

MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT, entered into on September 12, 2006, by and between John F. Cape, Director of the Budget, on behalf of Governor George E. Pataki; Mary Louise Mallick, Secretary of the Senate Finance Committee, on behalf of Joseph L. Bruno, Temporary President and Majority Leader of the Senate; and Dean A. Fuleihan, Secretary of the Assembly Ways and Means Committee, on behalf of Sheldon Silver, Speaker of the Assembly.

WHEREAS, Section 99-d of the State Finance Law provides that accounts within the Community Projects Fund may be designated pursuant to a written suballocation plan;

WHEREAS, the enacted State Fiscal Year (SFY) 2006-07 Budget includes a new \$200 million Community Projects Fund (CPF) – 007 appropriation for services and expenses, grants in aid, or for contracts with certain not-for-profit agencies, universities, colleges, school districts, corporations, and/or municipalities to support various programs; and

WHEREAS, Chapter 55 and Chapter 59 of the Laws of 2006 stipulate that use of that appropriation shall be subject to a Memorandum of Understanding executed by the above-named parties;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Eighty-five million dollars (\$85,000,000) of the \$200 million authorized by the SFY 2006-07 CPF-007 appropriation shall be allocated to and made available for projects designated by the Temporary President and Majority Leader of the Senate. However, in accordance with section 4 of the state finance law, the comptroller is authorized and directed to transfer from the general fund-state purposes account to the community projects fund 007 account AA: (a) \$31,875,000 for the period April 1, 2006 through March 31, 2007; and (b) \$53,125,000 for the period April 1, 2007 through March 31, 2008.

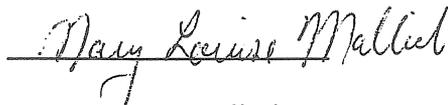
2. Eighty-five million dollars (\$85,000,000) of the \$200 million authorized by the SFY 2006-07 CPF-007 appropriation shall be allocated to and made available for projects designated by the Speaker of the Assembly. However, in accordance with section 4 of the state finance law, the comptroller is authorized and directed to transfer from the general fund-state purposes account to the community projects fund 007 account CC: (a) \$31,875,000 for the period April 1, 2006 through March 31, 2007; and (b) \$53,125,000 for the period April 1, 2007 through March 31, 2008.
3. Thirty million dollars (\$30,000,000) of the \$200 million authorized by the SFY 2006-07 CPF-007 appropriation shall be allocated to and made available for projects designated by the Governor. However, in accordance with section 4 of the state finance law, the comptroller is authorized and directed to transfer from the general fund-state purposes account to the community projects fund 007 account GG: (a) \$11,250,000 for the period April 1, 2006 through March 31, 2007; and (b) \$18,750,000 for the period April 1, 2007 through March 31, 2008.
4. At any time, but not more than once within any 30 calendar day period, projects may be proposed by the Governor, Senate Majority Leader, and Speaker of the Assembly, or their respective designees, to be funded pursuant to and consistent with the CPF appropriation. Such projects, including the legally incorporated name of the recipient organization, the amount of funding requested for the project, and the State agency or authority requested to administer the funding, shall be shared among the Director of the Budget, the Secretaries of the respective Legislative Fiscal Committees, and the appropriate administering State agency, department, or authority for review. Concerns regarding any project(s) shall be raised directly with the Director of the Budget and/or the Secretaries of the respective Legislative Fiscal Committees or their representatives. If by the close of the thirtieth day after transmittal there has been no concern raised among the parties regarding the transmitted project(s), each administering State agency, department, or authority shall transmit project award letters and contract applications to each of the recipient organizations.

5. Projects shall be posted on a public web site to insure full and public disclosure of all projects recommended for funding. Disbursements to any recipient organization shall be strictly prohibited during the first 30 calendar days immediately following the initial date of public disclosure.
6. Immediately following the thirtieth day of public disclosure, necessary funding shall be suballocated by the Director of the Budget on certificate to the appropriate administering agency, department or authority as indicated on the transmittal. After project review, such agency, department or authority shall, subject to the review of the Attorney General and to the Comptroller's approval pursuant to Section 112 of the State Finance Law, enter into a contract with the named organization. The Comptroller may also perform audits on such projects as deemed appropriate.
7. Nothing herein shall have the effect of limiting or modifying current responsibilities of the agency, department or authority to insure that project proposals are reviewed and that recipient organizations meet their contractual obligations.
8. This agreement may be amended only by written agreement of all parties.

Dated this 12th day of September, 2006



John F. Cape
Director of the Budget



Mary Louise Mallick
Secretary, Senate Finance Committee



Dean A. Fuleihan
Secretary, Assembly Ways and Means Committee