	9,206	618	458	1,019	46	102	.....	34
Osage	7,322	5,454	280	263	1,252	46	.....	.....	27
Putnam	2,624	1,927	148	126	530	29	.....	17	27
Rensselaer	12,094	8,660	1,244	817	903	279	68	40	83
Rockland	13,171	10,648	745	566	546	254	287	89	36
St. Lawrence	11,974	9,560	1,293	575	1,729	82	62	21	60
Saratoga	11,345	8,750	316	452	872	102	.....	16	27
Schenectady	11,843	8,750	1,075	897	515	236	218	100	32
Schoharie	3,700	2,870	99	105	578	32	.....	.....	21
Schuyler	2,102	1,552	61	70	382	13	.....	.....	30
Seneca	3,811	2,995	210	149	363	64	.....	.....	130
Steuben	14,027	11,072	403	533	1,845	44	.....	.....	255
Suffolk	72,255	60,548	4,537	2,498	3,649	545	9	214	545
Sullivan	4,823	3,380	300	196	886	17	.....	9	33
Tioga	5,807	4,804	300	179	585	6	.....	.....	54
Tompkins	7,243	5,669	354	356	586	219	40	10	59
Ulster	11,015	8,374	592	560	1,089	317	.....	.....	33
Warren	4,710	3,549	308	226	535	55	.....	21	16
Washington	6,899	5,451	294	247	824	53	.....	9	21
Wayne	8,977	7,442	325	307	788	30	.....	10	75
Westchester	49,849	32,370	5,529	4,796	2,300	1,397	1,964	853	640
Wyoming	4,965	3,908	176	166	605	88	.....	.....	22
Yates	2,572	1,954	57	90	446	13	.....	.....	12
Total, 57 counties	845,147	645,391	62,409	46,973	58,662	15,043	6,408	3,907	6,354
City of New York	518,110	259,184	129,318	53,177	11,844	23,014	18,737	10,739	11,897
Grand total	1,363,257	904,575	191,927	100,150	70,506	38,057	25,145	14,646	18,251

**Table 7 — Functional Classification  
of Estimated Expenditures, 1963-64**

(millions of dollars)

	<i>Regular Budget Funds</i> <sup>a</sup>	<i>Federal Funds</i>	<i>Other Funds</i>	<i>Total</i>
Education	1,219	33	143	1,395
Highways and Highway Safety	468	212	29	709
Social Welfare	281	239	2	522
Health and Mental Health	454	15	7	476
Services to Agriculture, Business and Labor	84	68	69	221
General Government	145		8	153
Public Safety	110	6	2	118
Natural Resources and Recreation	50	7	39	96
Nonallocated general costs	19			19
<b>Total</b>	<b>2,830</b>	<b>580</b>	<b>299</b>	<b>3,709</b>

<sup>a</sup> General Fund, War Bonus and Mental Health Bond Account, and Highway Account

**Table 8 — Net Outstanding State Debt<sup>a</sup>  
March 31, 1963**

(millions of dollars)

	<i>Long Term</i>	<i>Temporary</i>	<i>Total</i>
<b>Tax-financed</b>			
Mental health construction	116		116
Grade crossing elimination	83		83
Highway construction	77	b	77
Higher education construction	34		34
State institution buildings	5		5
Canals	4		4
Parks and forest preserve	4		4
General state improvements	2		2
<b>Total tax-financed</b>	<b>325</b>	<b>b</b>	<b>325</b>
<b>Other</b>			
Housing and urban renewal <sup>c</sup>	614	56	670
Park and recreation land acquisition	49		49
Grade crossing elimination	28		28
<b>Total other</b>	<b>691</b>	<b>56</b>	<b>747</b>

<sup>a</sup> Exclusive of State-guaranteed debt of the New York State Thruway Authority, the Port of New York Authority and the Job Development Authority, which is not financed from State revenue

<sup>b</sup> Less than one-half million dollars

<sup>c</sup> Public housing debt service is paid by municipal housing authorities and limited profit housing corporations to whom loans were made

## State Funds

**General Fund** The major operating fund of the State is the General Fund, financed mainly from tax revenues. The General Fund consists of: (1) the Local Assistance Fund, for aid to localities; (2) the State Purposes Fund, for operations of State agencies and a substantial part of debt service; and (3) the Capital Construction Fund, which finances the construction of highways, bridges and State buildings, as well as park, military, canal, flood control and other facilities

**Special Budget Accounts** One-third of the motor fuel tax is paid into the Highway Account, part of which is used to pay debt service on highway bonds and the balance transferred to the General Fund for highway expenditures. The War Bonus and Mental Health Bond Account receives one-ninth of personal income tax receipts and one-fifth of cigarette tax receipts. These are used to pay debt service on bonds for mental hospital construction, with any remainder being transferred to the General Fund

**Reserve and Other Funds** The Local Assistance Fund and the State Purposes Fund each has a corresponding Reserve Fund, to which small unexpended balances are transferred at the end of the fiscal year. These reserve funds may be drawn upon only if an unanticipated deficit occurs

Other funds include the State University Income Fund, the Mental Hygiene Facilities Improvement Fund Income Account, the Park and Recreation Land Acquisition Account, the Conservation Fund, the Motor Boat Regulation Fund, the Purchase Revolving Fund and the Fund for Investigation and Valuation of Public Utilities. They derive income from such sources as tuition, patient reimbursements, sale of products, assessment of the industry being regulated, fees, licenses, and charges. Expenditures may be made only for purposes specified by law.

Funds are also maintained to receive and disburse Federal grants, such as the Federal Social Security Fund (which receives Federal monies for welfare programs), the Federal Fund for Hospital Construction, and the Federal Airport Project Fund. The Unemployment Insurance Benefit Fund and the State Employees' Retirement System Fund are among the largest of a group of many trust, retirement, bequest, custodial and college income funds. The Housing Debt Fund pays debt service on housing bonds, financed by payments from local housing authorities (which are assisted by State subsidies). The Grade Crossing Elimination Debt Fund receives assessments on railroad companies to pay debt service on certain grade crossing elimination bonds.



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